



GOVERNMENT OF KERALA

Abstract

Finance Department – Execution of public works on Item Rate Contracts – Regulating the abnormally high quoted and low quoted items – Clarifications – Orders issued

FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT

G.O.(P)No. 54/2019/Fin.

Dated, Thiruvananthapuram, 04.05.2019

- Read :-
- 1) G.O.(P) No. 324/2015/Fin dated 30.07.2015
 - 2) G.O.(P) No. 30/2016/Fin dated 29.02.2016
 - 3) G.O.(P) No. 16/2017/Fin dated 06.02.2017
 - 4) G.O.(P) No. 8/2018/Fin dated 15.01.2018
 - 5) G.O.(P) No. 154/2018/ Fin dated 01.10.2018

ORDER

As per the Government Order cited 1st and 2nd papers, all tenders for public works costing more than ₹ 5 lakhs shall be invited through E-tender portal on Item Rate Contract only. Vide Government Order read as 3rd and 5th papers, Government have dispensed the Tender Committees at Government level and delegated powers to the Departmental Tender Committees at Chief Engineer, Superintending Engineer and Executive Engineer levels for approving the tenders subject to certain conditions.

2) In order to avoid time and cost over run on account of deviations necessitated during the course of execution of work, as per the Government Order read as 4th above, instructions were issued to all Government Departments and PSUs to ensure the detailed investigation, design, estimation etc while according Administrative Sanction itself. It was also stipulated that if revision of estimates in excess of 10% of Technical Sanction amount is necessitated due to lapses in

investigation / design / planning / estimation, the Officers will be made accountable and proceeded against.

3) As per relevant Clauses of Government approved Standard Bidding Document (SBD), the contractor is bound to execute excess quantities up to 25% of scheduled quantity at contract rates. The criteria to be adopted for fixing the rates for excess quantities and extra items are also mentioned in the SBD.

4) However, some discrepancies have been observed while processing of tenders and execution of works under Item Rate Contracts. Also instances have been noticed where the low quoted items are excluded during execution and excess quantities of high quoted items are executed without adequate technical justification, resulting in heavy loss to the public exchequer.

5) In order to avoid such instances in future, Government are pleased to issue the following clarifications on Item Rate Contracts to all Government Departments and PSUs:-

- 1) Tenders for all public works costing more than ₹ 5 lakh shall be invited through E-tenders on Item Rate Contract only.
- 2) The bidder who has quoted lowest total amount shall be considered as L1.
- 3) The quoted rates of L1 for all items may be compared with current DSR and current LMR. The items whose quoted rates are more than current DSR may be treated as High Quoted Items and less than current DSR may be treated as Low Quoted Items.
- 4) Negotiations shall be done with L1 only to reduce the high quoted rates so as to explore the possibility for bringing them within DSR + 10% tolerance limit or LMR, which ever is lower.
- 5) The admissible contract amount will be least of (i) Negotiated Contract PAC of L1 (ii) Estimate amount based on current LMR and (iii) Estimate amount based on current DSR plus 10% tolerance limit.
- 6) The quoted rates with deviation of more than (+/-) 25% over Technical Sanction Estimate Rates may be treated as Abnormally High Quoted Rates

- (AHQR) item / Abnormally Low Quoted Rates (ALQR) item, as the case may be. In respect of AHQR item, under normal circumstances, the contract rate is applicable for the scheduled quantities in the Agreement only.
- 7) In case of quantities exceeding the agreement schedule quantities and up to 25% limit that are necessitated for proper completion of work, the contract rates of corresponding item shall apply.
 - 8) For excess quantities, i.e, quantities in excess of 25% over agreement schedule quantities, the admissible rates shall be limited to Technical Sanctioned Estimate Rate modified by overall tender excess / tender deficit, as the case may be, subject to a maximum of PWD local market rates prevailing at the time of ordering.
 - 9) In case of ALQR items, sanction of Technical Sanction authority shall be insisted before limiting execution of concerned item less than 75% scheduled quantity.
 - 10) The relevant clauses of Standard Bidding Document (SBD) and Kerala PWD Manual 2012 shall be modified accordingly.

**By Order of the Governor,
SANJEEV KAUSHIK IAS
Principal Secretary (Finance-Resources)**

To

The Principal Accountant General (A&E) Kerala, Thiruvananthapuram
The Principal Accountant General (G&SSA) Kerala, Thiruvananthapuram
The Accountant General (E&RSA) Kerala, Thiruvananthapuram
The Principal Accountant General (Audit) Kerala, Thiruvananthapuram
All Heads of Departments and Offices
The Secretary to Governor
All Departments of Secretariat
All Private Secretaries to Ministers
Private Secretary to Chief Minister
Private Secretary to the Leader of Opposition
All Secretaries to Government

The Registrar, High Court of Kerala
The Secretary, Kerala Human Rights Commission, Thiruvananthapuram
The Election Commissioner, State Election Commission, Thiruvananthapuram
The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam
The Nodal Officer, www.finance.kerala.gov.in
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Section Officer



GOVERNMENT OF KERALA

Abstract

Finance Department – Revision of tender fee , Earnest Money Deposit, Performance Guarantee etc – modified orders issued

FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT

G.O.(P) No. 429/15/Fin

Dated, Thiruvananthapuram, 28.09.2015

Read:- 1. G.O(P) No.3/2015/Fin dated 5.1.2015
2. G.O(P) No.295/15/Fin dated 15.7.2015

ORDER

Government issued orders revising/clarifying the rates of tender fee, Earnest Money Deposit, Performance Security Deposit etc vide orders read above. It has now come to the notice of Government that certain points mentioned in the above Government Orders require further clarity to avoid ambiguity while execution of public works. Government are therefore pleased to issue the following modifications on the orders issued in Government Orders read above.

1. Tender fee :-

In order to enhance competition in execution of public works, the cost of tender fee has been rationalized as follows.

