

CHAPTER 1

ORGANISATION AND FUNCTIONS

SECTION 1

ORGANISATION

1.1 The Public Works Organization consists of

(I) Engineering Services

- A. Sikkim State Engineering (Civil and Mechanical) Services.
- B. Sikkim State Architect Service.
- C. Junior Engineers (Civil and Mechanical)

(II) Administration

- (A) State Civil Service.
- (B) Sikkim Government Stenographers Services.
- (C) Sikkim Subordinate (Ministerial and Executives) Service.

(III) Accounts and Finance

- A. Sikkim Finance and Accounts Service.
- B. Sikkim Subordinate Accounts Service.

(IV) Group 'D' Establishment.

(V) Work Charged Establishment.

1.2 The Sikkim State Engineering (Civil, Electrical and Mechanical) Service has been instituted by the State Government vide Notification No. E (14)853A/Gen/Est. dated 21st December, 1989. The Service has posts from Assistant Engineers and above up to the level of Principal Chief Engineer cum Secretary. Any officer holding the cadre post on a regular basis is deemed to be a member of the Service since the commencement of the Service.

1.3 The Sikkim State Architect Service has been created by the State Government vide Notification No. 42/Gen/DOP dated 28th June 2001 and incorporates posts from Assistant Architects and above up to the Principal Chief Architect.

1.4 Recruitment Rules for Junior Engineers (Civil and Mechanical) have been notified vide no.64/Gen/DOP dated 8th December, 1991 and 66/G/DOP dated 8th December, 1993. The

1.5 se Rules provide for two grades namely grade II and grade I for the Junior Engineers who are eligible for appointment to the Sikkim State Engineering (Civil and Mechanical) Services by promotion subject to the prescribed conditions and within the prescribed strength.

1.6 Administrative, Accounts Services, and Group 'D' establishment are common to all the Departments of the State Government.

1.7 The Service and Recruitment Rules mentioned above prescribe the pay scales, strength of the Service/Posts and lay down the modalities of recruitment to the different grades of the relevant service/posts. A residuary provision in the Service/Recruitment Rules stipulates that matters not specified in such rules shall be

regulated by the general rules applicable to employees of the State Government from time to time. Chief among the general rules referred to above are the Sikkim Government Service Rules, 1974 and the Sikkim Services Pension Rules, 1990. While the Sikkim Government Service Rules provide for matters like pay fixation, regulation of increments, training, suspension and retirement etc. and the Sikkim Services (Pension) Rules regulate claim, grant and payment of different classes of pensions and other retirement benefits.

- 1.8** According to the Government of Sikkim (Allocation of Business) Rules, all service matters of gazetted officers (Group A and Group B) are allocated to the Department of Personnel. As the Sikkim State Engineering Services, Sikkim State Architects Service, State Civil Service, Sikkim Finance and Accounts Service comprise of Officers belonging to Group A and Group B. The Department of Personnel, Administrative Reforms and Training is the controlling authority for appointment, posting and transfer of the members. In the case of Junior Engineers, the Department of Roads and Bridges functions as the controlling authority.
- 1.9** Work-charged establishment includes such establishment as is employed upon the actual execution, as distinct from the general supervision of a specific work or upon subordinate supervision of departmental labour, stores and machinery in connection with such work. If the engagement of work-charged establishment is contemplated in connection with any work, the cost should invariably be shown as a separate sub-head in the estimate for that work.
- 1.10** Work-charged establishment also include employees such as clerks, draftsmen etc. and also includes subordinates or extra establishment of any kind for the Divisional or Sub-Divisional Offices, if not provided by the regular establishment.
- 1.11** Recruitment and appointment of work-charged establishment is regulated under the Work-charged Establishment Manual notified by the Department of Personnel, vide no. 45(GEN)/Est. dated 25th May 1981.

SECTION 2 FUNCTIONS AND DUTIES OF OFFICERS.

A. PRINCIPAL CHIEF ENGINEER CUM SECRETARY

- 2.1** The Principal Chief Engineer cum Secretary of the Public Works Department shall be the administrative and professional Head of the Department and is responsible to the Government for efficient administration of the Department under his charge. He exercises such administrative and financial powers as are delegated by the State Government to the Head of Department from time to time for smooth functioning of the Departments.
- 2.2** The Principal Chief Engineer cum Secretary is the chief professional advisor to the Government on all the technical matters relating to their charge and has the responsibility of general professional control on works within his jurisdiction. He exercises full technical and supervisory control over Principal Chief Engineers, Chief Engineers and other Officers working in the Department.

- 2.3** Principal among the duties are requirement of preparation and submission of detailed budget estimates (with such information as may be required by the Finance Department for formulation of Demands for Grants) and the responsibility for administering the budget grants by close watch over the expenditure.
- 2.4** Subject to their overall responsibilities, Principal Chief Engineer cum Secretary may authorize the Principal Chief Engineers or the Chief Engineers under him to exercise technical and supervisory control to such extent and on such conditions as may be considered appropriate for convenient and efficient administration.
- 2.5** In carrying out personnel administration and financial management, the Departmental Heads are supported by appropriate level of officers belonging to the State Civil and State Finance and Accounts Services respectively. It is the responsibility of the Principal Chief Engineer Cum Secretary to obtain the advice of these officers before any decision is taken on Administrative and Financial matters.
- 2.6** The Principal Chief Engineer cum Secretary is also responsible for:-
- (a) Compilation of accounts of receipts and expenditure and submission of the same to the State Government as per the time schedule fixed by the Government from time to time.
 - (b) Reconciliation of accounts with Office of the Accountant General.
 - (c) Relation with Audit, compliance of statutory requirement for smooth conduct of Audit and necessary replies to Audit Inspection Reports and other objections raised by Audit.

C. PRINCIPAL CHIEF ENGINEER/ CHIEF ENGINEER

- 2.7** The Principal Chief Engineers / Chief Engineers are the instruments of executive and technical control through which the Departmental Heads discharge their functions and responsibilities. They coordinate and monitor various activities within their jurisdiction through periodical reports both physical as well as financial feedback provided by their sub-ordinate authorities. The Principal Chief Engineer or the Chief Engineer is required to review the progress of all works in the department and suggest suitable remedial measures to the Principal Chief Engineer cum Secretary. It is also a part of their duty to visit the works sites, verify the qualities and other technicalities and direct the field engineers for any rectification if necessary. They shall have general responsibility for proper execution of works as per sanction of the Government and completion as stipulated.

D. ADDITIONAL CHIEF ENGINEER

- 2.8** The Additional Chief Engineer assists and provides support to the Chief Engineer in planning of new projects, monitoring the projects, periodic review and progress meetings, urgent maintenance and repairs, material testing and quality control matters. They act as the Chief Engineer in absence of the Chief Engineer or when required by them and perform any other work assigned by the Chief Engineers. They are required to review the progress of all works in the department and suggest suitable remedial measures to the Chief Engineer in the case of need. It is also a part of their duty to visit the works sites, verify the qualities and other technicalities and direct the field engineers for any rectification. They shall have general responsibility for proper execution of works as per sanction of the Government and completion of works as stipulated.

D. DIRECTOR/ ADDITIONAL DIRECTOR/ CHIEF ACCOUNTS OFFICER / SR. ACCOUNTS OFFICER IN THE DEPARTMENT

- 2.9 Under Rule 99-A of the Sikkim Financial Rules, 1979, the Officer – in- Charge of Accounts is responsible for strict implementation of all Financial Rules. Government instructions on the subject and all proposals should initially be examined by the Officer-in-Charge of Accounts posted in the respective Department before such proposals are submitted to the Government for orders and approval.
- 2.10 Whenever control of payments and accounting arises within or outside the Public Works Department, the Supervisory Officer of Finance and Accounts Service should seek due permission to undertake periodical visit, if necessary, to the sub-offices in order to gain firsthand knowledge on progress of work and expenditure. Correct maintenance of account records in such cases may be imparted by such officer if necessary.
- 2.11 The supervisory officer posted from Finance and Accounts Service in the Department is required to visit all offices and inspect the various records being maintained by them and details of sanction accorded in view of decentralization processes. He shall also check all details to ensure that no unauthorized and infructuous payment has been drawn from the respective offices. The report of the inspecting officer shall be submitted to Principal Chief Engineer cum Secretary.

E. SUPERINTENDING ENGINEER

- 2.12 The Supervisory unit of the Department is Superintending Engineer who is responsible for general professional control of works as known as Circle. The Circle is responsible for all disbursement for the work executed under him.
- 2.13 The Superintending Engineer should satisfy himself by inspection and check of measurements that the works are carried out according to approved specifications and designs and no change in design during execution and deviation from technical sanction is made without his approval.
- 2.14 It is the duty of the Superintending Engineer to inspect the various works in progress within his Circle and to satisfy himself that the system of management is efficient and economical and rules regarding works, stock and accounts are strictly observed. He shall record the results of his inspection of works as frequently as considered necessary and ensure that the defects pointed out on each occasion are promptly rectified. Before release of final payment against any work, of value within the power of his technical sanction, the Superintending Engineer is required to record the following certificate within a period of three months from the date of completion of the work.

I have inspected the work of contract value of which is Rs..... vide agreement. No..... today. As a result of this inspection and my previous inspections, I find that the work has been carried out generally to specifications and has been completed satisfactorily. There are no noticeable defects, except for the following:

- 1.....
- 2.....

- 2.15** These defects should be rectified by the contractor or by the department at his cost, action for which should be taken in terms of the contract.
- 2.16** It is also the responsibility of the Superintending Engineer that no delay is allowed to occur in the submission of the completion report.
- 2.17** The Superintending Engineer shall inspect the Divisional Offices at least four times in a year and record and report the results of such inspection to the Chief Engineer.
- 2.18** The Superintending Engineer shall examine the books of Divisional Officers and their subordinates and see that matters relating to the primary accounts are attended to personally by the Divisional and Sub-Divisional Officers and the accounts fairly represent the progress of each work. He is specially required to see that the measurement books are carefully kept and measurements are properly recorded and that they are complete records of actual requirements of each kind of work done for which certificates have been granted.
- 2.19** Under the Decentralized Payment System introduced from August, 2003, primary disbursing unit of the Department is the Circle. The Superintending Engineer is thus responsible not only for financial propriety of transaction in the whole Circle but also for maintenance of the accounts of transactions correctly. He is assisted by an Accounts Officer of the Finance and Accounts Service in the responsibilities for Payments and Accounting of the transactions.
- 2.20** It is the duty of the Superintending Engineer to administer the grant made for public works in his Circle and with this object, to keep a close watch over the progress of expenditure against it with a view to avoid excess increment. He should accordingly keep himself informed of such circumstances as may affect the progress of expenditure in order to take timely steps for obtaining extra funds or surrendering probable savings, as may be necessary. The Superintending Engineer is responsible for the detailed assessment of revenue within his Circle and maintains such records and accounts for the purpose as may be prescribed.

F. DIVISIONAL ENGINEER

- 2.21** The Divisional Engineer is in charge of the Division, who is responsible to the Superintending Engineer for the efficient execution and management of all works within his Division. It is therefore, his duty to organize and supervise the execution of works and see that they are suitably and economically carried out with materials of good quality.
- 2.22** The Divisional Engineer is held primarily responsible for providing information in cases of probability of excess over estimated cost of work and shall report in writing any such probability to the Superintending Engineer at once, describing the nature and cause of the excess and seeking approval.
- 2.23** The Divisional Engineer is required to inspect at least once a month all works in his Division. As and when necessary he should inspect Government assets within the Division to ensure that proper measures are taken to preserve such assets and to prevent encroachment on Government lands in his charge. He should keep accurate

plans of all such lands and take care that his subordinates make themselves acquainted with the boundaries and see that they are not encroached upon. The Divisional Engineer must keep on record in his office the following plans:

- (i) Complete plan, sections and elevations of every building or other works under his charge as actually constructed and any subsequent alteration being carefully noted. The boundaries of the ground attached to any building should be distinctly shown.
- (ii) Plans of roads under his charge showing whence road metal and stone/sand are obtained.
- (iii) Register of assets within the Division.

2.24 When the work is completed, it is the duty of the Divisional Engineer to close the accounts immediately in the prescribed manner and to prepare the completion report. If there is unnecessarily delay in closing the accounts, it should be seen in particular that further expenditure is not incurred without the permission of the competent authority. When it is decided to abandon a work the accounts relating to the work should be closed as soon as possible after such decision is reached and taken.

2.25 The Divisional Engineer is required to report immediately to the Superintending Engineer any severe or major accident or unusual occurrence connected with his Division and to state the measures taken by him in this regards.

2.26 The Divisional Engineer can receive orders only from his Principal Chief Engineer cum Secretary, Chief Engineer, Additional Chief Engineer, Superintending Engineer or other officer duly authorized in this behalf.

G. ASSISTANT ENGINEER

2.27 The Division is divided in to sub-Divisions under the charge of Assistant Engineer who are responsible to the Divisional Engineer for the management and efficient execution of works within their sub-Divisions.

2.28 The Assistant Engineer is required to maintain the initial account, records of cash and stores under his charge as well as Works Register for each work in progress in the Sub-Division under the rules for the time being in force. He should ensure that all accounts returns and progress reports of works under his charge are submitted timely and regularly to the Divisional Engineer and are correct in all respects.

He may be allowed imprest amounts to make petty payments for execution of departmental works and its account should be rendered at least once a month incorporating all payments and enclosing necessary vouchers. No second imprest shall be released for the work by the authority without adjustment of previous one.

H. PRINCIPAL CHIEF ARCHITECT / CHIEF ARCHITECT

2.29 The Principal Chief Architect / Chief Architect is the technical head of Architectural Cell/Wing and is responsible for architectural designing and town planning of all Government buildings. He is also called upon to advice on architectural matters, designs and town planning to the superior authorities. The Principal Chief Architect is assisted by Joint Chief Architect, Senior Architect and Assistant Architects. He

supervises and guides as well as monitors the progress of works and the performance of these officers who are under his control.

I. JOINT CHIEF ARCHITECT

- 2.30** The Deputy Chief Architects assist the Chief Architect in his technical supervisory and monitoring functions and are responsible for management and efficient functioning of Architectural Wing.

J. SENIOR ARCHITECT

- 2.31** The Senior Architect, deal with all projects from the pre-planning Stage to the issue of completion certificate. They coordinate all planning activities and work in close liaison with other disciplines involved in project planning. They supervise and guide the junior officers and allocate work to them.

K. ASSISTANT ARCHITECT

- 2.32** The Assistant Architect, deals with projects from pre-planning stage to issue of completion certificate after obtaining approval from the controlling authority on Architectural design concept. He shall coordinate all planning activities and work in close liaison with other disciplines involved in project planning. He shall guide and supervise the junior staff and check the drawings and specifications in respect of dimensions, building bye laws, norms and ensure that the drawings are correct and complete in all respects. The drawings are also prepared in required medium preliminary drawings/working drawings / detailed drawings / layout plans / municipal drawings / presentation designs / perspectives to calculate areas on drawings.

L. JUNIOR ENGINEER.

- 2.33** The Junior Engineers are the last unit officers in direct charge of execution of works. They are primarily responsible for the preparation of detailed estimates and plans for works and for speedy and quality execution of works.
- 2.34** The detailed measurements of work done or supplies should be recorded by them on the spot. The attendance of muster rolls should also be checked by them personally. They should make it a point to inspect the works in progress in their direct charge as frequently as possible to ensure that the progress of work is as per schedule.
- 2.35** He is responsible for maintenance of proper Site Order Book in the worksite. All the instructions to the Contractor relating to the work shall be recorded in the Site Order Book and all the instructions to the field officer by the inspecting superior pertaining to the work shall be recorded in the Site Order Book. The Site Order Book shall be kept in safe custody of Sub- Divisional Officer along with other records of the work.
- 2.36** They should verify the receipt of materials received either for stock or work with reference to the supply order and ensure that the materials are duly checked and recorded in Measurement Books/goods received sheets giving particulars of supply order/consignment note or delivery challan and should immediately bring to the notice of Divisional Engineer through Assistant Engineer any deficiencies or defects

in the materials received. They should maintain accounts of tools and plant articles, road metals, stock materials in their direct charge and submit the same to the Assistant Engineer through monthly return giving details of receipts, issues and balances separately for the above categories.

- 2.37** Regarding rents of buildings and lands they should furnish particulars of incumbents, period of occupation etc. every month to the Divisional Office through the Assistant Engineer.
- 2.38** In the event of collecting the charges from the occupants by the watchman of inspection bungalows, such collections are promptly remitted into the nearest branch of the State Bank of Sikkim without any delay and forward the Bank receipts to the Division Office for incorporation in the accounts.
- 2.39** Whenever any loss of property of Government, defalcation of cash or theft of store is noticed, report should be submitted to the Assistant Engineer immediately explaining the circumstances leading to the case and lodge FIR with the nearest Police Station with the permission of the competent authority. The Junior Engineer is responsible for correct recording of measurements, custody of stores, stock and other Government material, tools and plant.

M. STORE KEEPER

- 2.40** Qualified store keepers belonging to the Subordinate Accounts Service are appointed to ensure proper maintenance and custody of stores. Necessary security depending on the value of the stores in their custody should be obtained from them as required under rule 217 of the Sikkim Financial Rules, 1979.
- 2.41** They are responsible for proper accounting of receipts, issues and balances. Whenever materials are received they should prepare the Goods Received Sheets and make entries in the relevant Bin Cards. Issues made should be supported by proper stores indent and gate pass and with entries in the relevant Bin Card. They are responsible for the correctness of transactions recorded in the Bin Cards and the Assistant Engineer shall test check the entries in the Bin Cards with reference to Goods Received Sheets and indents to ensure correctness. They should keep the Assistant Engineer informed of the articles of stores which are surplus or on which there are no transactions so that the same could be declared surplus and action taken to dispose them off according to the prescribed rules. In cases of shortages they are held personally responsible for the shortage.
- 2.42** The Store Keeper should ensure that materials received are properly checked and measurement is recorded by the Junior Engineer before the materials are taken on stock.
- 2.43** When any loss, damage or theft of stores is noticed, report should be submitted immediately to the Assistant Engineer who should report to the Divisional Engineer. The Divisional Engineer should take immediate steps for appraisal of the authority concerned and take further necessary action.

N. ACCOUNTS OFFICER IN CIRCLE OFFICE

- 2.44** As per the decentralized payment procedure and guidelines issued there under, responsibility for rendering of monthly works accounts relating to public works to the Accountant General has been shifted to the respective District Pay and Accounts Offices functioning under the State Finance Department. Nevertheless, the works Departments remain responsible for reconciliation and rectification of their accounts with those of the Pay and Accounts office and the Accountant General as and when required to do so.
- 2.45** He is also required to submit head wise and work wise expenditure duly reconciled and compiled with the accounts reported by respective District Pay and Accounts Office to the Chief Accounts Officer/ Sr. Accounts Officer in the head office by 5th of every succeeding month
- 2.46** The Accounts Officers in the Circle Office therefore continue with the function of compiling the monthly accounts as before and reconcile the same with that prepared by the respective Pay and Accounts Office. In addition, they perform other responsibilities entrusted to them vide rule 99-A of the Sikkim Financial Rules, 1979.
- 2.47** In the discharge of his duties the Accounts Officer is expected to keep himself fully conversant with all the rules and regulations, sanctions and orders passing through his Circle. He should keep details of all sanctions and expenditure work-wise and is required to prepare list of all ongoing schemes with details of sanction and upto date expenditure upto 31st March of each year and is required to submit the same to Chief Accounts Officer / Sr. Accounts Officer in the head office to enable him to work out the overall liabilities being carried forward to the next financial year.

He is also required to ensure that a separate deposit register is maintained in his office to record the Debits/ Credits of deposits made by Pay and Accounts Office through Monthly Compiled Accounts. He is also required to maintain month-wise, Contractor wise deposit details and check the refunds through the register to ensure no fraudulent payment is made from his office.

- 2.48** The Accounts Officer of the Circle Office is required to submit a copy of Transfer Entry Order received from Treasury and Pay and Accounts Office on account of credits for recoveries of hire charges of Machineries and stock materials issued from the Store to the Chief Accounts Officer / Sr. Accounts Officer in the head office and concerned officer of the Mechanical and Store Division.

O. SENIOR ACCOUNTANT/ACCOUNTANT IN CIRCLE OFFICE

- 2.49** The Accountant of the Circle Office is responsible for exercising the following checks and performing the duties specified below:-
1. Arithmetical accuracy of the bill.
 2. Check the correctness of previous payment in the case of running account and final bill.
 3. Verifying the correctness of rates and quantities with reference to technically sanctioned estimate and accepted agreement.