Cost of Work	Tender fee
i) Upto Rs. 50,000	i) Rs.300
ii) Above Rs.50,000 - upto Rs.10 Lakh	ii) 0.2% of cost of work (subject to a minimum of Rs.500 and maximum of Rs.2000)
iii) Above Rs.10 Lakh - upto Rs.1 crore	iii) Rs.2500

2500/-

iv) Above Rs.1 crore-upto Rs.2Crore	iv) Rs.5000
v) Above Rs.2 crore – upto Rs.5 crore	iv) Rs.7500
vi) Above Rs.5 crore -upto Rs.10 crore	v) Rs.10,000
vii) Above Rs.10 crore	vi) Rs.15000

2. Earnest Money Deposit (EMD)

Earnest Money Deposit (EMD) is collected to ensure serious participation in the bidding process and this amount will be returned soon after finalising the lowest bidder. Taking into consideration of the fact that fixing higher amount will reduce competition the rates of EMD has been revised as follows.

Cost of Work	Amount of EMD
i) upto Rs.2 crore	i) 2.5% of the project cost, subject to a maximum of Rs 50,000
ii) Above Rs 2 Crore up to Rs 5 Crore	ii) Rs.1 lakh
iii) Above Rs.5 Crore upto Rs.10 Crore	iii) Rs.2 lakh
iv) Above Rs.10 Crore	iv) Rs.5 lakh

3. Government have gone through the CPWD system where Performance Guarantee and Security Deposits are collected in different modes and at different time intervals. The definitions adopted in old and revised PWD manual are also creating some confusions in the following terminologies. Government therefore clarify the position as follows.

i) Performance Guarantee :

Performance Guarantee , the amount collected at the time of executing contract agreement ,will be 5% of the contract value(agreed PAC)and the

deposit will be retained till the expiry of Defect Liability Period. At least fifty percent(50%) of this deposit shall be collected in the form of Treasury Fixed Deposit and the rest in the form of Bank Guarantee or any other forms prescribed in the revised PWD Manual.

ii) Additional Performance Guarantee

Additional Performance Guarantee is the additional amount to be deposited for unbalanced price ie , for works quoted below estimate rate. The collection of additional deposits is a disincentive to the bidder who offers to execute a work below estimated rate and this will induce the contractor to quote a rate equal to or higher than estimated rate. Government therefore decided to do away with additional performance guarantee for all works quoted below upto 10% of the estimate rate. Additional performance guarantee will be required if works quoted between 11% to 25% below estimate rate .

iii)Performance Security Deposit:

Security Deposit is the retention amount deducted from the running bill of the contractors in addition to the performance guarantee. This will be @2.5% of the gross amount of each running bill so that the amount so retained shall be 2.5% of the value of the work done till then. This can be released against Bank Guarantee on its accumulation to a minimum amount of Rs.5 lakh subject to the condition that the amount of Bank Guarantee except last one shall not be less than Rs.5 lakhs. This amount will be released after passing of final bill as in the case of refund of deposit.

4. These instructions will be applicable to all engineering Departments and supercedes the Government orders read above .

5. The revised rates will be applicable to all tenders floated after the date of issue of this order. However cases already settled will not be reopened.

By Order of the Governor
DR.K.M.ABRAHAM
Additional Chief Secretary (Finance)

To

The Accountant General (A&E) Kerala, Thiruvananthapuram
The Accountant General (G&SSA) Kerala, Thiruvananthapuram
The Accountant General (E&RSA) Kerala, Thiruvananthapuram
All Heads of Departments and Offices
All Departments of Secretariat
All Private Secretaries to Ministers
Private Secretary to Chief Minister
Private Secretary to the Leader of Opposition
All Secretaries to Government
The Secretary, Kerala Public Service Commission,
Thiruvananthapuram (with C/L)
The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam
(with C/L)
The Registrar, High Court of Kerala
The Secretary, Kerala Human Rights Commission,
Thiruvananthapuram
The Managing Director, Kerala State Transport Corporation,
Thiruvananthapuram (with C/L)
The Secretary, Kerala State Electricity Board,
Thiruvananthapuram (with C/L)
The Secretary to Governor
The Nodal Officer, www.finance.kerala.gov.in
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Section Officer

Very Urgent
By Spl. Messenger



GOVERNMENT OF KERALA

Abstract

Finance Department- Additional Performance Guarantee- further clarification- Orders issued

FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT
G.O.(P)No.19/2016/Fin Dated, Thiruvananthapuram, 03/02/2016

Read:- G.O.(P) No. 429/15/Fin dated 28.9.2015

ORDER

Government vide order read above ordered among other things that no additional performance guarantee shall be collected for works quoted below upto 10% of the estimate rate to enhance competition . However additional performance guarantee will be insisted if the amount quoted is between 11% to 25% below estimate rate and no tender shall be accepted below this limit to ensure reasonable quality of works.

2. Now doubts have arisen as to whether additional performance guarantee need be collected in case of works having quoted rates between 10% and 11% below estimate rates. The clarifications were also sought as to whether exemption allowed upto 10% below estimate rate need be applied to rates quoted between 10% and 25%. Accordingly the position is clarified as follows.

“ Additional performance guarantee will be required in all cases where quoted rate falls below 10% of the estimate cost but the maximum permissible lower limit is 25% below the estimated cost.

The 10% standard exemption will be applicable to all estimates quoted below estimate cost upto 25 %. If the rate quoted by the contractor is "x%" below estimate cost (where x lies above 10% and upto 25%) the performance guarantee for an amount equal to (x-10)% of the estimate amount shall be obtained from the contractor"

3. Government order read above stands modified to the above extend.

4. This clarification will take effect from the date of order and cases settled otherwise will not be reopened.

(By Order of the Governor)

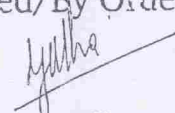
AJAYAKUMAR. A.R.

Additional Secretary (Finance).

To

The Accountant General (A&E) Kerala, Thiruvananthapuram
 The Accountant General (G&SSA) Kerala, Thiruvananthapuram
 The Accountant General (E&RSA) Kerala, Thiruvananthapuram
 All Heads of Departments/Offices
 Private Secretary to Chief Minister
 All Private Secretaries to Ministers
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 All Secretaries to Government
 The Secretary, Kerala Public Service Commission,
 Thiruvananthapuram
 The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam
 The Registrar, High Court of Kerala
 The Secretary, Kerala Human Rights Commission,
 Thiruvananthapuram
 The Managing Director, Kerala State Transport Corporation,
 Thiruvananthapuram
 The Secretary, Kerala State Electricity Board,
 Thiruvananthapuram
 The Secretary to Governor
 All Secreteraiat Departments.
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GOVERNMENT OF KERALA

Abstract

Finance Department-Award of work when contractor quotes rates less than 75% of the Estimated value of work-clarification-Orders issued.

FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT
G.O.(P)No.124/2016/Fin Dated, Thiruvananthapuram, 29/08/2016

Read:- 1. G.O.(P) No. 13/2012/PWD dated 1.02.2012

ORDER

The clause 2009.4 of PWD Manual 2012 envisages that the tender/quotation with quoted PAC less than 75% of the estimated PAC shall not be accepted, since awarding of such works may lead to failure of contract or poor quality of work executed by the contractor and wastage of public money.

2. At present, estimates are prepared using PRICE Software in DSR 2014. It has been observed that many bids are now received at 25% below or even less than the estimated PAC owing to reduction in cost of bitumen, steel or due to any site specific advantage etc. and transparent competition due to e-tendering. Government therefore consider that the existing clause in PWD Manual need a revisit.

3.The Government after having examined this case in detail, are pleased to issue the following guidelines for processing quotes below 25% of estimated PAC, in partial modifications of Clause 2009.4 of Revised PWD Manual.

- i. The tender with lowest quoted rate less than 75% estimated PAC shall not be rejected if sufficient

- competition is ensured and the rate quoted by the second and third lowest bidder are also comparatively nearer to the lowest bidder.
- ii. The tender inviting authority shall obtain a statement from the lowest bidder quoting rates below PAC regarding the reasonableness of the rate quoted to assess that whether the quoted rates are workable.
 - iii. Assessment shall be made by Department also, as to whether the particular work has any rate advantage as compared to the rate as given in Price Software Viz. reduction in cost bitumen, steel etc.
 - iv. If any contractor quotes less than 75% of the estimated PAC and variation with all other quoted rates are much higher, the Tender accepting Authority shall take appropriate decision based on merits.
 - v. The above guidelines will come into force with immediate effect.

(By Order of the Governor)

Dr. K.M.ABRAHAM

Additional Chief Secretary (Finance).

To

The Accountant General (A&E) Kerala, Thiruvananthapuram
The Accountant General (G&SSA) Kerala, Thiruvananthapuram
The Accountant General (E&RSA) Kerala, Thiruvananthapuram
All Heads of Departments/Offices
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All Secretaries to Government
The Secretary, Kerala Public Service Commission,
Thiruvananthapuram
The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam
The Registrar, High Court of Kerala
The Secretary, Kerala Human Rights Commission,
Thiruvananthapuram



GOVERNMENT OF KERALA

Abstract

Finance Department – Acceptance of Guarantee issued from Kerala Financial Corporation for the execution of public works – Orders issued

FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT

G.O.(P)No.168/2018/Fin.

Dated, Thiruvananthapuram, 02.11.2018

- Read :-
- 1) G.O.(P) No. 429/2015/Fin dated 28.09.2015
 - 2) U.O.(f) No. PWD-H3/154/2018-PWD
 - 3) Letter No. KFC/Credit/687/2018 dated 11.07.2018 from the Chairman and Managing Director, Kerala Financial Corporation.
 - 4) Letter No. FR2-125/2018 dated 19.09.2018 from the Chief Engineer, PWD (Roads & Bridges).

ORDER

Government issued orders revising / clarifying the rate of tender fee, Earnest Money Deposit, Performance Security Deposit vide Order read 1st above. Now, vide letter read 3rd paper above, the Chairman and Managing Director, Kerala Financial Corporation has requested to include Kerala Financial Corporation in the list of institutions from which performance guarantee for the works can be accepted. The Chief Engineer, PWD (Roads & Bridges) vide letter read as 4th paper above has reported that Public Works Department has no objection in permitting Kerala Financial Corporation to offer performance guarantee for public works, provided they are authorized to do so.

Government have examined the matter in detail and are pleased to modify Para 3(i) of the Government Order read as 1st paper as follows:-

“Performance Guarantee, the amount collected at the time of executing contract agreement will be 5% of the contract value (agreed PAC) and the deposit will be retained till the expiry of Defect Liability Period. At least Fifty percent (50%) of this deposit shall be collected in the form of Treasury Fixed Deposit and rest in the form of Guarantee issued from Nationalized / Scheduled Bank / Kerala Financial Corporation or any other forms prescribed in the revised PWD Manual”.

Para 3(i) of the Government Order read above modified to the above extent.

**By Order of the Governor,
SANJEEV KAUSHIK
Principal Secretary (Finance-Resources)**

To

The Principal Accountant General (A&E) Kerala, Thiruvananthapuram
The Principal Accountant General (G&SSA) Kerala, Thiruvananthapuram
The Accountant General (E&RSA) Kerala, Thiruvananthapuram
All Heads of Departments and Offices
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All Secretaries to Government
The Registrar, High Court of Kerala
The Secretary, Kerala Human Rights Commission, Thiruvananthapuram
The Election Commissioner, State Election Commission, Thiruvananthapuram
The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam
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GOVERNMENT OF KERALA

Abstract

Finance Department – Additional Performance Guarantee – Mode of remittance – Orders issued

FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT

G.O.(P)No.1/2019/Fin.