4. Making entries and posting in the contractors' ledger, works abstract and work register and putting up the bill along with relevant registers to the Accounts Officer.
5. Verification of statement of theoretical requirement of materials with actual issue and consumption of materials in case of final bills.
6. Check correctness of classification.
7. Checking correctness of rates of recovery of stock, income tax, VAT and other Taxes and Levies of the Government as applicable from time to time.
8. Ensuring that there was no un-authorized correction either in the measurement book or the bill.
9. Verification of fact of check measurement.
10. Completion report in the case of final bills.
11. Compliance of other conditions in the agreement regarding completion time schedule of completion, materials issued, rates of materials etc.
12. Ensuring that parts rates allowed, supplementary or additional items or deviations were covered by proper authority.
13. Record of measurement was done by competent authority and acknowledgement was given for full and final settlement of claim by the contractor.
14. Verifying that the bill is prepared in prescribed form.
15. Effecting recovery of issue or hire charges as per issues and noting the same in the contractor's ledger.
16. To see that the bill is signed by the authorized person.
17. Maintenance of allotment register and watching expenditure against the allotment.
18. To ensure that no double payment is made against the sanction or the deposit made by the contractors.
19. To check completion time period of each work.

P. CASHIER IN CIRCLE OFFICE

2.50 The cashier also belongs to the subordinate Accounts Service. As the designation indicates, he deals with and handles cash which expression includes cheque. He performs the general duties prescribed in Rule 49 of the Sikkim Financial Rules, 1979. He is responsible for posting of transaction in the Cash Book and other connected records. He ensures that the claim has been properly acknowledged and in cases of final bills acknowledgement is given for full and final settlement by the contractor. He has the responsibility of closing the cash book and proper filing of vouchers in chronological order as well as safe custody thereof. Like the storekeeper he is required to furnish security in the prescribed form depending upon the volume of cash transactions to be handled by him.

Q. MUNSHIS

2.51 Munshis are primarily engaged on checking and supervising the labour employed on execution of works. Most of the time they remain at work site and their presence ensures utilization of proper and good quality materials in the execution of works. They report the progress of work to and bring any un-usual happening to the notice of the Junior Engineer in charge of the work. In the course of time they are eligible to be promoted as Junior Engineers subject to fulfilling prescribed conditions and qualifications criteria.

CHAPTER II

SECTION 3

WORKS

CLASSIFICATION OF THE OPERATION.

The procedure prescribed in this chapter for execution of work is supplementary to the provisions contained in Rule 139 to 147 of Sikkim Financial Rule 1979. Public Works operations are divided primarily into two categories, namely, ‘Original works’ and ‘Repairs’.

Original Works.

3.2 Original works comprise of all new constructions whether of entirely new works or additions and alterations to existing works except as herein after provided, also all repair to newly purchased or previously abandoned buildings acquired for bringing them into use.

Repairs.

3.3 Repairs include primarily operations undertaken to maintain in proper condition buildings and works in ordinary use.

3.4 These are classified in two categories, annual repairs and special repairs. Annual repairs consist of those works like white washing, colour washing, distemper etc which are carried out annually. Special repair consists of works like plastering, replacement of doors and windows, flooring, etc. which are not required annually but are required as and when necessary as a result of inspection by the supervisory staff or complaint from the allottee.

3.5 The general rules applicable to the execution of all works provide that no work shall be commenced or liability incurred in connection therewith until:-

1. Administrative approval has been obtained from the appropriate authority in each case.
2. Sanction to incur expenditure has been obtained from the competent authority.
3. A properly detailed design and estimate has been sanctioned and
4. Funds to cover the charge during the year have been provided by the competent authority.
5. If in any case, whether on grounds of urgency or otherwise, an executive Officer is required by superior authority to carry out a work or incurs a liability which involves infringement of the above rules, the orders of such authority shall be conveyed in writing. On receipt of such written order or in cases of emergency, on his own responsibility the officer may proceed to carry out the necessary work subject to the condition that he immediately intimates to the said superior authority the liability he is incurring, stating approximately the amount of the liability which he is likely to incur and requesting for formal sanction of the competent authority.

Administrative Approval

3.6 For every work, it is necessary to obtain, in the first instance, the concurrence of the competent authorities as prescribed by the Government from time to time. The formal acceptance of the proposals by the Competent Authorities is termed as “Administrative Approval” of the work. An appropriate estimate and such preliminary plans as are necessary to elucidate the proposals is required to be prepared by the Public Works Organization. In complying with requests from other departments for approximate

estimate and preliminary plans for the purpose of administrative approval, only sketch plans and abstract estimates (based in the case of buildings on cubic meter or plinth area rates) should be furnished by the Public Works Department. The preliminary estimate will be framed or counter signed by the authority competent to accord technical sanction to the detailed estimate. The amount of departmental charges when leviable on the works should be clearly indicated in the estimates as a separate item below the total for works outlay.

- 3.7** The procedure prescribed in this rule will also apply to modification of the proposals originally approved, if by any reason of such modifications, revised administrative approval becomes necessary and for deviations from the original proposals even though cost of the same may be covered by savings on other items.
- 3.8** A similar procedure should be followed in the case of works required to meet the administrative needs of the Executing Organization.

Financial Sanction

- 3.9** Financial sanction means sanction of the required amount of fund indicating the relevant head of account to be debited for the work by the competent authorities with the concurrence of authorities as may be prescribed by the Government from time to time.

Technical Sanction

- 3.10** For each individual work proposed to be carried out and for repairs for which lump sum provision has been sanctioned, a properly detailed estimate (based on essential drawings and preliminary structural and service designs) must be prepared for sanction of the competent authority. This sanction is known as the technical sanction to the estimate and except in cases of emergency, prior sanction must be obtained. As the name indicates, it is not more than a guarantee that the proposals are structurally / technically sound and the estimates are accurately calculated and based on adequate data. Such sanction will be accorded by the officers of the executing department authorized to do so.

Appropriation

- 3.11** Appropriation or re-appropriation represents the allotment of a particular sum of money to meet expenditure on a specified purpose. It is operative only for the financial year in which it is made. Any unspent balance lapses and is not available for utilization in the following year, unless authorized by the competent authority in writing.

SECTION 4 PREPARATION OF ESTIMATES.

- 4.1** Any proposal for work generally consists of a report, plans, specification and a detailed statement of measurements, quantities and rates with an abstract showing the total estimated cost of each item. These documents together form what is called "The estimate." In the case of a project consisting of several works, the report may be a single document for all the works and likewise the specifications; but details of measurements and abstract may conveniently be prepared for each work, supplemented by a general abstract bringing the whole together.

Preliminary Estimate

- 4.2** Preliminary estimate is required to be prepared on the basis of plinth area or length of road, etc. worked out on the rate per unit area, length or other such method adopted for ready and rough calculations, so as to give an approximate idea of the cost involved in the proposal. Provision for services like sanitation, water supply, drainage, and electric installations etc., should be made on the basis of plinth area rates. Preparation of detailed estimate and drawings and designs should be taken up after an assurance is received from the sponsoring Department for execution.

Detailed Estimate

- 4.3.** Estimates for projects should be comprehensive, supported by complete details and based on design, drawings and calculations. In order to ensure this, the estimates should be prepared under the following heads:

1. Buildings, including internal service installations.
2. Main roads outside the boundary walls of the buildings under construction necessary for the layout.
3. Boundary walls or fences, gateway, roads and paths, grassing and trees connected with the garden layout.
4. Electrical power connection with mains and service connections outside the boundary of the compound.
5. Water supply, storm water drainage and Sewerage.
6. Miscellaneous works such as leveling, dismantling of old buildings and other items not falling under the above heads.
7. Departmental charges when necessary.
8. Land acquisition.

- 4.4** Where survey of site or digging of trial pits or the work of load bearing capacity and sub-soil observations are required to be undertaken before proceeding with the main project, the expenditure on these items should form part of the main project.

- 4.5** Reports on estimates must contain the following information briefly:

History- Particulars relating to the initiation of and reasons leading up-to the proposal and its general purpose ever including reference to previous correspondence, documents and specifications, where necessary.

Design- A description of the original proposals and those finally adopted particularly with regard to location, setting and design, also with reference to specifications, calculations and drawings, wherever necessary.

Scope- An explicit statement as to what work is covered by the estimate or otherwise with reference to what arrangements are being made for any portion not included in the estimate. Any abnormality leading to higher estimated costs than the norms should be reflected backed by drawings, wherever feasible.

Rates- Particulars as to how the rates have been arrived at giving reference to the standard schedule of rates and also to the details accompanying the estimates wherever necessary, with any special explanation connected thereto.

Cost- Cost of the work and a comparison with the amount originally provided under any previous administrative sanction, or detailed estimates in cases of revision.

Source of funding- Particulars of the source from which the cost of the work is to be made.

Method- The method proposed for carrying out the work whether by lump-sum contract, item rate tender etc., or daily labour or any combination of these should be indicated. If the work is to be carried out both by “Contractor” and “Departmental labour”, the portions of the work to be carried out by these agencies should be briefly indicated separately together with its estimated cost.

Establishment- Details of any provision made in the estimate for the work-charged establishment should be indicated, wherever necessary.

Construction plant- Any special methods of construction to be adopted with reference to specifications, etc. and details of the arrangements that have been made for the necessary construction plant, tools etc.

Land - Arrangements for acquisition of land and compensation thereof, whenever necessary and prior clearance for forest land, if involved.

Time- Estimated time of completion from the date indicated in the Work Order.

Schedule of Rates

4.6 To facilitate the preparation of estimates, as also to serve as a guide in settling rates in connection with contract agreements, an updated schedule of rates for each kind of work commonly executed should be maintained in the Department. It should be prepared on the basis of prevailing rates and necessary analysis of the rates for each description of work and for the varying conditions thereof, should, as far as practicable, be recorded.

4.7 The schedule of rates shall be issued under the authority of Roads and Bridges Department with the concurrence of Finance Revenue and Expenditure Department and approval of Government and be revised at least once in two years or otherwise this shall be subject to the incidence of market price structure.

4.8 In addition to the provision for all expenditure which can be foreseen for a work, a provision of three percent contingency should be added to the estimate. This provision is also intended to cover the cost of work-charged establishment for which no provision is made separately, except in the case of annual maintenance estimate, where provision is made for such establishment under a separate sub-head of the estimate.

Supplementary Estimate

4.9 Any development of a project thought necessary, while a work is in progress, which is not fairly contingent on the proper execution of the work as sanctioned, must be covered by a supplementary estimate, accompanied by a full report of the circumstances which render it necessary. The abstract must show the amount of the

original estimate and the total of the sanction required including the supplementary amount.

Revised Estimate

4.10 When an excess over the sanctioned estimate is foreseen and there is likely to be unavoidable delay in the preparation of a revised estimate an immediate report of the circumstances should be made to the authority whose sanction will ultimately be required. When a revised estimate is submitted it must be accompanied by a statement comparing it with the latest existing sanction of the competent authority and by a report showing the progress made up to date.

Additions and Alternations

4.11 No additions and alterations in building works should be carried out without the concurrence of the Chief Architect in writing. While submitting estimates containing proposals for additions and alterations, the fact that concurrence of the Chief Architect has been obtained, should be stated explicitly. This will, however, not include additions/alterations to the electrical fittings, fixtures, power points etc executed at the request of the occupants. Additional license fee is to be charged in case where additions/alterations involve increase in covered area only.

Estimate for Road Works

4.12 Projects for the construction of new roads must be accompanied by the following documents:

- (a) Report, including the necessity, demographic composition and the present economic situation in the area and likely impact to be created by developing means of communication.
- (b) A brief note on the proposed gradients.
- (c) Abstract estimate of cost.
- (d) Index map showing the location of the road.
- (e) A detailed survey including longitudinal section and cross section at suitable intervals which should show not only the existing ground levels but also proposed formation levels.
- (f) Quarry charts showing the various quarries from where stone and sand are proposed to be obtained.
- (g) Drawings of all masonry, concrete, iron or timber works in order in which they occur in the line of the road.
- (h) Detailed estimate sheets.
- (i) No objection certificate from land owners. Estimates for new lines of road should include the cost of inspection houses intended to be built along it for accommodation of supervisory staff and others. Necessary provision should also be made for shifting of water pipe lines, drainage and electric poles and cables, telephone lines, if coming in the way of the new alignment.

4.13 Documents required accompanying Irrigation schemes for construction of Irrigation Channels are:-

- (a) Report, including the necessity, demographic composition and the present economic situation in the area, as well as likely impact to be created by development of irrigation facilities.

- (b) A brief note on the proposed gradients; detailed survey and longitudinal sections and cross sections at suitable intervals showing the existing ground levels and proposed channel bed levels.
- (c) Abstract estimate of cost.
- (d) Index map.
- (e) Size of Gross Command Area (GCA) and culturable area.
- (f) Brief Cropping pattern and types of crops.
- (g) Analysis of Cost Benefit Ratio.
- (h) Detailed estimates sheets.
- (i) No Objection Certificate from land owners.

4.14 Similarly schemes for providing Drinking Water Supply and Sewerage System must be supported by the following documents.

- i) Report, including demographic compositions and the present arrangement for water supply in the area.
- ii) A brief note on the proposed hydraulic gradients / self cleansing velocity.
- iii) Abstract estimate of cost.
- iv) Index map.
- v) A detailed survey of the area from the source to the distribution tanks with design and dimensions.
- vi) Description of categories of consumers and population thereof.
- vii) Drawings of masonry, concrete iron etc works in the lines of procurement and distribution of drinking Water Supplies / Sewerage Lines
- viii) Detailed estimate sheets.
- ix) Clearance from land owners wherever necessary.

Estimate for Furniture

4.15 Estimates for interior decoration, furniture and furnishing shall be prepared based on client requirements. In cases of purchase of built up accommodation to meet requirements of Government Departments, separate estimates are required to be prepared after survey and valuation report is submitted to the Department concerned and purchase is authorized by the Government with the concurrence of Finance Department. The Maintenance of such buildings will be carried out as in the case of other government buildings. The Government takes on rent/lease or by requisition some private buildings when considered necessary for residential and office accommodation. The repair estimates for these buildings should be prepared on the same plinth area rates/percentage basis as for other government buildings.

4.16 A consolidated record of all estimates sanctioned for a particular Circle should be entered in the Register of Estimates in the prescribed form.

SECTION 5 EXECUTION OF WORKS.

Preliminaries

5.1 On receipt of technical sanction to the estimate, action is immediately initiated for taking possession of land acquired by the government for the purpose and preparation of draft Notice Inviting Tenders is floated. Where the scheme includes electrical work

the concerned Department is immediately informed along with copies of the relative portion of the estimate and plans furnished to initiate further action.

Inspection of Works

- 5.2** It is incumbent upon various officers concerned with the work to inspect the works frequently to ensure that the works are being executed according to design, drawing and specifications laid down in the contract. The officer who records/test checks the measurements for an item of work will be responsible for the quality, quantity and dimensional accuracy of the work.
- 5.3** The programme of inspection should ensure that the Junior Engineer visits all works in his charge at least once a week. The Assistant Engineer should similarly visit all the works within his Sub-Division at least once in a fortnight. Inspection by the Divisional Engineer should be so programmed that all works within the Division avails his attention at least once in a month. The programme may be drawn quarterly and a copy should be sent to the Superintending Engineer.
- 5.4** Likewise, Superintending Engineer will draw up programme for inspection of various works in his Circle, so that at least one bimonthly inspection is carried out during execution of each work.
- 5.5** All Officers shall ensure issue of instructions after inspection. Those may be issued by way of recording in the inspection register at site or by issue of inspection notes, a copy of which is required to be pasted in the inspection register. The inspection notes should be available on record before passing of RA bill covering the period corresponding to the frequency of inspection and so on. If this is not available on record, prior permission of Chief Engineer shall be taken before payment is released. However, the inspections shall be carried out before the next bill.
- 5.6** The instructions to be complied by the contractor shall be carried on to the Site Order Book for ensuring compliance. Action taken report on the inspection note issued by an inspecting officer should be given by the Divisional Engineer within one month. During next inspection, earlier inspection report should be reviewed by the Inspecting Officers.
- 5.7** The Assistant Engineer and Divisional Engineer must also make adequate surprise checks to ensure the quality of work during concreting. They should make special efforts to be present at the site when concreting is under progress and ensure that the desired water-cement ratio is strictly maintained along with other quality control measures.

CHAPTER III WORKS ACCOUNTS SECTION 6

MEASUREMENT BOOKS

General

- 6.1** Expenditure on the construction of a work may be divided broadly into two classes viz. (i) cash and (ii) stock charges. In addition to the main charges there are other charges affecting the cost of works. For example, there may be charges incurred in

other Divisions, Departments for materials received from them or services rendered by them, or there may be cash receipts such as taken in reduction of expenditure. To account for all these charges affecting cost of works, separate accounts are maintained in the Circle for recording (i) the cost of individual works and (ii) the transactions of individual Contactors/Suppliers. These are known as works accounts.

- 6.2 Cash charges of works consist of payments to (i) laborers and members of the work-charged establishment of their wages and (ii) contractors and others for work done or other services rendered. The cost of materials procured specially for work is charged to the accounts of works by transfer credit to the "Material Purchase Settlement Suspense Account". The payments to suppliers are governed by the same rules as payments to contractors for work done.
- 6.3 The payments to the work-charged staff are made monthly in the same manner as it is made to the regular staff but on a different bill form and are charged direct to the work on which the person is actually employed.
- 6.4 The payments to contractors and others for the work done or other services rendered are made on the basis of measurements recorded in the Measurement Book. Subsidiary instructions regarding maintenance of the measurement books and review of measurement books are given in the subsequent paras here under.

Writing of Measurement Book

- 6.5 The Measurement Book is the basis of all accounts of quantities whether of works done by contractors or by labourers employed departmentally or materials received. It should be so written that the transactions are readily traceable.
- 6.6 These books should be considered as very important accounts records and maintained very carefully and accurately as these may have to be produced as evidence in a court of law, as and when required.
- 6.7 All the Measurement Books belonging to a Division should be numbered serially. A register should be maintained in form in Annexure I showing the serial number of each book on receipt, Sub-Division to which it is issued, the date of issue, date of its return to the Division Office and date of its record after the required review in the Division Office has been completed.
- 6.8 A similar register should be maintained in the Sub-Division Office showing the names of persons i.e. Assistant Engineer and Junior Engineer to whom the measurement books are issued.
- 6.9 The books no longer to be used in the Sub-Division or with the Junior Engineer should be withdrawn promptly even though not completely written up and re-issued.
- 6.10 The Measurement Books are required to be reviewed by the Divisional Accountant as per procedure in paragraph 6.51 under the Supervision of the Divisional Engineer who should ensure that this annual review is conducted regularly and positively every year.
- 6.11 When an Assistant Engineer or Junior Engineer in charge of the work or stores is transferred he should hand over the Measurement Books issued to him to his successor and these should be shown as received back from him and re-issued to the relieving officer.

Recording of Measurement

- 6.12 Each set of measurement to be recorded should commence with entries stating:-
 - (I) **In the case of bills for works done:**
 - (a) Full name of work as given in the agreement /estimate.

- (b) Name of contractor.
- (c) Number and date of agreement.
- (d) Date of written order to commence work.
- (e) Date of actual completion of work.
- (f) Date of recording measurements.
- (g) Reference to previous measurements.

(II) In the case of bills for supply of materials:

- (a) Name of supplier.
- (b) Number and date of supply order/agreement.
- (c) Purpose of supply in one of the following forms as applicable to the case.
 - (i) Stock (for all supplies for stock purpose)
 - (ii) "Purchase" for direct issue to the work (full name of the work as given in the estimate may be mentioned).
 - (iii) "Purchase" (full name of work as given in the estimate) for issue to contractor on
- (d) Date of written order to commence the supply.
- (e) Date of actual supply and
- (f) Date of recording measurement.

- 6.13** A suitable abstract should then be prepared which should encompass, in the case of measurement for works done, the total quantities of each distinct item of work relating to each sanctioned sub-head. The measurement books meant for this purpose contain pages in consecutive numbers. Details of quantities, rate and amount of each item for every bill are entered in this Measurement Book in a tabular form.
- 6.14** For recording measurements and also for preparing abstract, the agreement item number both in words as well as in figure should be given neatly instead of writing the description of the item in full or in abbreviated form which would not be necessary.
- 6.15** In case of extra/substituted item of work that is not covered in the agreement, the full nomenclature shall be reproduced in the Measurement Book and also in the bill form for final bills.
- 6.16** The full nomenclature of the items shall be adopted in preparing abstract of final bill in the measurement book and also in the bill form for final bills.
- 6.17** If the measurements are taken in connection with a running contract, a reference to the last set of measurements, if any, should be recorded. If the entire job or contract has been completed, the date of completion should be duly noted in the prescribed place. If the measurements taken are the first set of measurements on a running account or the first and final measurements, this fact should be suitably noted against the entries in the measurement book and in the latter case, the actual date of completion should be noted in the prescribed place.
- 6.18** All measurements should be recorded neatly in the Measurement Book. The signature of the contractor should be obtained in the measurement book for each set of measurements.