Dated, Thiruvananthapuram, 10.01.2019

- Read :-
- 1) G.O.(P) No. 429/2015/Fin dated 28.09.2015
 - 2) G.O.(P) No. 19/2016/Fin dated 03.02.2016
 - 3) G.O.(P) No. 124/2016/Fin dated 29.08.2016
 - 4) G.O.(P) No. 168/2018/Fin dated 02.11.2018
 - 5) Letter No. KWA/JB/WS2/11878/AMRUT/18/TD dated 23.11.2018 from the Managing Director, Kerala Water Authority.

ORDER

As per the Government Order read as 2nd above, if the quoted amount of lowest bidder (L1) is X% below estimated PAC (where X lies above 10% and up to 25%), the Additional Performance Guarantee amount shall be (X - 10)% of estimated PAC. Also, as per the Government Order read as 3rd above, Government have lifted the restrictions in Kerala PWD Manual 2012 on awarding of contract for public works at quoted amounts less than 75% of estimated PAC. Later, as per the Government Order read as 4th above, it was clarified that 50% Performance Guarantee shall be collected in the form of Treasury Fixed Deposit and rest in the form of Guarantee issued from any Nationalized Bank / Scheduled Bank / Kerala Financial Corporation or any other forms prescribed in the Kerala PWD Manual.

As per the letter read as 5th above, the Managing Director, Kerala Water Authority has sought clarifications on mode of payment of Additional Performance Guarantee since the same is not seen mentioned in the above Government Orders.

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Government have examined the matter in detail and are pleased to issue the following clarifications to all Government Departments and PSUs on Additional Performance Guarantee:-


- i. If the quoted amount of lowest bidder (L1) is X% below estimated PAC, the Additional Performance Guarantee amount shall be (X - 10)% of estimated PAC.
- ii. 50% of Additional Performance Guarantee shall be in the form of Treasury Fixed Deposit and rest in the form of Guarantee issued from any Nationalized Bank / Scheduled Bank / Kerala Financial Corporation or any other forms prescribed in the Kerala PWD Manual.
- iii. Additional Performance Guarantee shall be collected before executing the agreement in the same form as Performance Guarantee and may be released while passing the final contract bill.

By Order of the Governor,
SANJEEV KAUSHIK
Principal Secretary (Finance-Resources)

To

The Principal Accountant General (A&E) Kerala, Thiruvananthapuram
The Principal Accountant General (G&SSA) Kerala, Thiruvananthapuram
The Accountant General (E&RSA) Kerala, Thiruvananthapuram
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The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam
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Section Officer



GOVERNMENT OF KERALA

FINANCE (INDUSTRIES & PUBLIC WORKS-B) DEPARTMENT

C I R C U L A R

No.18/2019/Fin.

Dated, Thiruvananthapuram, 01.03.2019

Sub:- Procurement of Goods or Services or both or works by Government Departments, Public Sector Undertakings / Autonomous bodies or any agency of Government of Kerala in the context of GST – Clarification issued

Ref:- 1) Government Circular No. 90/2017/Fin dated 14.12.2017.
2) Minutes of the meeting held by the Additional Chief Secretary (Finance) on 06.02.2019.

The Goods and Services Tax (GST) has come into effect in the State with effect from 1st July 2017. As per the Government Circular referred above, certain guidelines were issued regarding the applicability of GST on procurement of Goods, services and Public works arranged by various Government Departments and PSUs. Now, it has come to the notice of Government that certain points in the Circular require further elucidation to avoid ambiguity since the existing DSR and Cost Indices are inclusive of all taxes including VAT / GST and new SoR without tax component is yet to be published by CPWD.

In the meeting held on 06.02.2019, it was observed that the base estimate shall be prepared based on rates devoid of GST. The GST shall

be added to the above base value. Also, TDS should be deducted on the base value.

The Government after having examined the matter in detail, decided to issue following revised guidelines on GST for procurement of Goods and arrangement of services and public works by various Kerala Government Agencies, with immediate effect:-

1. In case of Public Works, for which estimates are prepared based on DSR (Delhi Schedule of Rates), the latest Cost of Indices published by PWD from time to time excluding the VAT / GST component is to be used for arriving estimate rates and it should be without GST Component(s) on the input/input services.
2. In the case of Non-DSR items also, the rate(s) taken for the input/input services should be exclusive of VAT/ GST Component.
3. The Public Works Department shall derive the applicable Cost Indices for various locations excluding the VAT/GST Component and upload in the PRICE software, in time.
4. All bidders for public works, goods and services should have valid GST Registration.
5. The rates quoted by the bidders shall include all taxes and duties Construction Workers Welfare Fund Contribution etc, except the GST.
6. While finalizing the procurement of Goods, Services or both or Public Works, the total amount of the estimates should be arrived exclusive of Goods and Service Tax (GST).
7. For the purpose of determining the lowest bidder (L1), the rates quoted by the bidders exclusive of GST amount should be taken into consideration.

8. For the purpose of issuing Administrative Sanction, the total amount for approval should indicate the estimate amount and GST applicable amounts separately.
9. When the bills for any goods, services or both or Public Works procured are processed, the payment has to be made to the contractor for the total value of the works at contract rates **PLUS** the applicable GST rate.
10. In case of change in the GST rate between the date of invoice and date of supply OR last date of submission of tender (in case of works), and the date of release of payment for works done, the prevailing GST Rate will be reckoned as per the GST laws of the Central and State Governments for payment.
11. Any variations in the tax rate of GST (increase or decrease) shall be adjusted at the time of bill processing i.e, deduction in the case of decrease in GST Rate or addition in case of increase in GST Rate shall be made at the time of settlement of bills.
12. The TDS and other deductions would be on payments made or credited to the supplier excluding GST.
13. The amount deducted as tax under the provisions of GST Act shall be paid into the Government by the deductor within **TEN** days after the end of month in which such deduction is made in the prescribed manner.
14. The deductor shall furnish to the deductee a certificate mentioning therein Contract value, rate of deduction, amount deducted, amount paid into Government in the prescribed manner.