- 6.19** General conditions of contract provide that before taking any measurement of any work, the Engineer- in- Charge or a subordinate deputed by him shall give 3(three) days notice to the contractor. If the contractor fails to attend the measurements after such notice or fails to countersign or to record objection within a week from the date of measurement, then the measurement recorded in his absence by the Engineer- in- Charge or by the subordinate deputed by him, as the case may be, shall be deemed to have been accepted by the contractor.
- 6.20** When the contractor fails to attend at the time of measurements or to accept the measurement recorded by the Junior Engineer by signing in the measurement book, the fact needs to be brought to the notice of superior officer immediately. When any discrepancies arise with regard to the measurements taken by the Junior Engineer the matter should be informed to superior authority within 72 hours of such incidents to avoid delay / dispute in completion of the process as per provisions of the contract. The latter on receipt of such a report should take immediate action and inform the contractor in writing that the measurements as taken by the Junior Engineer/Assistant Engineer shall be final as per condition of contract and no claims whatsoever on this account shall be entertained.
When contractor fails to attend during the time of measurement, the authority can direct the field engineer to record the measurement in presence of the witness (third party measurement) i.e. Sub-Divisional Magistrate or Block Development Officer and submit the same to the superior authority. In such cases, the measurement taken shall be final and binding in all respect and no claims whatsoever on this account shall be entertained.
- 6.21** The measurements shall be recorded in ink. No entry shall be erased or over written. If a mistake is made it should be corrected by crossing out the incorrect words or figures and inserting the correction, the correction thus made shall be initialed and dated by officer recording/checking measurements. The person recording the measurements should record a dated certificate “Measured by me” over his full signature in the Measurement Book.
- 6.22** The pages of the Measurement Books should be machine numbered. Entries should be recorded continuously and no blank page left or torn out. Any page or space left blank inadvertently should be cancelled by diagonal lines, the cancellation being attested and dated by an officer not below the rank of an Assistant Engineer.
- 6.23** When any measurements are cancelled or are not acceptable, these must be endorsed by the dated initials of the officer ordering the cancellation or by a reference to his orders, initialed by the officer who made the measurements, the reasons for cancellation should also be recorded.
- 6.24** On completion of the abstract, the book should be submitted to the Assistant Engineer who after carrying out his test check should enter the word “Checked the bill” with his dated initials. The Sub-Divisional clerk should check the bill in detail including calculations before submission to the Assistant Engineer for his comparison and signature at the end of the abstract and bill. From the measurement book all quantities should be clearly traceable into the documents on which payments are made. When a bill is prepared for a work or supplies, every page containing the detailed measurements must be invariably scored out by a diagonal red ink line. When

payment is made, an endorsement must be made in red ink on the abstract of measurements, giving a reference to the number and date of voucher of payment.

- 6.25** Any correction to calculations or rates made in the Sub-Divisional or Divisional or Circle office should be made in red ink and brought to the notice of the Sub-Divisional or Divisional Office as the case may be and of the person recording the original measurements. In the case of final bill payment should be deferred until the corrections have been accepted by the person making the measurements. All corrections made by the clerical staff should be in red ink, no erasers or correction fluids are to be used while making such corrections.
- 6.26** When a work which is susceptible of measurement is carried out by daily labour, similar procedures should be adopted, the quantities of work done as shown on the Muster Roll being compared with the entries in the Measurement Book before payment is authorized.
- 6.27** Measurements should be recorded only by the authorized Engineer – in – Charge or the Assistant Engineer or as the case may be to whom the Measurement Book has been issued for the purpose specifically.
- 6.28** All items of work in a project, irrespective of their cost shall be measured and recorded by the Junior Engineer-in-charge of the work. It is, however, open to the Assistant Engineer to record measurements for any particular item of work himself.
- 6.29** In case of works of repetitive type, detailed measurements of 20% of the total number of units, subject to a minimum of 20 units, need only to be recorded.
- 6.30** In case of supply of steel, the measurements should be recorded:-
 (i) On actual weight basis for bars upto 10mm dia and
 (ii) On standard sectional weight basis for bars above 10mm dia. In the case of the latter, the measurements should indicate the total number with length of bars in each bundle, total number of bundles, standard weight running meter weight of each bundle, total weight of all bundles etc. The entry should not be a copy from the invoice issued by the firm. The issue will also be made in the same manner in respect of above two items.
- 6.31** The Assistant Engineer must satisfy himself about the correctness of the bill before submitting it to the Divisional Engineer for passing and payment and ensure that the work or supply bill has actually been carried out/completed in accordance with the terms and conditions of the contract. He should personally inspect all works of all magnitude before recommending final payment in connection therewith.
- 6.32** In addition to the above, he is required to test check the measurements of the works in his charge as indicated hereafter. For the purpose of test check, “measurements” means the corresponding monetary value of measurements of work done. This, however, does not apply to “Levels” in which case, the test check has to be based on the number of levels recorded.
- 6.33** The Assistant Engineer should check measurement of at least 50% of the value of measurements recorded by his Junior Engineer before any running/final bill is paid. A

Register of Works should be maintained in Sub-Division before submission of the bills to the Division.

- 6.34** While test checking the work, the Assistant Engineer should test check 100% of all items of at least one unit, taken at random, besides test checking isolated and individual items in other units to bring the total extent of check measurement to the minimum desired limit of 50% of value of work done.
- 6.35** The Divisional Engineer should test check at least 10% of the measurements recorded by his subordinates. The test check should also include at least 50% test check of measurements for RCC items so as to ensure structural safety of the structures. It is mandatory for Divisional Engineer/Superintending Engineer to inspect and pass reinforcement for all Reinforced Cement Concrete Structures.
- 6.36** The Superintending Engineer in charge of the Circle may test check the measurement included in a bill if he desires to do so.
- 6.37** In the case of receipt of steel, the Divisional Engineer shall test check at least 10% of the total consignment received in a month. Permitted variation between the quantities as per suppliers bills and as received and accounted for in stock account is 0.5% in the steel bars upto and including 12mm dia and 1% in the case of steel bars of higher diameters.
- 6.38** If in any consignment the variation on lower side exceeds the aforesaid limits, 100% check at least of the measurements shall be carried out by the Divisional Engineer and detailed investigation into the reasons for the shortage recorded.
- 6.39** In case of road work when consolidated tenders have been called:-
- (i) The stacks shall be uniformly distributed along the road. The collection of stone metal shall be completed for the entire work or for complete length of 1 km or as directed by the Engineer- in- Charge and measured before the work of laying and consolidation is taken up in hand.
 - (ii) The Assistant Engineer must check at least 50% and the Divisional Engineer at least 20% of the supply of materials in each length of 1km before the work of laying is started.
- 6.40** The individual items checked should be clearly shown in the measurement book and the result recorded by the Officer concerned. The items thus checked should be attested by the dated initials of the checking Officer, with name and designation.
- 6.41** Collective record of all the checks carried out from time to time, will be prepared in each measurement book in the following tabular forms:-
- (a) Date of check.
 - (b) Page recording measurement subject to test check.
 - (c) Value of measurements checked.
 - (d) Dated initials name and designation of the checking officer.

Recording Measurement for Earth Leveling Work

- 6.42** In case of leveling operations and earthwork, measurements are required to be entered in the level book. This Level Book should be numbered, accounted for and handled like Measurement Books over and above the Measurement Book.
- 6.43** Before starting the earth work, the following steps should be taken:-
- (i) Original ground levels should be recorded in the level book in the presence of the contractor.
 - (ii) A suitable baseline should be fixed with permanent masonry pillars @ 100 meters to provide a permanent reference line.
 - (iii) Circuit should be closed by taking final levels of the starting point or any other point, the reduced level of which was previously determined.
 - (iv) Plans showing initial levels, location of bench marks and reduced levels should be prepared and signed by both the parties and attached to the agreement. Works should be done according to the specifications.
- 6.44** The Assistant Engineer should exercise test check of levels at least to the extent of 50% and the Divisional Engineer at least to the extent of 20%. The test check of the levels should be carried out independently by each officer and readings should be recorded in the prescribed level book in red ink against the old levels which should be neatly scored out wherever necessary. If the test checking carried out reveals serious mistakes in the original levels, these should be taken or retaken and rechecked. The test check by an Officer should be as representative as possible for the entire work done.
- 6.45** On completion of a work, the levels should again be recorded in the Level Book and the contractor's signatures obtained. These levels should also be test checked by the Assistant Engineer/Divisional Engineer to the same extent as indicated above within one month of the date of completion of the earth work and according to the procedure as laid down in the case of initial levels as indicated above. The formation levels as per final execution of the work should be compared with the proposed formation levels and the work got rectified within permissible tolerance time.
- 6.46** In case of large scale leveling works, involving both cutting and filling, an accurate site plan should be prepared before the work is commenced. The portions requiring cutting and filling shall then be divided into squares and corresponding squares into filling which are complimentary to the squares in cutting given the same number. A table may be written upon the plan showing leads involved between the various complementary squares. This would form a lead chart for the work to be done. Before the work of leveling is commenced, the lead chart shall be checked by a responsible Officer of the Department not below the rank of an Assistant Engineer in presence of the contractor or his authorized representative and his signatures shall be obtained on the same. This should form an integral part of the contract and should be duly signed by both the integral parties before the commencement of the work. The quantity payable for earthwork shall be lower of the quantity derived from cutting or filling. The payment for lead shall be based on lead chart prepared in the aforesaid manner.
- 6.47** In case of earth to be imported, the area from where earth is to be imported, should be carefully predetermined before starting the work and wherever feasible, average lead should be worked out and stipulated in the tender. After this is determined, initial

levels of this area should be recorded along with the initial levels of the area to be filled. The levels should be properly checked during the progress of work and on completion, measurements of earth work should be recorded in both places to determine correctly the earth excavated and carted. Payment for earth work shall be made on the basis of lesser of the quantity in filling or cutting. Distances between the two places should be measured correctly which should also be test checked.

- 6.48.** Similar procedure shall be followed while recording measurements of disposal of earth.
- 6.49** In case of small works, borrow pit measurements and stack measurements of earth may be recorded indicating clearly the place of borrowing or disposal, as the case may be, so that distances can be verified.

Review of Measurement Book

6.50 All Measurement Books in use in a Division should be collected once in the month of July each year for review regarding writing of measurement books, recording of measurements and their test check are being followed properly.

- (i) To compare the books in use with part 1 of the Register of Measurement Books and to make necessary corrections in the register.
- (ii) To see that no original sheet is torn out of a book nor any entry erased, tempered or disfigured and that the corrections made therein are initialed.
- (iii) To see that pencil entries are not inked over.

6.51 The extent of review and test check will be determined by the Divisional Engineer/Superintending Engineer having regard to the result of the last review and should cover complete set of measurements.

6.52 After review the measurement books should be transmitted to the Circle Office for test checking the accuracy of calculations by the Accounts Officer. Payments based on the entries reviewed should be traced into various accounts and verified. Similarly, supplies or issue of materials should be traced into the various accounts and contractor's ledger etc and verified.

6.53 The result of review and test check of calculations should be recorded in the measurement books and the defects, discrepancies etc noticed should be communicated forthwith to the Assistant Engineer concerned.

6.54 The Measurement Book completed and returned for record during the year should also be similarly examined prior to their final record by the Divisional Officer.

Loss of Measurement Books

6.55 When a measurement book is lost, an FIR should be lodged with the police. An immediate report of the facts of the case, together with an explanation of all parties concerned responsible for the loss, shall also be made promptly to the Head of the Department, who is empowered to sanction the write off of the lost Measurement Books. Such losses for write off should be reported in the proforma as prescribed in

this manual. It is also necessary that the measurements in the lost measurement book should be re-constructed at the earliest. The sanction for write off shall be without prejudice, to the right to take disciplinary/legal action against those responsible for the loss.

SECTION 7 PREPARATION, EXAMINATION, VERIFICATION AND PASSING OF BILLS FOR PAYMENT

Preparation of Bills

- 7.1** The contractor may, if he so desires, prepare the bill. Alternatively, the bill may be prepared by the Sub-Division on the basis of measurements recorded in the Measurement Book in one of the forms prescribed, as applicable in each case.
- 7.2** Before the bill of a Contractor/Supplier is passed, the entries in the Measurement Book relating to the description and quantities of work/supplies should be scrutinized by the Assistant Engineer and calculations of “Contents or Area” should be checked arithmetically under his supervision. The bill should then be checked and passed by the appropriate authority.
- 7.3** Full rates as per agreement/supply order should be allowed only if the quality of work done or supplies made conforms to the specifications of that standard and under the agreement it is permissible to make the final payment. If the contract is determined, or an “on account payment”, if the contract is to run, on a part rate as considered reasonable, should be allowed with due regards to the work remaining to be done as per the general terms of the agreement, after getting the part rate statement approved from the competent authority.
- 7.4** In case of supplies, the payment is not permissible until the stores have been received, examined and accepted. In case payment has been permitted on production of dispatch documents etc. the payment should be treated as advance against the final settlement on receipt, examination and acceptance of the stores.
- 7.5** If the contract is for a completed item of work and the contractor is required to obtain materials of any description from the Government, necessary recoveries on account of the cost of materials supplied to him from the Government stores should be affected from each bill at the recovery of rates fixed for the purpose.

Forms of Bill for Payment

- 7.6** The authorized forms of bills to be used for payment to contractors, suppliers and their utility are described below:-
- (a) First and Final bill form should be used for making payments both to contractors for work and to suppliers, when a single payment is made for a job or contract i.e. on its completion. A single form may be used for making payments to several payees, if they relate to the same work or to the same head of account in the case of suppliers and re-billed for at the same time.
- b) Running Account Bill, form is used for all running and final payments to contractors and suppliers, including cases where advance payments are

proposed to be made or are already outstanding in respect of the same work against the contractor.

Hand receipt form: -

This is a simple form of voucher intended to be used for all miscellaneous payments and advances for which none of the special forms mentioned above is applicable. This form is not to be used for refund of lapsed deposits.

- 7.7** Different authorities empowered for Call of Tenders, Acceptance of Tenders, Power of Technical Sanction, Conclusion of Agreement, Passing of Bills as notified by the State Government through Finance Revenue and Expenditure Department vide Memorandum No 07/Fin/Adm. dated 18/09/2009 and as amended from time to time shall be applicable and enforceable. The exercise of these powers is subjected to availability of budget provision. The existing powers of different authorities are given in Annexure of this manual.

Payment for Work Done

- 7.8** Payment for work done or supplies made on running account should be made periodically on submission of the bill by the contractor/ supplier. According to the instructions contained in Finance Department Circular No. 01/PAO dated 25th July, 2003, all bills for works executed by the Department within a district are to be sent to the respective District Pay and Accounts Office along with necessary supporting documents. The District Pay and Accounts Office would pre check the bills, issue cheques and render Department wise accounts to the Accountant General, Sikkim. The Departments shall maintain a parallel cash book and other records as required by the Departmental codes and manuals.
- 7.9** The bills passed by the appropriate authority specified in paragraph 7.7 above are presented by the Circle Office concerned to the District Pay and Accounts Office for issue of Cheques on receipt of which disbursement is made at the Circle Office.
- 7.10** Account of payments made at the District Headquarters is rendered to the Accountant General, Sikkim, by the District Pay and Accounts Officer concerned.

**SECTION 8
DOCUMENTATION OF ACCOUNTS.**

Bill Register

- 8.1** The payments made in the Circle Offices are made on receipt of bills from various Sub-Divisions. A consolidated record of all bills received from the Sub-Divisions in respect of works/supplies should be maintained in one register known as Bills Register in the Circle Office in the form given at the Annexure. The Accounts Officer should ensure that the Register is properly maintained and kept upto date in the Circle office.
- 8.2** The bills of work charged establishment, muster rolls and establishment bills should not be entered in this Register.
- 8.3** A similar register, as mentioned above should also be maintained in each Division/Sub-Division in respect of payments to be made through the Assistant

Engineer. The register should be kept by the sub-Divisional clerk / Divisional Accountant in the same way as the register in the Circle Office and should be put up to the Divisional Engineer / Assistant Engineer every week.

Contractors Ledger

- 8.4** In view of changes in the system of accounting through, Pay and Accounts and accounting of transactions based on drawl of payment, the contractor ledger shall be maintained in Store Division of all works department to watch the material issued and the recoveries received through transfer entries from concerned Drawing and Disbursing Officer. The accounts relating to issue of stock materials from the store /supplies should be kept in a bound book known as “Contractors Ledger”. A separate folio or set of folios should be reserved for all the transactions with each contractor/supplier for whom a work wise account should be maintained.
- 8.5** The Contractors Ledger should be completed and maintained up-to- date.
- 8.6** The In-charge of Store Section is responsible for correctness of entries in the contractors’ Ledger and balances at the closing of the month.

Store Clearance Certificate will be issued to the contractor by the Store Division while drawing the Final bills by the contractor on the basis of record maintained in the Contractor Ledger.

Register of Works

- 8.7** The permanent and collective record of the expenditure incurred in the Circle during a year on each work is the “Register of Works”. This record is maintained in the Circle Office by the Drawing and Disbursing Officers and parallel records shall be maintained in Division and Sub- Division offices also.
- 8.8** The Registers of Works are posted as and when any payment is made from the Works. Separate folio or set of folios in the Register should be assigned to each Major works. The Drawing and Disbursing Officer is responsible for correctness of the entries and their safe custody.

REGISTER OF WORKS

ACTION POINTS-

- ❖ This is the permanent and collective record of the expenditure incurred in the Circle office/ paying offices during a year.
- ❖ The Register is posted as and when payments are made from the project / works account.
- ❖ The Register should be supplied with an index which should be sub-divided under the prescribed Heads of account Classification.
- ❖ The posting of the Register of Works should be completed before submission of the monthly accounts by the Accounts Officer and the register should be inspected by the Superintending Engineers at least once in three months for review, who shall then initial and put date in the relevant column. These registers are open for inspection by any officers authorized by Principal Chief Engineer cum Secretary.
- ❖ When the work is completed and the accounts of it have been settled and written up, a double red ink line should be drawn below the final entries and a note made in red ink “Work completed in 20.....” and the accounts are balance indicating the total sanction, expenditure incurred and actual saving of each component of schemes.

Allotment Register

8.9 The Drawing and Disbursing Officer of each office is required to maintain an Allotment Register. They are required to record the allotment in the budget head wise and control of expenditure should be exercised through allotment register.

8.10 Transfer Entries Order.

Transfer entries are entries intended to transfer an item of receipt or expenditure from the account of a work in progress or a regular head of account to another work or head of account. Transfer entries are normally prepared under the following circumstances:-

- 1) To correct an error of classification in the original accounts.
- 2) In order to adjust receipt or expenditure to the proper head of account or an item outstanding in a suspense account or a debit head.
- 3) In order to bring to account certain classes of transactions which do not pass through cash or stock accounts e.g.:-
 - (i) For credit to the suspense head on account of materials received for works from stock suspense.
 - (ii) For credit to "Public Works Deposits" on account of balances due to contractors on closed accounts
 - (iii) For credit to revenue heads on account of revenue not recovered in cash including deposit.
 - (iv) For credit to same work of on account of materials purchased from the same work head.
 - (v) For debit or credit to remittance heads based on transactions not appearing in Cash or Stock account e.g transfer of Tools and Plant to another Department of Government when the value is recoverable from them.
 - (vi) For credit to the revenue receipt head concerned towards percentage recoveries i.e those on account of agency charges, establishment, tools and plant and workshop charges.
 - (vii) In order to respond to a remittance transaction advised by the Accountant General or Department, if the corresponding debit or credit is not reflected in the accounts of the Department.
 - (viii) In order to transfer from the accounts of the work in progress items which are not debitible to the work and suspense charges which can no longer be included in the account of the work. Such entries are necessary when the accounts of any contractor are to be closed or when any recoveries have to be effected by transfer of stores to other works or accounts.
 - (ix) For every transfer entry there must be an authority in Form 53. Transfer Entry Order or order recorded on another document (e.g. Survey report, Form 18, and final bill of contractors' closed account transferred to Public Works Deposit.) which sets forth all the necessary particulars.
 - (x) There is no objection for preparing a transfer entry covering a number of adjustments or corrections provided full particulars like hire charge of machineries bill no and date, amount etc of such adjustments or corrections are given in the transfer entry order.
 - (xi) Transfer entries prepared by Assistant Engineer should be submitted in triplicate so that two copies can be retained in the Circle Office by Drawing and Disbursing Officer and one copy can be sent to the Pay and Accounts Office for compilation and submission to the Accountant General along with the monthly account.