The Circular read above modified to the above extent.

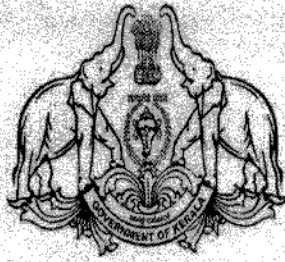
MANOJ JOSHI IAS
Additional Chief Secretary (Finance)

To

The Principal Accountant General (A&E), Kerala, Thiruvananthapuram.
The Principal Accountant General (G&SSA) Kerala Thiruvananthapuram.
The Principal Accountant General (Audit) Kerala Thiruvananthapuram.
The Principal Accountant General (E&RSA) Kerala, Thiruvananthapuram.
All Heads of Departments and Offices
The Nodal Officer, www.finance.kerala.gov.in.
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Section Officer



GOVERNMENT OF KERALA

Abstract

Finance Department – Covid - 19 pandemic - Relaxing the requirements of performance Security /Security Deposit, Bid Security/Earnest Money Deposit and Additional Performance Guarantee for the execution of public works in the State - Orders issued

FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT

G.O.(P) No.7/2021/Fin.

Dated, Thiruvananthapuram, 07.01.2021

- Read :-
- 1) G.O.(P) No.429/2015/Fin dated 28.09.2015
 - 2) G.O.(P) No. 01/2019 /Fin dated 10.01.2019
 - 3) G.O.(P) No.168/2019/Fin dated 07.12.2019
 - 4) OM No. F 18/4/2020 - PPD dated 13.05.2020
 - 5) OM No. F 9/4/2020 - PPD dated 12.11.2020
 - 6) Circular No.62/2020/Fin dated 27/10/2020

ORDER

As per the Government Order read as 1st paper above, It was ordered that, Performance Guarantee , the amount collected at the time of executing contract agreement will be 5% of the Contract Value (Agreed PAC) and the deposit will be retained till the expiry of Defect Liability Period. Atleast 50% of this deposit shall be collected in the form of Treasury Fixed Deposit and rest in the form of Bank Guarantee or any other forms prescribed in the revised PWD Manual. As per this Government Order, Additional Performance Guarantee is the additional amount to be deposited for unbalanced price ie, for works quoted below estimate rate. Additional Performance Guarantee will be required if works quoted between 11% to 25% below estimate rate. Government Order read as 2nd paper above says that , if the quoted amount of the lowest bidder (L1) is x% below the estimated PAC, the Additional Performance Guarantee shall be (x-10)% of estimated PAC. Subsequent to this Order, clarifications were issued regarding calculation of Additional Performance Guarantee for percentage

rate contracts and item rate contracts vide the Government Order read as 3rd paper above.

2) On account of slow down in economy and acute financial crunch among the contractors due to COVID-19 pandemic, Government of India issued following guidelines vide Office Memoranda read as 4th and 5th papers above and State Governments were requested to consider issuing similar instructions in respect of procurement by the State Government, by State Government Public Undertakings, Local Bodies and all agencies controlled by them.

i) Reduction in Performance Security from existing 5-10% to 3% of the value of the contract.

ii) No provisions regarding Bid Security should be kept in the Bid Documents in future and only provisions for Bid Security Declaration should be kept in the Bid Documents.

iii) No provision should be kept in the Bid Documents regarding Additional Security Deposit/Bank Guarantee (BG) in case of Abnormally Low Bids.

3. As per the Circular read as 6th paper above, it was ordered that the Additional Performance Guarantee may be released in proportion of successful completion of items having low rates. Several contractors and Associations submitted representations requesting to extend the benefits covered by the relief measures announced by the Government of India to the State Government Contractors also.

4. Government have examined the matter in detail and are pleased to order as follows.

1) Performance Security / Security Deposit to be submitted at the time of executing the agreement is reduced from the existing rate of 5% to 3% of the contract amount.

2) Correspondingly Bid Security / Earnest Money Deposit is reduced from 2.50% to 1.50% of the estimated amount.

3) Additional Performance Guarantee is waived for the low quoted items on the condition that the bidder shall furnish an undertaking to execute all low quoted items in full as per contract terms.

5. The above relaxations on account of COVID -19 pandemic are made applicable for works initially for one year and would be reviewed post that date.

6. This Government Order is made applicable to all new tenders as well as works which have been tendered and awarded, but agreements have not been signed by the winning bidder.

**By Order of the Governor,
RAJESH KUMAR SINGH
ADDITIONAL CHIEF SECRETARY(Finance)**

To

The Accountant General (A&E) Kerala, Thiruvananthapuram
The Accountant General (Audit II) Kerala, Thiruvananthapuram
All Heads of Departments and Offices
The Secretary to Governor
All Departments of Secretariat
All Private Secretaries to Ministers
Private Secretary to Chief Minister
Private Secretary to the Leader of Opposition
All Secretaries to Government
General Administration (SC) Department (Vide Item No. 4467 dated 06/01/2021)
The Registrar, High Court of Kerala
The Secretary, Kerala Human Rights Commission, Thiruvananthapuram
The Election Commissioner, State Election Commission, Thiruvananthapuram
The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam
The Nodal Officer, www.finance.kerala.gov.in
Stock file/Office Copy (E-1633771)

Forwarded/By Order

Lathika

Section Officer



GOVERNMENT OF KERALA

Abstract

Finance Department - Relaxation in Performance Guarantee for the execution of Public Works in the State - Extended - Orders issued.

FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT

G.O.(P)No.32/2022/FIN

Dated, Thiruvananthapuram, 15-03-2022

- Read :-
1. G.O(P)No. 429/2015/FIN dated 28.09.2015.
 2. Office Memorandum No. F9/4/2020-PPD dated 12/11/2020
 3. G.O(P)No. 7/2021/FIN dated 07.01.2021.
 4. Office Memorandum No. F 9/4/2020-PPD dated 30/12/2021

ORDER

As per the Government Order read as 1st paper above, Performance Guarantee, the amount collected at the time of executing contract agreement will be 5% of the contract value (Agreed PAC). On account of slow down in economy and acute financial crunch among the contractors due to Covid 19 pandemic, Government of India as per Office Memorandum read as 2nd paper above, have reduced Performance Guarantee to be submitted at the time of executing contracts from the existing rate of 5-10% to 3% of the value of the contract. Subsequently Government of Kerala as per order read as 3rd paper above reduced the requirement of Performance Guarantee from 5% to 3% of the contract value for a period of one year.

2) Now Government of India as per Office Memorandum read as 4th paper above extended the validity of Office Memorandum dated 12/11/2020 for a period up to 31.03.2023. Consequently Government have received various requests to extend the benefits on reducing the rate of performance guarantee to contracts executed under the State of Kerala.

3) Government have examined the matter in detail and are pleased to extend the relaxations in Performance Guarantee ordered as per Government Order read as 3rd paper above for a further period up to 31/03/2023.

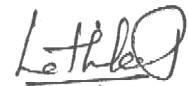
This orders will have retrospective effect from 07/01/2022.

(By Order of the Governor)
Rajesh Kumar Singh IAS
Additional Chief Secretary (Finance)

To

1. The Accountant General (A&E) Kerala, Thiruvananthapuram
2. The Accountant General (Audit-II) Kerala, Thiruvananthapuram
3. The Private Secretary to Hon'ble Chief Minister
4. All Private Secretaries to Hon'ble Ministers.
5. The Private Secretary to the Leader of Opposition.
6. The Secretary to Governor.
7. The Chief Secretary of Kerala.
8. All Secretaries to Government.
9. The Registrar, High Court of Kerala.
10. The Secretary, Kerala Human Rights Commission, Thiruvananthapuram.
11. The Election Commissioner, State Election Commission, TVPM.
12. All Departments of Secretariat.
13. All Heads of Departments/Offices
14. The Registrar, All Universities of Kerala.
15. The Chief Engineer [PWD/WRD/LSGD /HED]
16. The Chief Technical Examiner, Finance Department, Thiruvananthapuram
17. The Nodal Officer, www.finance.kerala.gov.in
18. Stock file/Office Copy(1967645)

Forwarded/By Order



Section Officer



GOVERNMENT OF KERALA

Abstract

Public Works Department - Guidelines for trenching of PWD roads, laying of pipelines and their restoration by KWA - Sanction accorded - Orders issued.

PUBLIC WORKS (H) DEPARTMENT

G.O.(Ms)No.8/2022/PWD Dated,Thiruvananthapuram, 24-02-2022

- Read: 1. G.O(Rt)No.30/2018/PWD dated 05.01.2018.
2. G.O(Ms)No.444/2018/Fin dated 26.11.2018.
3. Circular No.CE/R&B/GL-RC/2/2019 dated 30.03.2019 of the Chief Engineer, PWD, Roads.
4. G.O(Rt)No.756/2019/PWD dated 20.06.2019.
5. G.O(Ms)No.59/2020/PWD dated 30.07.2020.
6. Circular No.CE/R&B/GL-RC/3/2018 dated 24.09.2020 of the Chief Engineer, PWD, Roads.
7. Proceedings No.8665/AE3(MONITORING)/2020/KWA dated 19.11.2020 of the Managing Director, KWA.
8. G.O(Ms)No.2/2021/WRD dated 06/01/2021.
9. Circular No.H1/81/2021-PWD dated 03.07.2021.
10. Minutes of the Meeting dated 05.01.2022 held by Hon'ble Min, PWD in the presence of Hon'ble Min, WRD to discuss the co-ordination between PWD & WRD.
11. G.O(Rt)No.20/2022/PWD dated 07.01.2022.
12. Minutes of the 1st Meeting of the Committee constituted for the co-ordination of works of PWD & WRD held on 18.01.2022.

ORDER

The permissions for road cutting for laying various utilities are issued by PWD in accordance with the provisions of the PWD Manual and Highway Protection Act 1999. The Government Orders/Circulars

read above are presently in force regarding the guidelines for charging the restoration amounts and Security Deposits from the users. The laying of pipe lines by KWA in PWD roads and the consequent restoration of the roads is currently causing issues to both the Departments. Hence based on the Meetings held on 05.01.2022 and 18.01.2022 read as 10th and 12th paper above, it has been decided to issue particular direction regarding the trenching of PWD roads, laying of pipelines and their restoration by KWA in the light of the G.O read as 2nd paper above.

2. Government have examined the matter in detail and the following guidelines are issued hereby for road cutting and restoration for laying KWA pipe lines under PWD roads.

A. Utility Agency led Projects

(i) KWA shall apply for road cuttings through the RoW portal in accordance with the G.O read as 5th paper above. The upcoming road works of both KWA and PWD shall be displayed in the RoW portal and updated regularly.

(ii) For urgent leakages and repairs also the permission has to be sought from PWD through the RoW portal. No deposit amount is required for cutting in non DLP roads for emergency leak rectification works. (Repair work can be executed after intimating PWD in case of utmost emergency). Separate provision for sanction of emergency cases should be included in RoW portal.

(iii) In case of Utility laying works, KWA shall carry out the trenching, pipe laying, back filling and final restoration of the road surface. The road surface has to be restored to the same standards that was existing prior to trenching. Estimate of the restoration of roads shall be prepared by KWA in accordance with MoRTH specification and this will be included in the actual Utility laying/shifting/repair works.

(iv) In the case of leakages/repairs, KWA shall carry out road restoration done with plate compactors.

(v) The back filling of the trenches shall be carried out as per the CTE's direction in layers of 20cm thickness with roller/plate compactors for pipe laying works.

(vi) In the case of leakages/repairs, the back filling of the trenches shall be carried out in layers of 20cm thickness with plate compactors.