- (xii) Transfer entries involving inter district transactions should be forwarded to the Head Office to arrange for incorporation by the Accountant General through the Pay and Accounts Officer, East District.
- (xiii) The Drawing and Disbursing Divisional Officer is responsible to see that no transfer entry is made in the account unless it is admissible under rules referred to above.
- (xiv) Transfer entries should receive special attention of the Drawing and Disbursing Officer so that habitual errors and mis-classification may not remain unnoticed.
- (xv) All transfer entry orders should contain full particulars of the transaction and the explanation or the proposed transfer, to establish and justify the necessity for transfer entry.
- (xvi) In cases of recoveries of materials involving a reduction in the expenditure against the estimate of a work, it is necessary to give full particulars of the materials issued and amounts in which the expenditure was booked earlier.
- (xvii) For every transfer entry there must be an authority in Form 53. Transfer Entry Order or order recorded on another document (e.g. Survey report, Form 18, and final bill of contractors' closed account transferred to Public Works Deposit.) which sets forth all the necessary particulars.
- (xviii) No transfer should be made from one sub-head to another sub-head of a work except on issue of materials purchased from one work and transferred / issued to another work. Authority of Chief Engineer for formal transfer as prepared by the Divisional Engineer / Assistant Engineer in-charge of Store is required for such transfer with the concurrence of heads of Accounts section in the Department. The order should be filed in the Works Register by Debits and Credits transfer as it effects the head of the accounts of the work.
- (xix) The Drawing and Disbursing Officer is also required to maintain the Transfer Entry Order Register as prescribed in Form 54 of Sikkim Public Works Code 2009.

Materials Account

- 8.11** Materials are purchased for maintaining stocks for requirements of various works, original and maintenance and mainly fall in two classes:-
- (i) These are issued to contractors for use on the work in respect of completed items of work for which they have quoted, for both labour and materials.
 - (ii) These are issued direct to works when the work is done departmentally or by contractors whose agreements are for labour work only.
- 8.12** In the case of issue to contractors in respect of complete items, the materials are issued to the work, as stipulated in the agreement, at fixed issue rates as indicated therein. These rates should include storage and other charges, where these are issued from stock. The materials other than those stipulated in the agreement should not be issued in such cases without express authority which should specify in each case the "Issue Rates" to be charged for the materials inclusive of delivery at the place where these are stored. In all such cases, it should be strictly observed that supply of materials to the contractors does not amount to giving them financial aid indirectly.
- 8.13** For materials issued to the Works whether directly or through departmental store, detailed account should be kept in Materials at Site account. Only principal items of materials i.e. those items the estimated cost of which exceeds Rs. 2000/- each need be detailed in this account. Only quantities account should be shown. However, separate material at site account be drawn incase materials are supplied by other then the

central / departmental store indicating both quantity and value. All the minor items may be lumped together under the heading “petty items” for which only values should be shown.

- 8.14** Unused balances of materials charged direct to work should be verified at least once a month by the Junior Engineer and a report of verification of the materials should be sent to the Assistant Engineer.

Hire Charge of Plant and Machinery

- 8.18** In addition to the materials issued to the Contractors they are allowed use of plant and Machinery of the Department at fixed hire rates and when those can be spared without inconvenience to the department. The hire charges of such plant and machinery count from the date these are taken out from the Departmental Workshop or a specific place till the date of their return.
- 8.19** The rates of hire charges are prescribed from time to time by the Government and the hire charges include the idle days except for a major breakdown necessitating return to the workshops. In case of any dispute the decision of the Chief Engineer (Mechanical) shall be final.
- 8.20** These hire charges will include services of operating staff and maintenance staff as also the materials required for normal maintenance and repairs.

Dismantled Material Account

- 8.21** Like the materials received from other sources and departments, without value, the materials obtained from dismantlement of a building or structure wherever not sold by tender or auction, should be recorded in the measurement book for record purpose, without value. On the basis of these measurements, these should be taken in the register of dismantled materials in the Form at Appendix. After the entries are made in the register and duly attested by the Assistant Engineer, those in the measurement book shall be crossed by diagonal red ink line with a suitable note that these materials have been entered in the register.
- 8.22** A separate folio or set of folios should be kept aside for keeping the accounts of dismantled materials pertaining to each work.
- 8.23** The materials obtained from dismantlement will be used in the works as far as possible and will be shown as issued to works accordingly in the register. The unserviceable materials should be disposed of in the manner indicated.
- 8.24** The indisposed balances should be physically verified at least once a year and the result of the verification recorded in the ‘Remarks Column’ of a Register or a Proforma.

Losses of Government Assets

- 8.25** All losses of assets in cash or properties should be reported to higher authorities and Accountant General as soon as these come to the notice of an officer and action taken to investigate into it and apportion the responsibility for the lapse and losses. This includes losses due to shortage and damages detected/ noticed during physical verification of stores.

- 8.26** With the exception noted below, any loss or shortage of public money, departmental revenue or receipts, stores or other property held by or on behalf of the Government, caused by defalcation or otherwise including losses and shortages noticed as a result of physical verification, shall be immediately reported by the Divisional Officers through their Superintending Engineer to the Chief Engineer. The Superintending Engineer should simultaneously endorse a copy to the Accountant General as well as to the Finance Revenue and Expenditure Department. The Chief Engineer will forward the same with his recommendations to the Principal Chief Engineer-cum-Secretary for onward transmission to the Government. Petty case that is cases involving losses not exceeding Rs. 5,000/- each need not be reported to the Accountant General.
- 8.27** If the irregularity is detected / observed by Audit, in the first instance, the Accountant General shall forward the report immediately to the Superintending Engineer concerned and if the Superintending Engineer considers it necessary, he may forward to the Finance Revenue and Expenditure Department as well.
- 8.28** The reports must be submitted as soon as suspicion arises that there has been a loss. There should not be any delay in conducting detailed enquiry incase of any suspension of loss or theft. When the matter has been fully investigated a further and complete report should be submitted of the nature and extent of the loss showing the errors or neglect of the rules by which such loss was rendered possible, and the prospects of affecting a recovery. This should be referred to the competent authority immediately.
- 8.29** The report shall be submitted with such comments as may be necessary or expedient, on the causes or circumstances which led to the defalcation or loss, the steps taken to prevent its recurrence and the disciplinary or any other action proposed against the persons responsible for such acts and omissions.
- 8.30** When losses of immovable property is caused by fire, flood, cyclone, landslide, earthquake or any other natural cause in any office such cases should immediately be reported by the Divisional Officer concerned to the Chief Engineer and by the latter to the Government. When a full enquiry as to the cause and extent of the loss has been made, the detailed report should be sent by the Chief Engineer to the Head of the Department and the Accountant General. All losses exceeding Rs. 5,000 should be regarded as “serious” for the purpose.
- 8.31** All cases of loss due to suspected sabotage or other criminal action endangering the security should be reported to the Police promptly, irrespective of the value of the loss involved.
- 8.32** Every Government servant should realize fully and clearly that he shall be held personally responsible for any loss sustained by Government by his willful negligence on his part in the discharge of his duties, direct or supervisory. Any fraudulent act or intensions noticed and omissions and commission should be dealt as per clause 8.31 immediately for necessary action.

CHAPTER IV
SECTION 9
CONTRACTS AND FORMS

What is Contract?

- 9.1** When two or more persons have common intention communicated to each other to create some obligation between them there is said to be an agreement. An agreement which is enforceable by law is a 'Contract'.
- 9.2** According to section 10 of the Indian Contract Act, 1872, only those agreements are enforceable in law which is made by the free consent of parties competent to contract, for a lawful consideration and with a lawful object and which are not expressly declared to be void. A contract should be in writing and attested by witnesses.
- 9.3** The following are the essential ingredients of a contract:-
- a) Offer made by one person called the "Promisor".
 - b) Acceptance of an offer made by the other person called the "Promisee".
 - c) Doing of an act or abstinence from doing a particular act by promisor for promisee is called a consideration.
 - d) The offer and acceptance should relate to something which is not prohibited by law.
 - e) Offer and acceptance constitute an agreement, which when enforceable in law, becomes a contract.
 - f) In order to make a valid and binding agreement, the parties entering into such an agreement should be competent to make such an agreement.
- 9.4** For the purpose of an agreement, there must be a communication of intention between the parties thereto. Hence, in the form of a contract there is:
- (a) A proposal.
 - (b) Communication of the proposal.
 - (c) A communication of the acceptance of the proposal.
- 9.5** The communication of acceptance of the proposal completes the agreement. An offer may lapse for want of acceptance or be revoked before acceptance. A contract starts as soon as the offer is accepted and imposes an obligation upon the person making the offer for its fulfillment.

General Conditions of Contract**9.6 GENERAL RULES**

- i) All works proposed for execution by contract will be notified in a form of invitation to tender in official website, by publication in Sikkim Herald and other local and National papers.
- ii) This form will state the work to be carried out as well as the date for submitting and opening tenders and the time allowed for carrying out the work, the amount of earnest money to be deposited with the tender, and the amount of the security deposit to be deposited by the successful tenderer and the percentage, if any, to be deducted from bills. Copies of the specifications, designs and drawings or any other documents required in connection with the work assigned for the purpose of identification by the Assistant Engineer /Divisional Engineer shall also be open for inspection to the contractor at the office of the Assistant Engineer /Divisional Engineer.

- iii) In the event of tender being submitted by a registered Firm or Co-operative Society in the State, it must be signed separately by each Partner / Executive Body of Co-operative Society thereof, or in event of the absence of any Partner/ Other executive members , it must be signed on his behalf by a person holding a power of attorney authorizing him to do so, such power of attorney to be produced with the tender, and it must disclose that the Firm / Co- operative society is duly registered under the provisions of Law.
- iv) Receipts for the payment made on account of a work when executed by a Firm / Co-operative Society must also be signed by all the partners, except where the contractors are described in their tenders as Firm, in which case, the receipts must be signed in the name of the Firm / Co- operative Society by one of the partners or by any person authorized on their behalf.
- v) Any person who submits a tender shall fill up the usual printed form, stating the rates, he is willing to undertake for each item of the work. Tenderers who propose any alteration in the work specified in the said form of invitation of tender or in the time allowed for carrying out the work, or which contain any other condition of any sort, will be liable to rejection. No single tender shall include more than one work. Tenders shall have the name and number of the work to which they refer written outside the envelope containing the tender papers.
- vi) In order to make the tender process more competitive and to properly evaluate the rates offered by the contractors, it is necessary that there must be at least three participants / tenderers in each tender. Tenders received in less than three valid tenders shall be summarily rejected and fresh tender shall be invited. However, in case receipt of less than three tenders in the subsequent re-tender, the Principal Chief Engineer cum Secretary/ Heads of Department has the discretion to accept or reject the tenders.
- vii) The officer inviting the tender, will open tenders in the presence of any intending contractors who may be present at the time, and will enter the amounts of the several tenders in a comparative statement in a suitable form. In the event of a tender being accepted or not , a receipt for the earnest money submitted along with the tender therewith shall be given to the contractor for the purpose of identification duly signing the relevant register. . In the event of a tender being rejected, the earnest money forwarded with the unaccepted tender, shall be returned to the contractor without any interest.
- viii) The accepting authority reserves the right to reject any or all the tenders without assigning any reasons thereto.
- ix) The receipt of an Accountant or clerk for any money paid by the contractor as Earnest Money will not be accepted. The contractor is required to furnish requisite bank receipt or challan issued by the DDO or the Tendering Authority.
- x) The memorandum of work tendered for, and the schedule of materials to be supplied by the Public Works Department and their issue rates, shall be filled in and completed in the office of the officer inviting the tender before the tender forms are issued. If a form is issued to an intending tender without having been so filled in and completed, he shall request the officer to have this done before he completes and delivers his tender. In case of dispute over issue rates, the issue rate of stock material on the date of tender in the department shall be considered as “issue rate of stock materials”.

- xi) In addition to the Conditions of Contract enumerated in this Manual, the special clauses incorporated in the Notice Inviting Tenders of the Work by the Tender calling authority shall also be construed as the Conditions of Contract for the work.
- xii) The standard booklet containing the General Conditions of Contract as prescribed in the Annexure to this Manual shall be used for all contracts. Standard clauses of various forms should not be altered / violated except with the previous approval of that authority.
- xiii) The contractor / tenderers shall forfeit the right of tender if it is established beyond doubt that the work has been sublet to other person even by entering into a power of attorney.

Notice Inviting Tenders.

9.7 Notice Inviting Tender Form which in brief is known as the NIT. It is required to be invariably issued in respect of works for which tenders are to be called. The salient feature of this NIT is that it includes the name of the work, estimated cost put to tender, period of completion, time and date of receipt and opening of tenders and other relevant conditions.

The form of tender to be used along with a set of Standard Conditions of Contract has been prescribed in this Manual at Annexure. Particular specifications and special conditions can be added to this standard conditions as per technical requirement but it should not be repetitive and in contradiction with other conditions. Additional conditions are to be decided by the NIT approving authority depending upon the circumstances of each individual case.

9.8 Percentage rate tender could be used in respect of leveling and development works, including such works as storm water drainage, water supply and sewer line and repetitive types of works, such as construction of residential quarters of various types as per standard design and drawing.

9.9 In item rate tenders, the contractors are required to quote rates for individual items of work on the basis of schedule of quantities furnished by the Department. The form warrants more detailed analysis of cost by the contractor. The contractors have to work out the rates against each item.

9.10 Supply of materials form should normally be used where the purchase of materials is involved. The contractors are required to quote rates for supply of the required quantity of materials, whether raw or finished.

WORK ORDER:

9.11. This form should be used to convey acceptance of tender to the contractor.

9.12 WORLD BANK DOCUMENTS:

The Standard Bidding Documents finalized by World Bank are used for works aided by it. Only work specific changes, acceptable to the Bank, may be made in the conditions of contract. Such changes may be incorporated through additional conditions or contract-data sheets and not by introducing changes in the standard wordings of the Standard Bidding Documents of the World Bank. The two authorities for administering the contract for World Bank Project viz the “Employer” and the “Engineer” should be substituted with “The Public Works Department represented by

Chief Engineer/Superintending Engineer” and “The Divisional Engineer represented by Assistant Engineer/Junior Engineer” respectively.

SECTION 10 PREPARATION OF TENDER DOCUMENTS

- 10.1** Before tenders for a work are invited, a detailed estimate showing the quantities, rates and amounts of the various items of work and also the specifications to be adopted should be prepared. Before sanctioning the draft of the detailed estimate, for works having involvement of Architect, should be sent to the Principal Chief Architect to examine it vis-à-vis the specifications of various items provided by him.
- 10.2** In case of works for which tenders are to be invited, tender documents comprising of the following should be prepared and approved by an authority which is empowered to approve the Notice Inviting Tenders before it is issued. These conditions shall also form a part of the agreement with the Contractor.

The schedule of quantities of work.

- 10.2A** A set of drawings referred to in the schedule of quantities of work.

Specifications of the work to be done.

- 10.3** The authority issuing the tender should invariably date and initial corrections, conditions and additions in the Schedule of Quantities, Schedule of Materials to be issued and specifications and other essential parts of contract documents and also date and initial on pages of the tender documents irrespective of the fact whether they contain or do not contain any corrections or over writings etc.
- 10.4 Before approval of NIT, the following should be ensured.**
- i) Availability of site, funds and approval of local bodies to plans.
 - ii) Confirmation that materials to be issued to the contractor would be available.
 - iii) Arrangement for issue of drawing above slab at level 2 well in advance of actual requirement at site as per the programme of construction.
- 10.5** Unless there is any other bonafide reasons to stipulate certain materials, only those materials should be stipulated in the tender which are either available at the time of inviting tender or are likely to be received before commencement of the work.
- 10.6** Stipulated materials shall be issued for use at site on works, for all the items when such materials are required. For factory made products like pre-cast cement tiles, pre-cast hollow concrete blocks, pre-cast foam concrete blocks, pre-cast RCC pipes etc., stipulated materials shall not be issued.
- 10.7** It shall also be ensured that description of the materials to be issued is adequately specified to avoid chances of any dispute. For example, if cement is specified for issue, it should be stated whether it is grey cement or white cement and whether it will be in bags or otherwise.

Composite Tender

10.8 Composite tenders shall be called for works where the combined estimated cost of different components put together exceeds Rs. 10 crores.

10.9 Composite Tenders can also be called for work where the combined estimated cost put to tender is Rs. 10 crores or less at the discretion of the Principal Chief Engineer cum Secretary or where it is requirement of the client or the funding agency.

- i) Items of special nature like Sub Station Equipment, lifts, generating sets, centralized air conditioning system, furniture, furnishing and decorations or any other work of specialized nature which is to be excluded from the tender, the tendering authority should seek approval from the competent authority in the event of such composite works
- ii) Detailed estimates for different components will be technically sanctioned by the competent authority of the respective discipline.
- iii) Draft tender documents comprising special conditions/specifications and drawings etc. shall be prepared separately for such component and approved by competent authority of the respective discipline.
- iv) The authority competent to approve the NIT for the combined cost and belonging to the major discipline will consolidate the NIT for calling the tenders.
- v) The advertisement and the NIT for composite tender, besides indicating the combined estimated cost put to tender, should clearly indicate the estimated cost of each component separately. The eligibility of tender will correspond to the combined estimated cost of different components put to tender.
- vi) NIT should also clearly state that:
 - a. The tenderer must associate with himself agencies of the appropriate class eligible to tender for the other components individually.
 - b. It will be obligatory on the part of the tenderer to sign the tender documents for all the components, the schedule of quantities, conditions and special conditions etc.
 - c. After the work is awarded, the contractor will have to enter into separate agreements for each component with the Officer concerned.
 - d. The engineer in charge of the major component will call tenders for the composite work. The cost of tender document and earnest money will be fixed with respect to the combined estimated cost put to tender for the composite tender. Security deposit will be worked out separately for each component corresponding to the estimated cost of the respective component of work. The earnest money will become part of the security deposit of the major component of work.
- vii) On acceptance of the composite tender by the competent authority the letter of award will be issued by the engineer in charge of the major component on behalf of the Governor of Sikkim, making it clear in the letter of award that the contractor will have to execute separate agreements for different components of work with the concerned officers of the respective discipline.

10.10 Separate contract for dismantlement and disposal of structures may be resorted to when there is enough time available after receipt of approval to dispose of these structures and receipt of Administrative Approval and Expenditure Sanction for the re-construction.

Preparation of Notice Inviting Tender

10.11 All notices calling for tenders should be in the standard form as prescribed in the Annexure of this Manual and be serially numbered, a proper register being maintained

for the purpose. They should be issued after the authority competent to accept the tender has approved the NIT papers. The Notice Inviting Tenders should be carefully prepared; the use of symbols % and per thousand in the schedule of quantities accompanying the Notice Inviting Tenders is prohibited and the words hundred and thousand must be written e.g. “per hundred square meter” must be written and not “% square meter”. The units should thus be more specific. The NIT papers are very important documents on which call of tenders and subsequent agreements with the contractors are based. It is therefore very necessary that each page and the correction slips as also other corrections and modifications made in the NIT papers are numbered and signed by the competent authority in token of approval so that all chances of tampering with such documents are avoided. Mere approval on forwarding letters would not serve the purpose. All corrections in the NITs and pages of the NITs approved by the Superintending Engineer and Chief Engineer should be attested by the Accounts Officer/Divisional Engineer (Planning). There after the documents must be properly sealed to prevent any tampering.

- 10.12** It will be the responsibility of the Accounts Officer / Divisional Engineer (Planning) to ensure that the tenders are issued to, only those contractors who satisfy the eligibility criteria for issue of tenders as inserted in the Press Notice. He should properly scrutinize the applications received for issue of tenders keeping in view the eligibility criteria and then put up to higher authority for approval.
- 10.13** The NIT for all works for which tenders are invited on Percentage rate, basis shall provide that the contractor should quote the percentage above or below up to two places of decimal only. The NIT should stipulate reasonable time for completion of the work corresponding to the completion time indicated in the proposal for administrative approval.

SECTION 11 PUBLICITY OF TENDERS

- 11.1** Wide publicity should be given to the Notice Inviting Tenders. Tenders must be invited in the most open and transparent manner possible by advertisement in Sikkim Herald and other National and Local papers, and by notice pasted in public places and duly hosting in the Departmental Websites. A copy of the notice should also be sent to the District Collector, Sub-Divisional Magistrate, Block Development Officer and PRIs/Municipality located at the station of the work for wide publicity. E-tendering also be resorted to for inviting wider and transparent competitions amongst tenderers.
- 11.2** Advertisement for Notice Inviting Tenders should be sent to the Information and Public Relations Department for dissemination through the press media. Request for release of advertisement should be sent well in advance and a watch should be kept on publication of the advertisement. Copies of publication of the advertisement should be collected and kept on record as a proof of publicity actually. Full details of the date on which the advertisement actually appeared in the news papers should be indicated while sending cases to the higher officers.

Pre bid Conference

11.3 In case of works estimated to cost Rs.10 crores and above, a pre-bid Conference shall be held by the Engineer-in-Charge about 10 days before the last date of submission of the tenders for clarification of any doubts of the prospective tenderers attending the conference. In case of works costing less than Rs.10crore, where necessary, pre-bid conference may be held in a manner described above at the discretion of the NIT approving authority.

Restricted Tenders

11.4 Restricted tenders can be called in the following cases with the prior approval of the Head of Department.

- a) The work is required to be executed urgently which not all contractors are in position to perform.
- b) The work is of special nature requiring specialized equipments which is not likely to be available with all the contractors.
- c) Where the work is of secret nature and public announcement is not desirable.
- d) The list of pre-qualified contractors is required to be shortlisted to a suitable limited number.
- e) Works benefitting the weaker section of the society and if exigencies of the work so demands.

11.5 Restricted call of tenders is normally made after preparation and selection of contractors on the basis of pre-qualification applications invited through press advertisements so as to make the list of contractors of proper technical, financial capabilities backed by sufficient experience and resourcefulness.

Prequalification of Contractors

11.6 Pre-qualification of contractors shall be resorted to in the following cases:

- (a) The estimated cost of the work exceeds Rs. 10 crores.
- (b) The estimated cost of the work is upto Rs. 10 crores and the Principal Chief Engineer in his discretion and for recorded reasons decides to pre-qualify contractors on the following grounds:
 - i) The work is required to be executed speedily, which not all contractors are in position to perform.
 - ii) The work is of special nature requiring specialized equipments, which is not likely to be available with all contractors.
 - iii) The work is to be executed in sensitive VIP areas.
 - iv) Client has requested to restrict the tender.
 - v) Any exigencies of the work to be placed on record.

11.7 The pre-qualification applications shall be invited on pre-qualification documents (Annexure II) through press notice and website of the department. The Chief Engineer shall draft the prequalification criteria in accordance with guidelines laid down, suggest deviations from the guidelines where absolutely necessary, and send the same to the Head of Department for approval. The following criteria shall be fulfilled for all pre-qualification bids:

- (a) Three similar works experience having successfully completed, costing not less than the amount equal to 40 percent of estimated cost put to tender.
- (b) Two similar works costing not less than the amount of 50% of the estimated cost put to tender.

- (c) One similar work of aggregate cost not less than 80 % of the estimated cost.
- (d) Average annual financial turnover on construction works should be at least 30 percent of contract value, during the last three years ending 31st March of the previous financial year.
- (e) Profit/loss account papers should be as on 31st March of the previous financial year.
- (f) Solvency certificate should be for an amount equal to 40% of the estimated cost of work.

Expression of Interest

11.8 Expression of Interest for any work requiring specialized work, materials, equipments and men power, the Principal Chief Engineer cum Secretary / Head of the Department in his discretion and for recorded reasons, may decide to invite Expression of Interest in two bids system i.e. Technical and Financial Bids separately or together as the case may be. The Technically qualified contractors / parties shall have to deposit the requisite tender form cost and the TDR of required amount as earnest money before opening of the financial bids.

Time Limit for Publicity of Tender

11.9 The time limits between the date of NIT and the date of opening of the tenders are laid down but the period may be extended at the discretion of the officer competent to accept the tender in case on need as:

- (a) Minimum one week in the case of works costing upto Rupees Ten Lakhs.
- (b) Minimum two weeks in the case of works costing between Rupees Ten Lakhs to Rupees One Crore.
- (c) Minimum four weeks in the case of works costing over Rupees One Crore.

11.10 The following procedures shall be adopted for proper publicity of tenders:

- 1) All NITs, whether issued by the Sub-Division or at higher level shall be assigned a serial number in the NIT form 'X' of 'Y' where 'X' is the serial number of the NIT issued in a particular financial year and 'Y' represents that financial year. Abbreviations for issuing office and the place may be added. No NIT shall be publicized either on the Notice Board or in press without a serial number.
- 2) The serial number shall be assigned from a register maintained for the purpose in the format given in the Annexure. The serial number shall be continuous.
- 3) The agreement with the contractor shall bear the serial number of the NIT along with other details on the cover page.

SECTION 12

SALE OF TENDER DOCUMENTS

Preliminary

12.1 Tender documents comprising of (i) Tender form, (ii) Contract Agreement Form (iii) General Directions and Conditions of Contract and (iv) Schedule of Rates and Quantities should be prepared and kept ready for sale to the contractors before the Notice is actually sent to the press or is pasted on the Notice Board and every contractor desiring to tender shall be asked to make a written request. It is the responsibility of the Tender Calling Authority and the Accounts Officer(s) to see that tender documents are made available to the contractors as soon as the application is made. The application may be made by the contractors in the prescribed form at Annexure.

12.2 Tender documents shall be sold to only registered and enlisted contractors who fulfill the eligibility criteria set out in the press notice and who are not near relatives of the Accounts Officer, Senior Accountant or Superintending Engineer or Divisional Engineer or Assistant Engineer or Junior Engineer of the Circle in which the work is to be executed.

Note: A near relative includes wife, husband, parents and children.

12.3 For recorded reasons the Head of the Department is competent to permit any particular person or firm, who are not on the registered list, to tender for specialized works.

Sale of Tender Documents

12.4 Sale of tender documents shall be allowed in two stages. In the first stage contract agreement form, General Directions and Conditions of contract and Schedules of rates and Quantities only shall be issued on production of Bank Receipt, from the State Bank of Sikkim for the amount specified in the Notice Inviting Tenders. The tender form on which the contractor is to quote the rate/offer shall be issued to the intending tenderers at the second stage on production of Temporary Deposit Receipt(TDR), from the State Bank of Sikkim for the amount of earnest money and within the dates as specified in the Notice Inviting Tenders.

12.5 Tender form as per annexure shall be issued by the Accounts Officer(s) in respective Circle Offices and Head Quarters as per para 12.4 above. In case of Sub- Division and Divisions offices, the tender forms shall be sold by the tender inviting authorities and no Tender Documents/Forms shall be issued in absence of such authorities.

Time Interval

12.6 In order to give contractors sufficient time to study tender documents and work out reasonable rates, the receipt of applications for issue of tender forms will be stopped by 1500 hours six days before the date fixed for receipts of tenders. Issue of tender forms will be stopped three days before the date fixed for such receipt.

Charges for Tender Documents

12.7 The following are the charges for the sale of tender documents unless stipulated otherwise by the State Government:

Value of work costing	Scale charges (in rupees)
Upto Rs. 5 lakhs	250.00
Above Rs 5 lakhs and upto Rs.10 lakhs	500.00
Above Rs. 10 lakhs and upto Rs. 20lakhs	1,000.00
Above Rs. 20 lakhs and upto Rs. 50 lakhs	2500.00
Above Rs. 50 lakhs and upto Rs. 1 crore	15,000.00
Above Rs. 1 crore and upto Rs. 3 crore	30,000.00
Above 3 crore and upto Rs. 10 crore	50,000.00
Above 10 crores and upto Rs. 20 crore	1, 00,000.00
Above Rs. 20 crores	2, 00,000.00

12.8 The agreement form contains general conditions of contract for executing works and is applicable both for item rate as well as percentage rate Tenders.

- 12.9** The issue and recovery of stipulated materials to contractors for use in construction works is governed by clause 10 and 43 of the Conditions of Contract.
- 12.10** A fifteen days notice should invariably be issued to the contractor to return the excess materials got issued by him over and above the theoretical consumption and permissible variations.

Accounting of Tender Document

- 12.11** The following are the procedure laid down for accounting of tender documents:
- (a) All tender documents shall be kept in the office of Accounts officer(s) of Head Quarters and Circle offices.
 - (b) The register should contain a chronological record of the issue of tender documents showing the name of the person to whom issued, the number of forms issued and the particulars of Bank Receipt on account of cost of documents.
- 12.12** To avoid the possibility of bogus and fake tenders being submitted, it is necessary that tender documents are sold individually and acknowledgements taken from contractors or their accredited representatives in the Sale Register of Tenders while handing over tender documents to them.

SECTION 13 RECEIPT, OPENING AND ACCEPTANCE OF TENDERS

Receipt of Tenders

- 13.1** The tenders shall be placed in sealed covers and deposited with the prescribed authority in accordance with the instructions contained in the Notice Inviting Tenders (NIT).
- 13.2** In respect of following works, two bid system i.e. Technical bid and financial bid in separate covers shall be adopted:
- i) Works costing more than Rs. 10 crores.
 - ii) Special items like bridges, pile foundations, special buildings etc. where lump sum tenders or tenders based on contractors designs are called and
 - iii) Supplies involving strict technical standards.

Opening of Tenders

- 13.3** Tenders should be opened by the prescribed committee in the presence of such intending contactors or their representatives as may choose to attend at the time and place indicated in the NIT. Tenders should be entered in the Register in Form as at Annexure.
- 13.4** The tenders received after the due date and time of receipt are not to be considered at all. They should neither be opened nor entered in the tender opening register.
- 13.5** In case of two bid system, technical bids shall be opened first and after technical evaluation is completed, financial bids in respect of technically acceptable offers only shall be opened.
- 13.6** The committee opening the tenders should mark all corrections, cutting, conditions, additions and over-writings and number them and attest them in red ink. In case of a

number of corrections in any rate, either in words or in figures, or in both, the number of corrections marked should indicate the corrections serially, that is to say, in case of say three corrections in rates of any one item, each of these corrections should be allotted independent numbers serially and not one number to represent all the three corrections.

- 13.7** The number of such corrections, cuttings, additions, conditions and over writings must be clearly mentioned at the end of each page of schedule attached to the tender paper and properly attested with the date. Any omission observed should also be brought out clearly on each page of the schedule.
- 13.8** The corrections, cuttings, conditions, additions and over-writings etc should be allotted separate numbers i.e. corrections should start from 1, 2, 3 etc. and over-writings should similarly start separately from 1, 2, 3 etc.
- 13.9** Any ambiguities in rates quoted by tenderers, in words or figures must be clearly indicated on each page of the schedule attached to the tender to whom it concerns.
- 13.10** In case where the contractor has quoted rates in rupees and no paisa is mentioned the word “only” should invariably be added after the words “rupees” and the corrections should be initialed and dated with suitable remarks at the end.
- 13.11** Where the contractors have omitted to quote the rates in figures or in words, the committee opening the tender should record the omissions on each page of the schedule.
- 13.12** The committee shall see that the contractors quote entire rates in words including paise to avoid chances of tampering in rates and if the contractor fails to do so the tender is liable for rejection.
- 13.13** The contractors shall be asked to file the tenders properly and carefully. Quoting absurd rates and making too many corrections in the tenders should be avoided. The amounts should also be correctly worked out. If any contractor does not follow these instructions and desists from filling the tenders carefully, it would be open to the Departments to take disciplinary action against the Contractor.
- 13.14** The Accounts Officer/Accountant should be present at the time of opening of tenders. Tenderers should also be encouraged to be present at the time. Percentage and lump sum tenders should be read out to the tenders as far as possible. In the case of item rate tenders, the total amount worked out by different tenderers may be read out, if required by the tenderers present.
- 13.15** After opening the tenders in the manner mentioned above and keeping a record and after preparation of comparative statement, these should be sent to the accepting authority concerned and detailed scrutiny will be done in the office of the accepting authority. In case of tenders within the powers of Chief Engineer/Principal Chief Engineer, complete scrutiny will be done in the office of the Chief Engineer.
- 13.16** A complete comparative statement of all tenders received in response to the notice should be drawn up.

- 13.17** Care should be taken in preparing and scrutinizing comparative statements of tenders to guard against arithmetical and other mistakes. Failure to do this may result in work being awarded to a contractor who is not lowest acceptable tenderer, a contingency which must be guarded against.
- 13.18** The detailed arrangements for proper check of tenders and comparative statement must provide: That the work of checking will be carried out under the control of Financial Officer/ Superintending Engineer (Planning) in Chief Engineer's office, Accounts Officer in Superintending Engineer's Office, Accountant in Divisional Engineer's office and by the Sub-Divisional Clerk in Sub-Division. The officials handling the tender should work on it in the office only and tenders should not be taken outside the office in any case. Tenders and related papers must be kept under lock and key by the officials before leaving the office.
- 13.19** That the officials date and initial all papers the calculations of which they have checked and that all working sheets are preserved.
- 13.20** All the officials mentioned above should make satisfactory and efficient arrangements for checking the computed tenders. They should also conduct personally a test check of computed and checked tenders to satisfy themselves reasonably that the checking has been properly and sufficiently done. They should also see that comparative statement correctly incorporates the total as checked in individual tenders.
- 13.21** That if on checks there are differences between the rates given by the contractor in words and figures or in amount worked out by him, the following procedure shall be adopted.
- 13.22** When there is a difference between the rates in figures and in words, the rates which correspond to the amounts worked out by the contractor, shall be taken as correct.
- 13.23** When the amount of an item is not worked out by the contractor or it does not correspond with the rates written either in figures or in words, then the rate quoted by the contractor in words, shall be taken as correct.
- 13.24** When the rate quoted by the Contractor in figures and in words tallies but the amount is not worked out correctly, the rates quoted by the contractor shall be taken as correct and not the amount.
- 13.25** In the case of percentage rate tender the contractors are required to quote their rates both in amount as well as percentage below/above the rates entered in the Schedule. In such cases in the event of arithmetical error committed in working out the amount by the Contractor, the tendered percentage and not the amount shall be taken into account.
- 13.26** That the NIT approving authority himself makes through scrutiny of the tenders and the statement.
- 13.27** That the NIT approving authority makes proper arrangements for the safe custody of tenders and comparative statements while computations are being made in his Office.

13.28 It is essential that there be no haste in the work of computing tenders and of checking computations and the officers mentioned above are entitled to claim that reasonable time should be allowed to satisfy them that the check has been properly done. The officer concerned should record the following certificate on the comparative statement:

“Certified that I have personally conducted a test check of the computed and checked tenders including the three lowest tenders and have verified myself that the checking work has been properly done. The comparative statement correctly incorporates the total as checked on individual tenders”.

Acceptance of Tender

13.29 Top priority should be given to decide the award of work on receipt of tenders. In order to minimize chances of delay, time table should be observed for dealing with tenders by different authorities.

13.30 The time schedule is required to be adhered to strictly and if any officer is unable to follow the same he should invariably give reasons while forwarding the tenders to the authorities competent to accept it.

13.31 The following instructions should be scrupulously followed:-

- (i) The tenderers are not expected to make any post tender modifications. Any such case should be viewed seriously and action taken under the provision of rules for enlistment of contractors and matter should be reported to the Registration/Enlistment Authority for disciplinary action. In any case, the contractors should not be allowed any undue advantage when the tenders are under examination; no other authority should make queries or call for reports/clarifications from the tenderers except with the approval of the accepting authority.
- (ii) Tenders with any condition including conditional rebates, shall be rejected. However, tenders with unconditional rebate will be acceptable.
- (iii) Incase, after receipt of tenders, it becomes necessary to forward the tenders to the higher authority for acceptance due to the tender going beyond the power of NIT approving authority on account of higher quoted rates , while forwarding tenders to the higher authority , details like (a) validity period of the tender (b) time already taken for scrutiny, (c) balance period available, should prominently be indicated to ensure that there is no delay in processing of tenders and decisions are taken well in time.
- (iv) In case of tender where validity period has already expired, decision to accept the same should be taken only after validity period is extended with the consent of the tenderer.
- (v) The authority of the Departmental Officers to accept tenders is restricted to cases where the tenders are upto AT PAR involving no additional financial implication. Higher tenders involving additional financial implication will require approval/acceptance of the Government through proper channel.
- (vi) When tender exceeds the amount technically sanctioned for the work by an amount greater than the power of the technical sanctioning authority, revised technical sanction is required to be issued by the next higher authority after acceptance of tender by competent authority.

- (vii) The reasons for accepting or rejecting a tender should be recorded on a separate sheet which should be attached to the comparative statement and removed before the case goes back into the office.
- (viii) This sheet should be kept in the custody of the accepting authority and should not be sent into the office. It may be shown to the Gazetted Officer of the Audit on inspection, if desired by him.
- (ix) If the bid of the lowest Tenderer / Bidder is seriously unbalanced in relation to the workability rate worked out for the work by the Department, the tender accepting authority shall direct the lowest / Bidder Tenderer to produce detailed price analysis for any or all items of the schedule of quantity, to demonstrate the internal consistency of those prices with the construction methods and schedule proposed. After evaluation of the price analysis, the State Government may require that the amount of the Earnest Money / Performance Security be increased at the expense of the lowest Tenderer / Bidder to a level sufficient to protect the State Government against Financial Losses in the event of default of the successful tenderers to complete the work. The amount of the increased earnest money shall be decided by the Principal Chief Engineer cum Secretary / Head of Department, which shall be final, binding and conclusive on the Tenderer/ Bidder.
- (x) The additional Earnest Money / Performance Security shall be in the form of Temporary Deposit Receipt or Fixed Deposit Receipts from any scheduled Bank within Sikkim and no other forms of security shall be entertained.
- (xi) If the lowest Tenderer backs out after the tender, the earnest money deposited by the lowest Tenderer who has backed out shall be forfeited to the Revenue Receipt and the contractor shall be debarred from taking part in tenders in the State Government for a period of at least two year. Thereafter, the work should be re-tendered in a transparent and fair manner. In such a situation, authority may call for limited or short notice tender, if so justified, in the interest of work and take decision on the basis of the lowest tender.
- (xii) It is not enough to accept the lowest tender with the stipulation of additional earnest money alone. The department shall have to verify the performance of the lowest bidder with due consideration to the number of works completed satisfactorily by him in last three years and his capacity to undertake the work. The department shall also verify and examine his financial status from the balance sheets of the bidder for the preceding three years. In such a case, if the department is satisfied with the incompetence of the lowest bidder, then it shall proceed with re-tender in a transparent and fair manner. In such a situation, authority may call for limited or short notice tender, if so justified, in the interest of the works and take decision on the basis of the lowest tender.
- (xiii) Where high rated tenders are accepted, the authorities accepting such tenders should verify themselves about their reasonableness, taking into consideration the schedule rates plus increase in cost index plus other facts, if any, and should be in a position to justify the rates at which the work is awarded. The justification should be placed on record. The plea that it is very difficult to justify the high rates or that rises are due to various factors is not tenable. If the Executive Officers keep themselves abreast of the changing circumstances, a rough approximation can certainly be made although not with so much exactitude.
- (xiv) In the preparation of justification statement for considering reasonableness of tenders, mainly two methods are followed. The first method consists of

- preparing detailed analysis of rates by taking market rates of labour, materials and cartage etc for major items (on the whole costing about 90% of the estimated cost put to tender) and working out the justified percentage on this basis. The second method consists of calculating the increase in cost due to (i) increase in rates of stipulated materials over those adopted in Schedule of Rates used for the estimate, (ii) increase in rates of non stipulated materials and (iii) increase in cost of labour, if any.
- (xv) For the justification of tenders the issue rate and not the market rate of stipulated materials shall be considered for items where issue of materials is to be done, irrespective of the quantity of stipulated materials stated in the draft NIT/tender documents.
 - (xvi) Items constituting about 90% of the estimated cost of work should be considered for preparation of justification statement. Items to be considered should be so selected which have higher estimated cost and amount. One should start with items having the highest estimated amount and then next lower in the descending order till the fixed percentage of estimated amount i.e. about 90% is reached.
 - (xvii) The element of increase in cost due to materials stipulated for issue in tender documents such as cement, steel, etc. should be worked out by calculating the different in cost of these materials at issue rates plus handling charges and estimated cost of these materials at schedule rates plus 10% contractors profit and over heads.
 - (xviii) Increases in cost due to non-stipulated materials should be worked out by calculating the difference in cost of these materials of market rates plus 10% and the corresponding cost of these materials at rates indicated in the Schedule of Rates applicable plus 10%.
 - (xix) The element of carriage should be calculated separately for major materials because the leads of various materials would not be the same in different works. The increase in cost of carriage element for materials like steel, bricks aggregates, sand, timber, etc. may be considered.
 - (xx) The adoption of a particular method should be decided judiciously by the authority competent to accept tenders.
 - (xxi) Negotiations should not be conducted with the tenderer but in cases where it becomes necessary to do so, negotiations should be restricted to the lowest tenderer only, if the rate quoted is above the schedule. In no case negotiations of rate in post tender situation shall be made with the tenderer, who has quoted the rate below the schedule.
 - (xxii) While no post tender rebate/reduction in any manner will be accepted, this does not restrict the officers to negotiate with the lowest contractor/tenderer, if the rates so negotiated will be financially advantageous to the State Government.
 - (xxiii) The tender for works shall remain open for acceptance for a period of ninety days from the date of opening of tenders.
 - (xxiv) After the tender for the work has been accepted the same will be communicated to the contractor in the form at Annexure.