(vii) For the road restoration of pipe laying works, loosening and re-compacting for a depth of 30cm and provision of GSB and WMM with 15cm thick layers each should be included. The surfacing works should

be in accordance with the MORTH specifications and guidelines.

(viii)The work shall be carried out ensuring strict quality control and only with the supervision of PWD Engineers.

(ix)Minimum earth cushioning of 1.20m over the utility lines should be ensured

(x)As far as possible the laying of utility lines to be carried out through the shoulder portion and the alignment to be fixed through a joint inspection by both the Departments at EE level.

(xi)In case of road cutting and restoration works arranged by KWA in roads where resurfacing/upgradation works by PWD is scheduled, the restoration should be carried out excluding the provisions in the road work of PWD

(xii)A security deposit of 10% of the restoration amount required for the road cutting area to be remitted to PWD by KWA for the DLP existing roads, which will be released after the DLP of the restoration work and a tripartite agreement to be executed with PWD, KWA and the contractor who is carrying the work. Physical agreement keeping can be eliminated and the facility shall be made available/included in the online portal.

(xiii)All the quality control tests mentioned for road works in the Quality Manual of PWD to be carried out by KWA through accredited labs/institutions and the relevant test certificates to be submitted to PWD in the case of utility shifting/pipe laying.

(xiv)KWA shall submit the security deposit as above in the form of Treasury Savings Deposit/Bank Guarantee for obtaining sanction.

(xv)The time frame for completion of pipe laying and road restoration shall be specified in the permission letter and for delays/variations from the original sanctioned scope of trenching, the security deposit shall be forfeited proportionally.

(xvi)Display boards at site showing the details of work arranged by KWA with date of completion during execution and DLP details on completion of work should be erected.

(xvii)DLP conditions in accordance with existing PWD guidelines will be applicable for the restoration work done by KWA.

(xviii)The responsibility of the stretch handed over for trenching including safety arrangements and the maintenance during DLP of the restored portion shall vest with KWA limited to the length of the road where utility provider restored.

(xix)KWA shall take necessary steps to carry out the road cutting works, if any scheduled before arrangement of works by PWD.

(xx)In case of roads with existing DLP, the DLP responsibility of the road stretch where restoration is done will be vested with KWA.

(xxi)No road cutting will be permitted in roads which have been resurfaced for a period of one year from the date of completion of the work. Exemption may be granted on a case to case basis considering the importance like urgent leakage work, prestigious works, high priority works.

(xxii)For roads under DLP, beyond the first one year, the Executive Engineers, shall exercise powers to issue road cutting permit as mentioned in the G.O read as 5th paper above.

(xxiii)In the case of new bridge constructions, the provision for separate duct/platform for carrying the utilities shall be included in the design by PWD based on the requirement of user agency and the expenditure for the construction shall be met by the concerned agency.

(xxiv)In the case of existing bridges, the utilities already installed should be shifted in a phased time bound manner from the bridge by the user agency and separate provision for routing the same has to be made by the concerned agency.

B. PWD led Projects

(i)PWD shall apply for utility shifting necessitated in road constructions through the RoW portal in accordance with the G.O read as 5th paper above. The upcoming road works of both KWA and PWD shall be displayed in the RoW portal and updated regularly.

(ii)While preparing the estimates for utility shifting by KWA for PWD led works the provisions should be same as that of the existing lines (ie.same dia of pipe, same material etc). The estimate for utility shifting shall be prepared by EE, KWA as per the G.O read as 8th paper above.

(iii)The estimate for utility shifting shall includes the works associated with pipe lines/sewer lines such as shifting/raising of valve chambers/manholes and all allied works.

(iv)The utility shifting/pipe laying works shall be supervised by KWA. The quality of works and quality of materials such as pipes/specials and allied materials shall be ascertained by KWA officials through site or factory test as is applicable.

(v)The Security Deposit for utility shifting (replacement of pipes) needs to be deposited by PWD.

(vi)A security deposit of 10% of the utility shifting amount required for replacement of pipes to be remitted to KWA by PWD for all pipe

shifting works, which will be released after the DLP of the pipes work and a tripartite agreement to be executed with PWD, KWA and the contractor who is carrying the work, the facility shall be included in the online portal.

(vii) PWD shall submit the security deposit as above in the form of Treasury Savings Deposit/Bank Guarantee for obtaining sanction.

(viii) The liability of leakages without obtaining sanction for utility shifting shall be borne by PWD.

(ix) The time frame for completion of pipe laying and road restoration shall be specified in the permission letter and for delays/variations from the original sanctioned scope of quality of pipes, design etc, the security deposit shall be forfeited proportionally.

(x) Display boards at site showing the details of work arranged by PWD with date of completion during execution and DLP details on completion of work should be erected.

(xi) In case where the utility shifting/pipe laying work is executed through the contractor for the PWD road work, the contractor shall be liable for any leakage/maintenance work during the DLP for the pipe laying work/road restoration work associated during the maintenance period or upto the date of handing over the utility to KWA, not to exceed six months after the completion of the work.

C. General

(i) While preparing the estimates for new road constructions the provisions for utility ducts to be included in consultation with the utility providers based on their requirement if there is ample PWD land available for such works. In the case of existing roads the additional provisions for utility ducts shall be explored.

(ii) The committee constituted as per the G.O read as 11th paper above shall consider the major disputes arised, if any, between both the Departments and the decision of this committee will be treated as final.

(By order of the Governor)

ANAND SINGH
SECRETARY

To,

All Chief Engineers, PWD, Thiruvananthapuram.

All Executive Engineers of PWD (Through Chief Engineers).

The Managing Director, Kerala Water Authority, Tvpm.
The Chief Executive Officer, Kerala Road Fund Board, Tvpm.
Water Resources Department.
Stock File/ Office Copy/ Website

Forwarded /By order

Section Officer

Copy to:PS to Minister, PWD.
PS to Minister, WRD.
PA to Secretary, PWD.
PA to Joint Secretary, PWD.