13.32 Preferential Treatment to Registered Co-Operative Societies:-

Notwithstanding anything contained in this Manual, the State Government has announced preferential treatment upto (Fifteen) 15% of the lowest tender to Co-Operatives Societies registered in the State and enlisted in the Sikkim Public Works

Department as contractor in the appropriate grade / class while accepting the tender vide Notification No 4/Coop Dated 25/8/2000.

13.33 Preference to District Based Entrepreneurs and Professional:-

As per the provisions in the Sikkim District Based Entrepreneurs and Professionals Incentive, Development and promotional Act and Rules 2008, the State Government has given preference to the District Based Entrepreneurs and Professionals upto 15% price preference to the Lowest Tender vide Notification No 10/LD/P/2008 Dated 10/07/2008.

SECTION 14 EARNEST MONEY

Necessity for Earnest Money

- 14.1** According to practice, earnest money is paid by each tenderer to enable the Government to ensure that a tenderer may not refuse to execute the work after it has been awarded to him. In case where a tenderer fails to commence the work awarded to him, the earnest money is absolutely forfeited to the Government.
- 14.2** If only a part of the work as shown in the tender is awarded and the contractor does not commence the work, the amount of the earnest money to be forfeited to the Government should be worked out with reference to the estimated cost of the work so awarded.

Rate of Earnest Money

- 14.3** The rate of earnest money which a contractor should deposit before issue of tender form is 2.5% of the estimated cost put to tender.

Mode of Deposit

- 14.4** The earnest money is accepted only in the form of temporary deposit receipt (TDR) from the State Bank of Sikkim or Fixed Deposits Receipts from any scheduled bank in Sikkim. The deposit is to be made within the time allowed and specified in the Notice Inviting Tender and should be pledged in favour of the tender inviting authority. No other form of deposit shall be accepted.

Refund of Earnest Money

- 14.5** Earnest money received in the form of Temporary Deposit Receipt or Fixed Deposit Receipt along with the tender, except the lowest tenderer all the TDR / Fixed Deposit Receipt should be refunded within a week time from the date of receipt of Tenders.
- 14.6** The amount will be refunded in the case of unsuccessful Contractors by making requisite endorsement on the original TDR or FDR.

Forfeiture of Earnest Money

- 14.7** Earnest money deposit may be refunded under the authority of an order endorsed by the Departmental Officer (in whose favour the deposit was made) upon the original deposit receipt. Under no circumstances can part payment be made.
- 14.8** If any Tenderer withdraws his tender within the validity period or makes modifications in the terms and conditions of the tender which are not acceptable to the

Department, then the Government shall without prejudice to any other right or remedy, be at liberty to forfeit 100% of the earnest money absolutely.

- 14.9** In case the contractor fails to commence the work specified in the tender documents on 15th day or such time period as mentioned in letter of award after the date on which the Engineer-in-Charge issues written orders to commence the work or from the date of handing over of the site, whichever is later, the Government shall, without prejudice to any other right or remedy, be at liberty to forfeit whole of the earnest money absolutely.
- 14.10** In cases where work/supply is awarded on the basis of quotations and a condition for depositing earnest money is laid down in the notice inviting quotation, the conditions laid down in para 14.11 shall be stipulated in the NIQ.
- 14.11** The quotation for the work/supply shall remain open for a period of days from the date of opening of quotations. The Government shall, without prejudice to any other right or remedy, be at liberty to forfeit 50% of the earnest money if any quotationer withdraws his quotation before that date or make any modification in the terms and conditions of the quotation which are not acceptable to the Department, and to forfeit whole of the earnest money if the quotationer, whose quotation is accepted, fails to commence the work/supply specified in the NIQ (along with changes in scope, if any) in prescribed time or abandons the work/supply before its completion.
- 14.12** In composite contract for dismantling of existing structure and construction of new structures the contractor shall be required to deposit caution money equivalent to 50% of the credit likely to be obtained from dismantled materials before the site is handed over to the contractor. This cautions money shall be refunded after the cost of dismantled materials is finally recovered and the site is cleared by the contractor.

SECTION 15 SECURITY DEPOSIT

Rate of Security Deposit

- 15.1** The security deposit shall be collected by deductions from the running bills of the contractors at the rate of 5% of the gross amount of the bill.
- 15.2** The security deposit shall not be refunded to a contractor except in accordance with the terms of his agreement.
- 15.3** Refund of security deposit to a contractor on the completion of work is regulated by General Conditions of Contract. The clause in the General Conditions of Contract envisages the issue of a completion certificate of the contract. Such completion certificate shall be issued by the authority in a manner detailed in this Manual.
- 15.4** The period of maintenance as prescribed under General Conditions of Contract will be counted from the date of completion as recorded in the certificate mentioned above. The Security Deposit of the Contractor should be refunded after the prescribed maintenance period as stipulated in the agreement or after the final bill has been prepared and passed for payment, whichever is later. However, in case of Carpeting

works, the Security Deposit shall not be refunded for a period of Five Years from the date of completion. The Principal Chief Engineer cum Secretary may however order release of security deposit pending payment of final bill keeping such amount as security as he deems to be sufficient.

- 15.5** The Circle Office should keep a close watch over the delay in the refund of security deposit to contractors and for this purpose they should periodically review the Register of Security Deposits maintained in the Circle.
- 15.6** Once the recoveries become due from the contractor, the same should be affected from the money due to the contractor either from the same work or from any other work or from the security deposit. Action to recover the overpaid amount should not be delayed or be in abeyance on account of the case being before the arbitrator. Action in terms of the award can be taken after the award is received and accepted by the competent authority. The recovery of overpaid amounts should be effected as early as possible and the recovery should not be held in abeyance during the pendency of arbitration proceeding.
- 15.7** The claim for refund of security deposit is governed by the Limitations Act. The period of limitation is 3 years commencing from the date the right to due accrues. In the case of security deposit paid along with the individual contract, the right to due would accrue under clause 17 after the maintenance period or payment of final bill whichever is later.
- 15.8** In order to avoid delay in the refund of security deposit to the contractors, the Accounts Officer of the Circle should put up to the Superintending Engineer every month a list of all the cases where the security deposit becomes due for refund.

SECTION 16

AGREEMENTS/CONTRACTS ESSENTIAL FEATURES

- 16.1** The Government shall have full powers to accept tenders and the authority to frame subsidiary rules relating to the calling for or acceptance of the Tenders and the general procedures connected with the Contracts. There are, however, certain general principles and guide lines laid down for acceptance of tenders which are required to be observed by subordinate authorities empowered to enter into contract or agreement involving expenditure from Public Funds.
- 16.2** No contract shall be made by a subordinate authority which has not been directed or authorized to do so by or under the orders of the Governor of Sikkim in terms of Article 299(2) of the Constitution.
- 16.3** The Governor should be made a party to every Contract of the Government and the words “for and on behalf of the Governor of Sikkim” should follow the designation appended below the signature of the officer authorized in this behalf under Article 299 of the Constitution and executing the contract.
- 16.4** Terms of contract must be precise and definite and there must be no room for ambiguity or misconstruction therein. In the Public Works Department standard contract forms have been prescribed to avoid this contingency. The alternative

conditions given in the standard forms which are not applicable to a particular contract should be invariably scored out. In case where standard forms of contract are not convenient to be used, legal and financial advice should be taken in drafting the contracts before they are finally entered into.

- 16.5** No relaxation of specification in a contract or relaxation of the terms of an agreement entered into by the Government should be made without proper examination of the financial effect involved in consequence of such relaxation. The interest of the public exchequer should be taken care of before agreeing to any relaxation of agreement or contract. Save in exceptional circumstances, no work of any kind should be commenced without prior execution of contract documents. Even in cases where a formal written agreement is not made, no order for supplies etc should be placed without at least a written agreement as to the price and other terms of agreement.
- 16.6** The terms of the contract once entered into should not be materially varied without the previous consent of the authority competent to accept tender/offer for the contract as so varied. No such variation involving payment to contractors by way of compensation or otherwise outside the strict terms, of the contract or in excess of the contract rates, shall be authorized without the prior approval of the Finance Department. A variation of the terms of contract which has been approved by that Department, shall be made by writing executed “for and on behalf of the Governor of Sikkim” by an Officer who is authorized by the order under Article 299 of the constitution to execute the original contract.
- 16.7** No contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the Finance Department.
- 16.8** The agreements for execution of works shall be signed by the authorized authority after the acceptance of tenders by the competent authority for each and on behalf of the Governor of Sikkim.
- 16.9** There should be no delay in executing the agreement as soon as tenders have been accepted. It should be seen that conditions not existing in the approved tenders are not, in any case, allowed to be embodied in the agreements. A record of the agreements drawn up should be kept in the prescribed form.
- 16.10** The date of acceptance of tender as shown in the letter of acceptance of tender and award of work issued to the contractor which forms part of agreement, should be indicated in the space at the bottom portion of agreement form case may be.
- 16.11** Before signing an agreement it must be ensured that all the conditions incorporated in the tender documents and in the NIT are a part of the conditions of the contract, which should not be altered / omitted without mutual consent within the parties.
- 16.12** Two sets of contract documents should be prepared and signed by both the parties on each page. One of the sets should be stamped “Original” and the other “Duplicate”. The duplicate copy should be supplied to the contractor.

- 16.13** The agreements should be properly checked and compared with the Notice Inviting Tenders as approved by the competent authority.
- 16.14** The original contract documents should be kept in the personal custody of the authority which entered into the agreement.
Certified copies of the agreements should be sent to the following:
- a) Tender accepting authority where it is different from the authority. entering into the agreement
 - b) The Engineer-in-Charge.
 - c) The Pay and Accounts Officer concerned.
 - d) Chief Accounts Officer / Accounts Officers in HQ
 - e) Accountant General of Sikkim.
 - f) Director, Vigilance Department.
 - g) Secretary, Finance Revenue and Expenditure Department.
- 16.15** Supply of copies to the Accountant General/ Chief Accounts Officers in HQ and the Pay and Accounts Office should be made within four weeks of the acceptance of tender.
- 16.16** Each copy of the agreement should be certified as “True Copy”. The original, duplicate and all copies of an agreement should be properly sealed.
- 16.17** For weeding out old agreements, a Committee consisting of the following shall be constituted by the Chief Engineer.
- (1) Superintending Engineer.
 - (2) Pay and Accounts Officer.
 - (3) Divisional Engineer of the concerned Division.
 - (4) Accounts Officer of the Circle.
- 16.18** The committee will review all agreements for which final bill has been paid at least 10 years earlier and will decide which of those are to be weeded out considering the points given in (a),(b) and (c) below. The committee will record the following certificate before weeding out/destruction of such records:
- (a) The agreements are not required to be preserved for legal references, such as arbitration/court cases or any other claims of Contractor/Department.
 - (b) The agreements are not required to be preserved for any pending Statutory Audit / Internal Audit paras or Settlement of any accounts affecting the exchequer
 - (c) The Committee is satisfied that these records are no more required for any other referred cases etc., and no claims in respect of such records are likely to arise in future.
- 16.19** The committee will also prepare a list of such records as per proforma at annexure for all agreements weeded out.
- 16.20** In the absence of copies of agreement the first payment shall not be made to the contractor without specific sanction from the Superintending Engineer. No subsequent payments shall be made unless the agreement has been signed.

Supplementary Agreement

- 16.21** In cases where it is not desirable to keep the complete contract open for minor items, execution of which is not immediately possible on account of certain prerequisites which is not the responsibility of the Contractor, the main contract may

be finalized and the residual work may be got done through the same contractor by execution of Supplementary agreement on the form prescribed. The authority competent to accept the Tender will be the authority to order provisional closure of the original contract and drawing up the Supplementary agreement.

16.22 The bill in relation to the work already done by the contractor against the first or original agreement should be provisionally finalized on the Final Bill form by adding the works “Provisional Final” on the top as well as against the entry” serial number of this Bill” of the said bill form. As per condition of the Supplementary Agreement, the Final Bill relating to the entire work under the two agreements i.e. original and supplementary agreements shall be prepared after completion of the entire work on the Final Bill Form.

16.23 The percentage which the tendered amount bears to the estimated cost of the work put to tender should be on the basis of the gross estimated cost and not on the net amount and it should be worked out up to 3 decimal places and then rounded off to two places of decimal.

Completion of Agreement

16.24 Adequate care should be taken to complete the agreement to be entered into between the contractor and the authorized authority for and on behalf of the Governor of Sikkim. A complete agreement would consist of Notice Inviting Tenders, tender form used for the contract, Schedule of quantities which indicates items of work, quantity, rates, unit, letter of the contractor submitting the tender, other letters of the contractor and departmental officers before the tender is accepted, letter of departmental officer communicating acceptance of the tender.

16.25 Special care is required to be taken to see that all corrections, additions, alternation are duly signed by the contractor and the authorized authority.

SECTION 17

EXTRA, SUBSTITUED AND DEVIATED ITEMS OF WORK

Deviation

17 1 Deviation means deviation in quantities of items, i.e. where there is increase or decrease in the quantities of items of work in the agreement. In other words, the nomenclature of work remains the same but the quantities vary with those provided in the agreement.

Prior Sanction of Competent Authority Necessary

17.2 No deviation in the quantity of any item should be made at site without the prior approval of the competent authority. The Junior Engineer/Assistant Engineer-in-Charge of the work shall be responsible to assess the anticipated deviation and to initiate deviation item statement for the work to be done in excess of the agreement quantity of any item well in advance. They shall allow the execution of work in excess of the agreement quantity only after the excess over the agreement quantity has been approved by the competent authority.

Extra/Substituted Items

- 17.3** In case payment for the work done in excess of the agreement quantity of any item has been included in any running account bill or final bill without the approval of such excess by the competent authority, it shall be the responsibility of the Head of the Accounts branch to bring it to the notice of the passing authority who shall allow payment for the quantity up to which excess has been approved by the competent authority and pass the running account/final bill accordingly.
- 17.4** Extra items of work are items, which are completely new and in addition to the items in contract.
- 17.5** Substituted items are items, which are taken up in lieu of those already provided in the contract. These are with partial modification in items of work in the contract. If an agreement item is completely changed, the new item taken up in lieu of it is an extra item.
- 17.6** Wordings of extra/substituted items sanctioned by competent authorities should be properly formulated so as to reflect the exact mode of execution in the field.
- 17.7** No extra/substituted item shall be executed without the prior approval of the authority, which accorded the technical sanction.
- 17.8** The Technical Sanctioning Authority shall have full powers to approve rates for Extra/Substituted items. However, in case of works technically sanctioned by Divisional Engineer if the amount of Extra/substituted items exceeds 30% of the agreement amount, the excess over 30% shall be approved by the next higher authority.
- 17.9** The contractor will be asked not to include the Extra/Substituted items in the bill till the sanction of the rates by the competent authority. Even if he does, it will be the duty of Accounts Officer/Accountant to bring this fact to the notice of the passing authority, which will not release the payment against such items.
- 17.10** The payment of extra and deviation items beyond the permissible limit as given in the agreement will be worked out at market rates prevailing at the time of commencement of execution of these items. For substituted items, the agreement rate of the original item will be adjusted for the difference in market rates of original and substituted items.

Fixation of Rates for Deviated/Extra

- 17.11** For working out of rates under clause 12 the contractor is not required to submit his rates and these have to be worked out in accordance with the provisions made there in.

Substituted Items

- 17.12** The same can be and should be done by the Engineer-in-Charge well in advance of taking up of the work connected with extra/substituted items in question and without waiting for any reference from the contractor.

Measurement for Inadmissible Items

- 17.13** In case of items, which are claimed by the contractor but are not admissible according to the Department, measurement should be taken for record purpose only and without

prejudice so that in case it is subsequently decided to admit the contractor's claims, there should be no difficulty in determining the quantities of such work done. A suitable remark should, however, be made in red ink against such measurements to guard against payment in the ordinary course. If work is to be re-measured, no payment will be made on the basis of earlier measurement.

Rates for Extra Items Allowing Profit and Over-Heads on Heads Supplies to Contractors

17.14 2.5% may be added as profit and over heads over the issue rates of materials stipulated in the contract while analyzing rates for extra items. The Profits percentage represents the following charges:

- (a) Office expenditure of the contractor.
- (b) Storage of materials.
- (c) Handling expenses and other incidental charges.
- (d) The percentage does not include the transport charges.

17.15 The rate of extra/substituted items pertaining to percentage rate/item rate contract may be worked out net including contractors enhancement/ and fact should be prominently mentioned on the statement at the end that the rates include contractor's enhancement/ abatement in extra/substituted items

SECTION 18 SITE ORDER BOOKS AND INSPECTION REGISTERS

Maintenance of Site Order Books

18.1 Site Orders Books shall be maintained in the form prescribed in Annexure I. The site order book shall be printed and its pages, machine numbered and issued by the Divisional Engineer in different sizes containing varying number of pages depending upon the work. A fly-leaf should be attached with each site order book containing instruction regarding maintenance of site order books. These will be maintained properly and finally settled after completion of work in the same manner as Measurement Book.

18.2 The following procedure shall be followed regarding the maintenance of site order books:

- a) Senior Officers of the rank of Superintending Engineer and above shall communicate their observations by way of inspection notes.
- b) Whenever any senior officer gives verbal instructions to his Junior Officer at the site of work, it is necessary that he should confirm such orders in writing. In any case, it should be the responsibility of the Junior Officer to get these confirmed in writing. Though verbal orders have to be got confirmed in all cases implementation of these verbal orders should not be delayed for want of confirmation.
- c) While carrying out field inspections, the architects may point out architectural defects, through separate inspection notes and their observation shall be acted upon by field staff after proper examination from technical, contractual and financial angle.
- d) So far as Divisional Engineers and Assistant Engineers are concerned they should invariably sign the Site Order Books in token of their having read all the instruction issued by various officers and replies made thereto. In case Divisional Engineers or Assistant Engineers themselves want to give any instructions, they should record them

in the site order books. In regard to important matters they may find it necessary to communicate such orders even in writing in the form of inspection notes.

- e) Junior Engineer should also record their observation in the site order books if they find any defective work going on or contractors not complying with the terms of contract.
- f) Site order books should be maintained on the site of works and should never be removed there from under any circumstances.
- g) The contractors or their authorized agents will also be at liberty to note their difficulties etc. in these books.
- h) The compliance of orders/instruction given by the supervisory staff should be recorded side by side in the Site Order Book by the Junior Engineer/Assistant Engineer with dated initials and the date of compliance.
- i) The Site Order Book should be consulted at the time of making payments to the contractors. The Assistant Engineers should record a certificate on the bills, submitted by contractors, to the effect that the site order books have been consulted before signing such bills. This would enable them to ensure whether the defects pointed out during construction have been rectified or not and also to propose part rates, if necessary, before payments are made for the items of defects pointed out which have not been rectified.

Maintenance of Inspection Register

- 18.3** An Inspection Register is required to be maintained at every site of work, duly issued by Superintending Engineer from the Circle office. The profoma for inspection register shall be as per Annexure.
- 18.4** Whenever he visits the site, Superintending Engineer shall record the date and time of visit, items inspected and his observations. Entry of visit should be made even if no defects were observed. Similarly, Chief Engineer shall record his observations in inspection register, at least in 50% visits and in other visits he shall at least sign the inspection register in token of his visit to the work.
- 18.5** If for some reason, the Chief Engineer is not in a position to do so, he may direct the Superintending/Divisional Engineer to record his (Chief Engineer's) observations in the inspection register and send a copy of those observations to the Chief Engineer by way of confirmation.
- 18.6** Alternatively, Chief Engineer/Superintending Engineer may issue inspection notes, copies of which shall be pasted in the inspection register.
- 18.7** It will be the responsibility of the Divisional Engineer to ensure that the observations of the Inspecting Officers for each and every visit are available in the Inspection Register either through recorded notes or through pasting the Inspection notes.
- 18.8** Divisional Engineer/Assistant Engineer shall carry over such observation and defects, on which action is to be taken by contractor, to the site order book with cross reference in the inspection register.
- 18.9** It is also necessary that the observations recorded in the inspection register by Superintending Engineer/Chief Engineer are reviewed during subsequent inspections to ensure their compliance

SECTION 19 ISSUE OF MATERIALS TO CONTRACTORS

Issue of Materials

- 19.1** Issue of materials to works, whether from stock or by purchase, or transfer is divided into two classes:
- (a) Issue to Contractors: Issue of materials to contractors with whom agreements in respect of completed items of works i.e. both labour and materials, have been entered into.
 - (b) Issue Direct to works: Issue of materials when work is done departmentally or by contractors, whose agreements are for labour only.
- 19.2** The Issue of materials to Contractors is to be stipulated in contracts, which are for completed items of work, only in the following circumstances:
- (a) When it is necessary to retain in the hands of Government the supply of imported materials
 - (b) when in the interest of work, or with the object of utilizing existing stocks or materials, it is desirable to retain in the hands of Government the supply of certain other materials as well and a condition to this effect has been inserted in the contract.
- 19.3** Stipulated stock materials shall be issued for use at site on works, for all the items where such materials are required. For factory made products like pre-cast cement tiles, pre cast hollow concrete blocks, pre cast foam concrete blocks, pre cast RCC pipes etc. stipulated materials shall be issue only on availability in the store, otherwise the contractor shall have to make arrangement for procurement from the authorized dealer / agencies with the approval of the competent authorities which should confirm to ISI standard.
- 19.4** It should also be ensured that description of the materials to be issued should be adequately specified in order to avoid chances of any dispute. For example, if cement is specified for issue, its grade and colour i.e. whether it is grey cement or white cement should be stated and also whether it will be in bags or otherwise.
- 19.5** The contract should specify (1) the materials to be supplied by Government for use on the work (2) the place or places of delivery, and (3) the rates to be charged to the contractor for each description of materials and the contractor should be held responsible for obtaining from Government all such materials required for the work and for making payment thereof, by deduction from his bills, at the rates specified, regardless of fluctuation in the market rates or in the stock rates of the Division. Conditions for supply of departmental materials should be so explicit that no doubt or ambiguity is left which may encourage the contractor to derive undue financial benefit subsequently. The tender documents should include the specific items of work for which materials are intended to be issued by the department with detailed description of materials.
- 19.6** In contracts entered into by the department for works, stipulation to issue departmental materials such as steel, cement etc. free of cost, should be avoided. However, in some exceptional cases, if such free issue of the departmental materials is stipulated, it should be ensured that suitable provisions are made in the contract with regard to return of surplus materials and/or materials used in excess of

theoretical requirement. The provision for wastage/variation, if any, that will be permitted should be clearly indicated. The rate for effecting recovery from the contractor, in case the excess materials are not returned or if the wastage/variation is more than the permissible limit, should also be clearly stipulated.

- 19.7** In the materials at site (MAS) account and in the unstamped receipts obtained from the Contractors for the materials issued to them (and even when these are issued free of cost, as stipulated in the agreement), make of materials/fittings and full technical details of the accessories shall be clearly indicated to ensure that the same materials/fittings as issued by the Department are kept in safe custody by the contractor at all times and used on works for which these are issued.

It is not permissible for the contractor to obtain the materials otherwise where the contract stipulates the issue of materials by the Department unless in a case of emergency the supply has been entrusted by the Engineer-in-Charge for recorded reason, to the contractor himself at suitable rates.

The rates to be charged to the contractors for materials to be supplied should be definitely specified (vague provisions e.g. at stock rates, being avoided) and if intending contractors are conveyed that the materials would be supplied at certain rates and asked to tender on that assumption, then that rate should be adhered to in the contract.

No carriage or incidental charges are borne by Government for moving the materials beyond the place where the contractor has agreed to take delivery thereof.

Issue of Materials when not Stipulated

- 19.8** As a general rule, no other material should be supplied to contractors, for use on works but this restriction may be waived by the Sub-Divisional Officer in respect of petty issues (at full issue rates) of materials from existing stocks not exceeding Rs. 1000/- in any month for any one contract.
- 19.9** If at any time subsequent to the execution of contract for finished items, the contractor desires the issue to him, for use on a work, of materials which exist in Government stores, but the supply thereof by the Government was not provided for in contract, the materials should not be issued except with the express authority of the Superintending Engineer who should specify in each case the rate to be charged for the materials inclusive of delivery at the place where they are stored. When submitting such a case to the Superintending Engineer, the Divisional Officer should elucidate the circumstances which gave rise to this contingency and should also add his recommendations in respect of the recovery rates for such materials. The rate charged for the materials should be that provided in the analysis of rate for item of work on which it would be used plus or minus the percentage above/below the schedule rate allowed to the contractor or market rate or stock issue rate plus storage charges whichever is higher. No carriage or incidental charges should be borne by Government in connection with the supply.
- 19.10** Where the finished items in which the materials to be used is available in the agreement, while adopting the three rate formula, the rate as per analysis should be taken as basic rate adopted in the analysis of rate plus 7½ % contractor's profit

multiplied by the percentage the rate quoted for that particular item bears to the estimated rate of the item. In case the same material is to be used in more than one finished items the percentage shall be worked out on an average basis taking into account the tender rates and estimated rates for these items (weighted average).

19.11 Where the finished item in which the material is to be used is not available in the agreement or where its rate is derived according to the clauses of the agreement, the element of rate for the materials taken in the analysis of rate of the items should be considered while applying the three rate formula.

19.12 Issue of stock materials to contractors for bonafide use on works are exempted from the usual charge of 10% on account of supervision and contingencies which is made when stock materials are sold to the public.

Issue, Supply and Recovery of Cost Materials

19.13 An unstamped but dated acknowledgement detailing full particulars of the materials including rates and value chargeable to him should immediately be taken from the contractor as soon as any materials required for issue to the contractor is made over to him.

19.14 It should be ensured that the materials are not issued to contractors arbitrarily and without keeping an eye on the actual requirement at site. It is essential that issues to contractors should be regulated and restricted to actual requirements depending on the progress of the work.

19.15 The theoretical consumption statement for consumption of cement, on the work executed from the start of the work up to and including the work included in the bill should be invariably prepared along with every running bill. This should be got signed from the contractor at the time of obtaining his signature on the running account bill so that he is aware of the basis on which the theoretical quantity of cement is worked out and it may be possible for the contractor as well as the Department to exercise a check over the consumption of cement during the execution of the work. The theoretical quantity so worked out should be compared with the actual issue of cement as per cement register as on the last date of the measurement of the work. Should there be any difference beyond the normal limits of variation between these two quantities, such difference should be properly explained (both for less or excess consumption) by the Assistant Engineer and the Divisional Engineer should go into such explanations and take remedial measures.

19.16 In order to have an effective control, the following drill should be observed:

- (1) The cement godown should be properly and effectively double locked, keys of one of the locks remaining with the Department and that of the other with the contractors.
- (2) The pages of Site Account Register should be machined numbered and each page initialed by the Divisional Engineer. The cement godown and register should be checked by the Assistant Engineer/Divisional Engineer on visit to work site at prescribed frequency.
- (3) In case of large concentrated projects like bridges etc., the Divisional Engineer should check the cement register at least fortnightly.
- (4) For additional safe guard the following instructions should be followed:

- (a) For all works costing more than Rs. 10(Ten) lakhs and using cement, the contractors shall distinctly display a board at work site on the cement store indicating the opening balance on a particular date, receipt during the day, issue during the day and closing balance at the end of the day. The entries for receipts and issues shall be updated immediately on physical receipt and physical issue and also at the end of the day.
- (b) While issuing an indent for fresh cement/steel, the balance material available at the site should be checked. The Assistant Engineer must record on the body of the indent, which should be taken into account by the Divisional Engineer before signing the indent.
- (c) At the time of receipt of the materials, not only the date but also the time of receipt may be mentioned in the cement register as well as in the MAS register. The entries should be made separately for each truck giving the gate pass number. The gate pass should be countersigned by the Assistant Engineer for all qualities of cement received against indents of 10 tones and above.
- (d) The cement/steel and other materials received from Stores/Local purchase etc. on any particular day, shall not be used in the work or transferred to any other work for 24 hours from the time of receipt at site, for physical check and verification by the Assistant Engineer. Cement already available in the Store should be consumed first, before issue from the new consignment. Similarly, new steel items should be stacked in countable shape before these are issued to facilitate physical check. The principle of first in and first out in issuing cement bags should be strictly followed.
- (e) The recovery from the contractor shall be regulated as per clause 40 of the agreement.

19.17 For making comparison of the actual consumption of steel with the theoretical consumption, each diameter of steel bars should be treated as an individual item issued departmentally and check on theoretical consumption should be applied to each diameter.

19.18 Theoretical consumption statement for steel bars should be prepared along with every running bill. Should there be any case of issue being less or just equal in any particular diameter/section than the actual consumption, this should be properly investigated. If such issue diameter wise/section wise or in total which is very much higher than the consumption, it should be generally ensured that balance steel is available at site in good condition and this should be certified by the Assistant Engineer. Any serious discrepancies noticed should be reported to the Superintending Engineer.

19.19 Similar precaution should be taken in the case of all other materials issued by the Department.

Issue Rates and Recoveries

19.20 Issue rates of cement, steel or any other items in the contracts should not be less than the market rates of these commodities. An issue rate is assigned to each article as it is brought to stock. The rate is fixed on the principle, that the issue rate should cover not only the actual cost of stores but also expenditure incurred on carriage and handling connected with acquisition of such stores.

19.21 Recovery from the Contractor or for Departmental works

- i) The recovery from a contractor on account of the cost of materials issued to him for use on a work should ordinarily be made by deduction from the first bill authorizing an advance payment or an on account payment to him for the work. However, the recovery from contractor on account of the cost of materials issued to him for use on a work may be made gradually on the basis of the theoretical consumption plus wastage of the material used in the work measured up-to date. For each bill the field staff should certify that balance material is available in Contractor's custody. In case of shortage the same should be recovered.
- ii) The issue rate should be fixed normally at the beginning of each year. However, in cases of appreciable fluctuations of cost of materials, the issue rate may have to be revised to bring it at par with the market rate from time to time. If the issue rate of an article is below the market rate, the issue to contractors should be made only for bonafide requirements of work and sale or issue to other Departments may be made at market rate.
- iii) In case of controlled articles like bitumen, steel etc. the issue rate should be revised whenever there is a change in the controlled price.
- iv) Stock materials issued from stock for works to contractor or for use on Departmental works should be recovered from the contractor or adjusted through transfer entry as the case may be by the Assistant Engineer in charge of the work. 10% percent supervision charge should be recovered in respect of sale to local bodies in addition to issue rate plus storage charge.

19.22 Sub-Divisional Officer shall maintain a proper numerical account in the form annexed for materials issued to the Contractor. Where bitumen is supplied at a fixed rate, issue rate plus 100% recovery should be made for supply in excess of permissible variation of 2.5% over theoretical consumption. Where less than theoretical requirement of bitumen is used recovery of issue rate plus percentage should be made for theoretical requirement of bitumen.

Returns of Surplus Materials

19.23 Where any materials for the execution of the contract are issued from Government stocks, the contractor is required to hold the said materials economically solely the purpose of the contract and not dispose of them without the written permission of the Government and return, if required by the Engineer-in-Charge, all surplus or unserviceable materials that may be left with him after the completion of the contract or at its termination for any reason whatsoever on being paid or credited, such price as the Engineer-in-Charge, shall determine having due regard to the condition of the materials. The price allowed to the contractor however shall not exceed the amount charged to him excluding the element of storage charges. The decision of the engineer in charge shall be final and conclusive.

19.24 The exact proportion in which the materials are to be used by the Contractor for which he has tendered for finished items of works is laid down in the Specification/Schedule of Rates. Theoretical quantities of the materials which should have been used by the contractor on execution of the work should be calculated according to the Specification/Schedule Rates provided in the contract. Accordingly, the difference of theoretical consumption and the total actual issues, not returned by the contractor, is to be recovered at the prescribed rate after allowing variation

permitted therein. Similarly, the cost of the materials less used, based on the stipulated issue rates etc is to be regulated according to the provisions of the said clause.

- 19.25** The excess consumption of materials beyond permissible limit as prescribed in Condition of Contract will be recovered at double the stipulated rate in the agreement excluding the storage charges.
- 19.26** In order to discourage contractors from doing bad work, no allowance is to be given for the materials issued for rectification of defects. The materials issued for rectification of defective work should be recovered separately and recovered at double the issue rate. The work re-done should be measured for record purpose, if the dismantled work had already been measured.
- 19.27** If however, it becomes necessary to issue cement for rectification of defects or for redoing works necessitated by natural calamity beyond the control of a contractor i.e. floods, earthquakes etc., such issues should be treated as legitimate consumption on works and should not be charged at rates higher than the issue rates. On the question whether redoing of work of rectification of defects had, in a particular case, been necessitated by natural calamities etc., the decision of the Chief Engineer concerned will be final.

Instructions of Cement in Godowns Regarding Storage

- 19.28** In cases where consumption of cement does not exceed five tones the contractor shall be permitted to store cement at site inside a covered shelter providing adequate safeguard against clotting of cement due to action of water and theft. The Engineer-in-Charge shall inspect such shelter and satisfy himself that adequate safeguards as mentioned above, exists.

Issue of Next Half Day's Cement Requirement

- 19.29** Because of the double locking system of stock materials godowns, it is necessary that the Divisional Engineers should ensure that the Department's representative should reach the godowns site in time every morning to enable the cement and other stock materials to be taken out of the go downs for starting the work. They may also if necessary permit the issue in the evening some extra cement or materials adequate to start the works next day to the contractors of all classes. That should ensure that the extra stock materials/ cement issued is not more than half day's requirement for a particular work. Such issues should also be shown in the material at site account.

Issue of Materials against TDR

- 19.30** In cases of contract, where materials is to be supplied by the Department against any bank guarantee of equal value, the amount of security deposit in the shape of TDR, should at no time be less than the amount of the material supplied to the contractor and such materials should be supplied only after ensuring receipt of TDR etc adequate to cover the cost of the item supplied.

SECTION 20 MATERIALS ARRANGED BY THE CONTRACTOR

- 20.1** For works awarded to the Contractors essential materials like cement and steel etc are issued from Government Stores. However, in exceptional circumstances when such

materials are not available in these stores, self procurement may be allowed on application from the contractor.

- 20.2** Procurement of materials by the contractors in such cases is subject to the following conditions.

Conditions for Cement

- 20.3** The contractor shall procure 33 grade (conforming to IS 269) or 43 grade (conforming to IS-8112) ordinary Portland cement, as required in the work, from reputed manufacturers of cement having a production capacity of one million tones or more per annum, such as ACC, L&T , Birla Jute & Cement Corporation of India etc. as approved by Ministry of Industry, Government of India, and holding license to use ISI certification mark for their product whose name shall be got approved from Engineer-in-Charge. Supply of cement shall be taken in 50 kg bags bearing manufacturer's name and ISI marking.

Condition for Steel

- 20.4** The Contractor shall procure steel reinforcement bars conforming to relevant BIS codes and quantities specified by the Engineer-in-Charge.

Conditions for G.I Wire:

- 20.5** The contractor shall procure G.I. Wire (Gauge 08 BWG) manufactured by reputed companies and conforming to ISI specifications.

Form of Application

- 20.6** The application shall be made by the contractor in the prescribed form.

Approval for Procurement

- 20.7** The power of various authorities to approve self procurement shall be exercised as per appendix II of this manual.
- 20.8** The approving authority shall obtain non availability certificate from the stores in - charge before allowing self procurement.
- 20.9** In case where works are awarded on turnkey basis departmental issue of materials like cement and steel etc need not be stipulated and the contractors be asked to arrange for these materials themselves on the conditions mentioned above.
- 20.10.** The procurement should be made from authorized dealers in Sikkim and registered with the Commercial Taxes Division of Finance Revenue and Expenditure Department having proper TIN NO.
- 20.11** The contractor is required to produce the Tax Invoice with challans to the concerned Assistant Engineer to support his claim, which shall be attached with the Contractor's bill. The Tax Invoice shall be duly certified by concerned Junior Engineer and Assistant Engineer and properly accounted in the Material at Site Account.
- 20.12** The department shall recover 5% storage charges that have been incorporated in the AOR over and above the market rate while finalizing the rates in Schedule of Rates and credit to the Stock Suspense or the appropriate Revenue Receipts Head of the Department.

SECTION 21 ISSUE OF ROAD MACHINERY TOOLS AND PLANT

Conditions for Issue

21.1 When tools and plant like Road Rollers, Concrete mixers etc are available for issue to the Contractors for bonafide use on works of the Department, the concerned officers should ensure to invariably stipulate a provision for supply of such tools and plant articles both in the Notice Inviting Tenders and in the contract documents, specifying clearly the rates of recovery. If a project is sufficiently big, warranting the use of a number of rollers, at the proper time, the division may consider opening a shed and a workshop well staffed and equipped, to avoid loss of time in transit and to ensure proper utilization of the machinery. The issue of equipment to private bodies should be in exceptional cases with the approval of competent authority. In all cases tools and plant are issued only on execution of agreement in the form at the Annexure.

Calculation of Hire Charge

21.2 As a matter of principle, only such plant and machinery should be issued to contractors, Government bodies, such as Municipalities or others as can be spared without inconvenience to the Department. The hire charges are worked out to cover the following elements.

- (a) Ownership charges (depreciation)
- (b) Operational charges (maintenance and repair).
- (c) Overhead.
- (d) Running charges. Fuel and lubricants for the operation at the user site are to be provided by the user.

21.3 The hire charges of different type of machinery, tools and plant are fixed from time to time on the above basis and are payable in advance in all cases except emergency deployment of road machinery. A copy of bank challen/receipt should be obtained before signing the agreement.

21.4 The hire charges shall be recovered at the prescribed rates from and inclusive of the date the plant and machine is made over up to and inclusive of the date of, its return in good order excluding the transportation period to and fro worksite and unless the machine remains idle due to the following reasons:

- (a) Defects in the machine.
- (b) All gazetted holidays.
- (c) Local holidays.
- (d) Absence of operator.
- (e) **Rainy days:** If the machine is engaged after the rain stops, hire charges for half day should be recovered.

21.5 The contractor shall immediately intimate in writing to the Engineer-in-Charge when any plant or machinery gets out of order requiring major repairs. The Engineers-in Charge shall record the date and time of receipt of such intimation in the log sheet of the plant or machinery.

21.6 Hire charges will include services of operational staff viz. Mechanic and cleaner as required and also lubricating oil, stores for normal repairs and for cleaning purposes. All the other charges such as cost of power, fuel, fire matches, diesel oil, petrol,

kerosene oil etc. for running the machinery and pay of chowkidar for guarding the tools and plant at night shall, however, be borne by the Contractor/Indenter.

SECTION 22

EXTENSION OF TIME AND COMPENSATION FOR DELAY

General Principles

- 22.1** At the time of issuing notice inviting tenders for a particular work the Engineer-in-Charge should specify the time allowed for completion of the work consistent with the magnitude and urgency of the work.
- 22.2** The time allowed for carrying out the work as entered in the contract shall be strictly observed by the contractor and shall be reckoned from the day (as mentioned in the NIT) after the date on which the order to commence the work is given to the contractor.
- 22.3** The work shall throughout the stipulated period of the contract be proceeded with all due diligence (time being deemed to be the essence of the contract) on the part of the contractor.
- 22.4** To ensure good progress of the work during the execution, contractor shall be bound, in all cases, in which the time allowed for any work exceeds one month (save for special job), to complete $1/8^{\text{th}}$ of the whole of the work before $1/4^{\text{th}}$ of the time allowed under the contract has elapsed, $3/8^{\text{th}}$ of the work before $1/2$ of the time has elapsed and $3/4^{\text{th}}$ of the work before $3/4^{\text{th}}$ of such time has elapsed. However, for special jobs, if a time schedule has been submitted by the contractor and the same has been accepted by the Engineer-in-Charge the contractor shall comply with such time schedule.
- 22.5** The NIT approving authority can stipulate time schedule for physical milestones in the NIT. The tender accepting authority shall, review the progress of work each month with all the concerned disciplines including the contractor. The factors affecting the progress shall be identified and discussed and remedial measures taken, whenever required. Detailed minutes of these meetings shall be issued. For large projects, in addition to the monthly review, the tender accepting authority shall in a similar manner specifically review in detail the progress of the work just before the stages of $1/4^{\text{th}}$, $1/2$, $3/4^{\text{th}}$ and also about a fortnight before completion of the stipulated contract period. Whenever physical milestones have been specified in the NIT, the detailed review may be carried out on the dates specified for such milestones.
- 22.6** Clause 5 of the Contract empowers the Engineer-in-Charge to grant extension of time for the completion of the work on certain conditions. He can exercise such powers if the following conditions are satisfied:
- (i) The contractor must apply to the Engineer-in-Charge in writing for extension of time. Such application must state the grounds which hindered the contractor in the execution of the work within the stipulated time.
 - (ii) Such application must be made within 14 days of the date of which such hindrance arose. The Engineer-in-Charge must be of the opinion that the grounds shown for the extension of time are reasonable and genuine.