GOVERNMENT OF KERALA

Abstract

Water Resources Department- Jal Jeevan Mission - additional proposals for the works during 2021-2022 -Administrative Sanction accorded - Orders issued.

WATER RESOURCES (WS-C)DEPARTMENT

G.O.(Rt)No.134/2022/WRD Dated,Thiruvananthapuram, 23-02-2022

- 1 G.O. (MS) No. 37/2020/WRD dated 08.06.2020.
- Read
- 2 G.O. (Rt) No. 489/2021/WRD dated 18/09/2021.
- 3 Minutes of the 4th State Level Scheme Sanctioning Committee (SLSSC)Meeting of Jal Jeevan Mission held on 14.12.2021.
- 4 Minutes of the 5th State Level Scheme Sanctioning Committee (SLSSC) Meeting of Jal Jeevan Mission held on 31.12.2021.
- 5 Minutes of the 4th State Water and Sanitation Mission (SWSM) Apex Body Meeting of Jal Jeevan Mission held on 21.01.2022.

ORDER

As per the Government Order read as 1st paper above, Government have accorded sanction for executing Jala Jeevan Mission (JJM) aimed at providing Functional Household Tap Connections (FHTCs) for all rural households of Kerala within 5 years time (2019-2024).

2) As per the reference read as 3rd paper above, the 4th State Level Scheme Sanctioning Committee (SLSSC) meeting held on 14.12.2021 permitted to add the

already approved amount of Rs. 84.46 crores for providing 7868 Nos. of FHTCs in Ajanur panchayat of Kasargod District along with the proposals in the 5th SLSSC. The committee also accorded approval for the re - appropriation proposal in two items, i.e, Procurement of Equipments/instruments and Modernization/up-gradation of labs under WQM&S activities without changing the total amount already approved.

3) As per the reference read as 4th paper above, the 5th State Level Scheme Sanctioning Committee (SLSSC) meeting held on 31.12.2021 accorded approval for the projects submitted through the District Water & Sanitation Missions to provide 17,70,119 Functional Household Tap Connections (FHTCs) in 665 Grama Panchayaths amounting to Rs. 21894.62 Cr. Including LSGD road restoration charges. The Committee also accorded in-principle sanctions to the proposals for providing 150 FHTCs in Chaliyar Panchayat amounting to Rs. 149.60 lakhs and providing 326 FHTCs in Irikkur Panchayat amounting to Rs. 150.40 lakhs subject to obtaining DWSM approval.

4) As per the reference read as 5th Paper above, the 4th State Water & Sanitation Mission Apex Committee accorded sanction for the proposals for providing 11,50,829 FHTCs in 521 Grama Panchayaths amounting to Rs. 13087.88 Cr including LSGD road restoration charges. The Committee also approved the Jananidhi proposals to provide 476 FHTCs amounting to 3.00 crores in Chaliyar & Irikkur Panchayat, including LSGD road restoration charges. The Committee decided that balance proposals approved in 5th SLSSC meeting held on 31/12/2021 for which Panchayats expressed concern over high cost may be deferred for reappraisal. The Committee ratified the decision of 4th SLSSC committee meeting to add the already approved amount of Rs. 84.46 crores for providing 7868 Nos. of FHTCs in Ajanur panchayat of Kasargod District along with the proposals in the 5th SLSSC. The committee also ratified the decision of 4th SLSSC committee to approve the re-appropriation proposal in two items, i.e, Procurement of Equipments/instruments and Modernization/up-gradation of labs under WQM&S activities without changing the total amount already approved.

5) Government have examined the matter in detail and are pleased to accord Administrative Sanction for the proposals for providing 11,51,305 Functional Household Tap Connections (FHTCs) in 522 Grama panchayaths amounting to Rs. 13,090.88 Cr including already approved amount for Ajanur Panchayath, for the implementation of Jal Jeevan Mission in the State for the FY 2021-2022 as approved by the State Water and Sanitation Mission Apex Committee.

6) Sanction is also accorded for re -appropriation in two items, i.e, Procurement of Equipments/instruments and Modernization/up-gradation of labs under WQM&S activities without changing the total amount already approved.

Approved list of proposals for providing Functional Household Tap Connections	Annexure 1.
Scheme wise split up of approved list	Annexure 2
Re-appropriation approval under WQM&S activities	Annexure 3.

7) The implementing agencies should ensure that each and every project sanctioned should be verified properly before giving technical sanction in a cost effective and optimal manner. They should also publish weekly progress report in their websites.

(By order of the Governor)

T K JOSE

ADDITIONAL CHIEF SECRETARY

To:

The Additional Chief Secretary, Local Self Government Department

The Additional Chief Secretary, Finance Department

The Additional Chief Secretary, Planning & Economic Affairs Department

The Principal Secretary, Health & Family Welfare Dept

The Principal Secretary, PWD Dept

The Principal Secretary, General Education Dept.

The Mission Director (Jal Jeevan Mission) and Managing Director, Kerala Water Authority, Thiruvananthapuram

The Executive Director, KRWSA, Thiruvananthapuram

The Principal Accountant General (Audit/ A&E)Kerala, Thiruvananthapuram

All District Collectors

The Director of Treasuries, Thiruvananthapuram

The Director, Ground Water Department, Thiruvananthapuram

The Director Panchayaths, Thiruvananthapuram

Finance (PU-C) Department

Local Self Government (FM) Department

Information & Public Relations Department (Web & New Media)

Stock File / Office Copy

Forwarded /By order

Section Officer

Copy to :

PS to Minister (Water Resources Department)

Special Secretary to Chief Secretary

PA to Additional Chief Secretary, Finance Department

PA to Additional Chief Secretary, Water Resources Department

PA to Additional Chief Secretary, Local Self Government Department

PA to Secretary, Water Resources Department

CA to Additional Secretary, Water Resources Department