Grant of Extension of Time without Application under Clause 5

- 22.7** Based on Hindrance Register where adequate and proper grounds exist, the Engineer-in-Charge can grant extension of time even in the absence of application from the Contractor,
- 22.8** The extension, in order to be binding, will have to be by parties 'agreement' express or implied. It therefore follows that if the extension of time is granted by the Divisional Engineer and such extension of time is accepted by the contractor, either expressly or implied by his action before and subsequent to the date of completion, the extension of time granted by the Divisional Engineer is valid. It is, therefore, necessary that the Divisional Engineer grants extension of time even when the contractor does not apply for extension of time in order to keep the contract alive. If the contractor refuses to act upon the extension granted by the Engineer-in-Charge, it will attract provisions of Clauses 2 and 3 of the agreement.
- 22.9** The recovery of liquidated damages for delayed performance, on account of which extension of time is granted under Clause 2 is a distinct matter and would depend on:
- i. Prior notice as contemplated by section 55 of the Contract Act 1872.
 - ii. Fault/delay/hindrance being ascribable to the contractor and
 - iii. Proof of the loss occasioned thereby (in case it is challenged by the contractor before the arbitrator).

Form of Application for Extension of Time

- 22.10** The application for extension of time to be submitted by the contractor will be in the format prescribed in the Annexure to this Manual. Part I of the Form is for the contractor to apply for extension of time. Part II of the Form is to be used by the Departmental Officers for purposes of dealing with the application for such extension.
- 22.11** Although the contractor is required to seek extension within 14 days from the date of occurrence of hindrance for which the extension is sought, it does not debar the grant of extension sought later as it is always competent to promise to waive a delay and accept performance, after the stipulated time. However, the extraordinary concession should be refused save in most exceptional circumstances; and for very good causes shown for not seeking it within the period of 14 days. The contractor has no right to have the request for extension considered where she/he has not applied for it in accordance with clause 5 of the agreement.
- 22.12** Whenever any hindrance comes to the notice of the Assistant Engineer, he should at once make note of such hindrance in the register kept at site and immediately make a report to the Divisional Engineer within a week, who shall review the hindrance register at least once a month.
- 22.13** The following points should be kept in mind while entering the hindrances in the Hindrance Register:-
- The entry of the date of start of hindrance and date of removal of hindrance should be made on the same day as the hindrance takes place or the cause of the hindrance is removed respectively.
 - Over lapping period, not period of hindrance and weightage of each hindrance should be worked out by the Divisional Engineer within 15 days of removal of

cause of hindrance. For works out side headquarters, this should be done as and when he visits the site.

- Items of work affected due to any hindrance should be clearly mentioned in the hindrance register by the Assistant Engineer on the basis of which weight age should be allowed.
- Each hindrance entered in the hindrance register should be authenticated by the Divisional Engineer.
- Hindrances which are in the control of contractor should not be entered in the hindrance register.
- Hindrances should be recorded carefully in hindrance register considering their effect on completion of work.
- Superintending Engineers should review the hindrance register whenever they visit the site of work.

22.14 The Assistant Engineer shall decide the grant of extension of time within (before) 15 days of the completion time of the work, if in his competence otherwise forward the case to the Divisional Engineer before 30 days of the completion of the work with his recommendations. The Divisional Engineer shall take a decision within 15 days or forward the case to Superintending Engineer, as the case may be, with his recommendations.

22.15 The Superintending Engineer should then seek orders of the Chief Engineer within 15 days of the receipt of extension case from the Divisional Engineer.

22.16 In cases where the sanction of the higher authority to the grant of extension of time is necessary, the Divisional Engineer should forward the same as soon as possible and if orders of the competent authority are not received in time, he should extend the contract before the stipulated date actually expires so that the contract might remain in force but while communicating this extension he must inform the contractor that this was without prejudice to the Government's right to levy compensation under clause 2 of the agreement.

22.17 Sanction of extension of time will be issued by the Assistant Engineer under clause 5 of the Agreement in the Proforma in Annexure. The form provides that the extension of time is granted without prejudice to right of the Government to recover liquidated damages in terms of clause 2 of the agreement. In all cases, a copy of letter granting extension of time will be endorsed to Audit/Account Officer. While doing so it should be made clear in the endorsement whether the Chief Engineer has decided to levy or not to levy compensation or liquidated damages.

22.18 The decision in regard to levy of liquidated damages for delay in the execution of works should not be recorded in the measurement book of the work concerned.

Extension of Time without Levy of Compensation

22.19 In the case where extension is granted without levy of compensation after approval of the competent authority provision suggested in the preceding paragraph should stand with a view to safeguard the interest of the Government especially against unforeseen circumstances.

22.20 The word compensation should be used instead of the word penalty.

- 22.21** When a contract has been broken and if a sum is named in the contract as the amount to be paid in case of such breach or if the contract contains any other stipulation by way of compensation, the party complaining of the breach is entitled, whether or not actual damage or loss is proved to have been caused thereby to receive from the party who has broken the contract reasonable amount not exceeding the one so named or as the case may be the compensation stipulated for.
- 22.22** All letters of extension of time to be issued to the contractor should be over the signature of Engineer-in-Charge as he is the only officer so empowered contractually to grant extension of time. Similarly all letters intending to impose compensation or to recover liquidated damages under the agreement should be issued over the signature of Chief Engineer as he is the only officer competent to do so under the agreement to fulfill contractual obligations.

Proforma for Intimating Compensation

- 22.23** Intimation of levy of compensation under the agreement shall be sent to the contractor in the prescribed Proforma.

**SECTION 23
PAYMENT TO CONTRACTORS**

- 23.1** The condition of contract provides that no payments shall be made for works or supplies estimated to cost up to Rs.50000/- (Fifty Thousand) till after whole of the work or supply shall have been completed and a certificate of completion given. In the case of works or supplies estimated to cost more than Rs. 50,000 the contractor shall, on submitting the bill therefor be entitled to receive a monthly payment proportionate to the part thereof then executed and passed by the Engineer-in-Charge. The contractors should be required by the Engineer-in-Charge to submit their bills by a fixed date in accordance with the terms of the contract. The Assistant Engineer should supply to the contractor a copy of the measurements and statement of part rates to be paid at least three clear days in advance of such date fixed by the Divisional Engineer. The payment to the contractor shall be made only on submission of the bill by him.
- 23.2** Ordinarily running payments shall be made monthly as per the terms of the contract but payment may not be made if the amount of the bill is less than half the average monthly value of contract i.e. contract value divided by stipulated period in months.
- 23.3** The Circle Officer, should maintain Work Register to keep a record of all running payments made to the contractor in respect of contracts. As and when a bill is submitted the same shall be entered in the Register. The Register should be reviewed by the Circle Officer regularly to ensure that payments are being made to the contractors in time. If any objection is raised by the Accounts Officer for payment of a particular item or rate in any bill, the Engineer-in-Charge should make up his mind and pass final orders then and there whether the item on which objection has been raised should be allowed or not and if it is not to be allowed, then the item should be retrenched from the bill but in no circumstances the payment should be delayed. The register should be posted at the time of making monthly running payment to the contractor.

Final Payment

- 23.4** Final measurements should be recorded within one month of the completion of work. Final payments for works costing more than Rs. 10 lakhs should be made within six months of the completion of work and for other works within three months.
- 23.5** Before the work is declared completed in all respect and final payment is released to the contractor in respect of the works contract value of which exceeds Rs. 30.00 lakhs (Thirty Lakhs) it has to be inspected by the Superintending Engineer.
- 23.5** The Superintending Engineer shall also record the following certificate:
I have inspected the work of _____ contract value of which is Rs _____ vide Agreement No _____ today. As a result of this inspection and my previous inspections I find that the work has been carried out generally to specifications and has been completed satisfactorily. There are no noticeable defects except for the following:
- (i) _____
(ii) _____
- 23.7** The above certificate is required to be recorded within a period of three months from the date of completion of the work.
- 23.8** These defects should be rectified by the contractor or by the Department at his cost and action for which should be taken in terms of the contract.
- 23.9** In the case of works where contract value is less than the above, similar certificate should be recorded by the Divisional Engineer before forwarding the Final bill.
- 23.10** An attested copy of the completion certificate will be attached with the Office copy of the final bill of the contractor and remain on record of the Circle. The Circle Office shall not make final payment till this certificate is recorded and attached to the office copy. The certificate, however, will in no way reduce the responsibility of the paying authority and the Accounts personnel for due check of the work and the bill as required by the Rules, Code and Practice of the Department.
- 23.11** The certificate is required to be recorded by the Superintending Engineer in whose time the work is completed irrespective of the fact that a part of the work may have been done during the incumbency of his predecessor. The Superintending Engineer recording the certificate is not responsible for bad work which may have been covered up during the incumbency of his predecessor, for instance, work in foundations or below the concrete flooring but he is required to point out the defects which appear outwardly, like defects in the doors and windows, plastering, flooring, painting etc. The Superintending Engineer should necessarily record the completion certificate for the works completed in his tenure on the post before he hands over the charge to his successor on transfer.
- 23.12** In specific cases, where there are practical difficulties such as the Superintending Engineer being no longer in the Department due to resignation, death etc. in getting the completion certificate recorded by him, the Chief Engineer may decide any relaxation of the existing instructions. Administrative action should be initiated against the Superintending Engineer for not taking proper/timely action in getting the completion certificate recorded, whatever justified as revealed by the facts of the case.

Inspection of Works by Senior Architect

23.13 The Senior Architect in-charge of the work being executed by the contractor is required to certify on completion of particular building that it has been constructed according to the approved design and specifications.

23.14 In case of any un-authorized deviation, the certificate of completion shall not be given unless the defect or deviation has been rectified to the satisfaction of the Senior Architect. A certificate by the Senior Architect will be required for release of final bill. However, the Chief Architect / Chief Engineer, may decide whether a particular building involving less than Rupees Fifty Lakhs will require the certificate from the Senior Architect or not. The form of certificate is as under:

Name of project.....

“I do hereby certify that the work.....has been inspected on.....by me and has been completed on according to the plans, elevation, sections, details and specifications of architectural items prepared by me. The work has been completed to my general satisfaction and the workmanship and the whole of the materials used for finishing items are good.”

23.15 Completion Certificate from the Senior Architect is necessary before final bill is paid to the contractor as per para 23.14.

23.16 In the case of such work the Divisional Engineer should inform the Senior Architect concerned, of the work having been completed in all respects, within one month of the physical completion of the work and request him to carry out his inspection and record the required completion certificate.

Payment through Bank for any overdrafts of the Contractor

23.17 The State Government in no case shall be responsible for any loan / overdrafts granted by any bank to the Contractor on the strength of the work order. Payment due to contractor, if so desired by him, be made to his bank instead of directly to him, provided the contractor furnishes to the Engineer-in-Charge and Drawing and Disbursing Officer:-

1. An authorization in the form of a legally valid document such as a power of attorney conferring authority on the bank to receive payment. However, this does not confer on the bank any right of claims to the Department
2. While receipt given by such Bank shall constitute full and sufficient discharge for the payment the contractor should wherever possible, present the bill duly receipted and discharged through his bankers.

Deduction of Taxes and levies at Source

23.18 Under instructions of the Government deductions of these taxes and other levies is required to be made at source from payments made to contractors. Before signing the first and final, running account bill, final bill, supply bill, including advance, adhoc payment bill, the Engineer-in-Charge should see that the statutory deductions on account of these taxes and other levies has been made from the bill of the contractors.

- 23.19** Recovery of these taxes is to be made at the rates applicable on the date of payment. Procurement of forest produce like sand, stone etc., is subject to pre-payment of royalty to the Forest Department and claims on account of carriage of Non- Stock materials utilized on works is therefore to be checked and allowed with reference to documents supported as proof of such pre-payment and place of lifting. The relevant documents should remain attached with the office copy of the bill of the contractor.

SECTION 24

Advance Payment

- 24.1** Advance payments to contractors against on account bills received in the Circle Office may be made by the Superintending Engineers. When an on account bill has been received in the Circle Office and there is likely to be delay in authorizing payment for special reasons which should be recorded, the Superintending Engineer may at his discretion on receipt of an application from the contractor for financial aid in the shape of part payment in respect of tenders accepted by Assistant Engineer, Divisional Engineer and himself (and after obtaining necessary sanction from the Chief Engineer for cases against contracts beyond his power of acceptance) make a lump sum advance payment on Hand Receipt subject to the following conditions:
- i. The bill in respect of which the advance is proposed to be made should actually be under check in the Circle Office.
 - ii. The amount of advance should not exceed 75 percentage of the net amount of the bill under check but no advance payment will be admissible in case where the amount of advance payable works out to less than Rs. 1, 00,000/-.
 - iii. The payment should be suitably endorsed both on the running bill against which the advance payment is made and the connected abstract of measurements in the Measurement Book. The Hand Receipt Voucher on which payment is made should bear reference to the number, date and amount of the bill against which payment is made and also to the page number of Measurement Book and the number, date and amount of the voucher, if any, on which the previous on account payment was made. The payment should be treated in the accounts as an advance.
 - iv. An undertaking should be obtained from the contractor before the payment is actually made that should the amount of advance paid to him subsequently found to be more than the amount of the running bill in respect of which the advance was paid, he will refund to Government forthwith, the amount overpaid. The Superintending Engineer will be held personally responsible to see that advance is adjusted when payment is made on the running account bill in respect of which it was made and for any over payment which may occur.
- 24.2** A record of advances authorized by the Circle Officer under his own competence with the reason thereof will be kept in a special register which should be inspected by the Chief Engineer at the time of his inspection of the Circle Office.

Payment to Private Firms/ Autonomous Bodies for Chemical Analysis and Testing of Materials

- 24.3** Chemical analysis and testing of materials is obligatory in the case of works where the contract value exceeds Rs. 1 crore.

- 24.4** A list of laboratories shall be approved by the Chief Engineer. Advance payment may be made by the Officer – in – Charge of the work to an enlisted laboratory, for which no further approval shall be necessary.
- 24.5** The amount of advance shall be drawn on a simple receipt and accounted for under the final head to which the expenditure on services in question would be debited.

Grant of Mobilization Advance to Contractors for Executing Capital Intensive Works

24.6 Mobilization Advances

In respect of certain specialized and capital intensive works costing not less than Rs. 10 crores (ten crores), advance limited to a maximum of 15% of the estimated cost put to tender or tendered value or Rs. 2 crores (two crores) whichever is the least at a 10 % (ten percent) simple interest may be sanctioned to the contractor on specific request as per terms of the agreement in two parts, viz. for Mobilization of Materials and Plant and Machineries.

Principal Chief Engineer cum Secretary shall use his discretion carefully in deciding whether any particular works shall be considered as a specialized or capital intensive.

24.7 Limitation of advance and recovery thereof:

- i) The mobilization advance and plant and machinery advance as above bears simple interest at the rate of ten percent per annum and shall be calculated from the date of payment to the date of recovery, both days inclusive, on the outstanding amount of advance. Recovery of such advance shall be made by the deduction from the contractor's bill commencing after first ten percent of the gross value of the work is executed and paid on pro-rata percentage basis to the gross value of the work billed beyond 10% in such a way that the entire advance is recovered by the time sixty percent of the gross value of the contract is executed and paid, together with interest @10% on the entire outstanding amount up to the date of recovery of the installment unless the contractor offers to repay it earlier.
- ii) The said bank guarantee for advance shall initially be made for the full amount and valid for the contract period, and be kept renewed from time to time by the contractor to cover the balance amount and likely period of complete recovery together with interest.

Advance for Materials

1. Mobilization advance not exceeding 10% of the estimated cost put to tender or tendered value whichever is less may be given, if requested by the contractor in writing within one month of the order to commence the work.
2. For such advance, the contractor shall submit a Bank Guarantee Bond from **State Bank of Sikkim or other Scheduled Bank within Gangtok** for the full amount of such advance being released. Such advance **shall be paid in two installments** to be determined by the Head of Department at his absolute discretion. The first installment of such advance shall be released by the tender inviting authorities. The second and subsequent installments shall be released by the tender inviting authorities with the approval of Head of Department only after the contractor furnishes a proof of the satisfactory utilization of the earlier installment to the entire satisfaction of the Engineer-in-Charge.
- 3.

A. Plant and Machinery Advance

1. An advance for plant and machinery required for the work and brought to site by the Contractor may be given if requested by the contractor in writing/within one month of bringing such plant and machinery to site. Such advance shall be given on such plant and machinery which in the opinion of the Engineer-in-Charge will add to the expeditious execution of work and improve the quality of work. The amount of advance shall be restricted to 5% percent of the estimated cost put to tender or 5% of tender value whichever less is.
2. In the case of new plant and equipment to be purchased for the work the advance shall be restricted to 90% of the price of such new plant and equipment paid by the contractor for which the contractor shall produce evidence satisfactory to the Engineer-in-Charge. In the case of second hand and used plants and equipment, the amount of such advance shall be limited to 75% of the depreciated value of plant and equipment as may be decided by the Engineer-in-Charge. The contractor shall, if so required by the Engineer-in-Charge, submit the statement of value of such old plant and equipment duly approved by the Chief Engineer Mechanical, Roads and Bridges Department.
3. No such advance shall be allowed for any plant and equipment of perishable nature and on any plant and equipment of a value less than Rs. 1, 00,000/-. Seventy five per cent of such amount of advance shall be paid after the plant and equipment is brought to site and balance twenty five percent on successfully commissioning the same. The advance shall further be subject to the condition that such plant and equipment are in and are maintained in working order and hypothecated to the Government as specified by the Engineer-in-Charge before the payment of advance is released.
4. The contractor shall not be permitted to remove from the site such hypothecated plant and equipment without the prior written permission of the Engineer-in-Charge. The contractor shall be responsible for maintaining such plant and equipment in good working order during the entire period of hypothecation failing which such advance shall be entirely recovered in lump sum. For this purpose steel scaffolding and form work shall be treated as plant and equipment. The contractor shall insure the plant and Machinery for which mobilization advance is sought and given, for a sum sufficient to provide for the replacement at site. Any amounts not recovered from the insures will be borne by the contractor.

CHAPTER V
SECTION 25
STORES

ACQUISITION OF STORES**25. General**

Instructions in this Manual relating to “Stores” are supplementary to the provision of Rule 120-138 of Sikkim Finance Rules 1979 and other orders issued by the Finance Revenue and Expenditure Department on the subject from time to time.

Classification of Stores

25.1 The stores of the Public Works Department are divided into the following classes:-

- i. Stores or General Stores;
- ii. Tools and Plant; and
- iii. Materials charged direct to works.

- 25.2** Tools and Plants of a Division are further divided into following kinds:
- (a) General or ordinary tools and plants i.e. those required for the general use of the Division.
 - (b) Special tools and plants i.e. those required not for general use, but for a specific work. The Cost of the supply, repairs and carriage of articles of class (a) above is charged to the minor head "Tools and Plants" under the major head "2059" Public Works" where as similar charges of Class (b) are borne by the work concerned.
- 25.3** In both cases, cost is charged in the accounts against sanctioned estimate in the same way as expenditure on works, although for the purpose of sanction, it is treated as expenditure on Tools and Plants.

Reserve Stock

- 25.4** Ordinarily, the materials should be purchased only for the works in progress and no reserve stock should be kept except with the specific sanction of and to a monetary limit to be prescribed by the competent authority. Due consideration of the anticipated requirements of the stores according to the nature and quantum of work to be executed in each Division during a year should be taken and estimate prepared on the basis of these figures.
- 25.5** In order to facilitate control over the purchase of stores for works particularly maintenance, all estimates for a year should be sanctioned well in advance of commencement of that year. A statement of materials required for the works in a sub Division should be attached to each estimate. To facilitate consolidation, the materials should be grouped in a predetermined order in each statement.
- 25.6** Before the commencement of the year, requirements of materials of all works in a Sub Division and the Division should be consolidated.
- 25.7** The collection of materials involving an outlay of Rs. 50,000/- or upwards must, in all cases, be covered by an estimate showing proposed outlay and the materials to be received.
- 25.8** If the material is required for a work duly sanctioned, the estimate will merely require the approval of the appropriate Departmental authority for purchase (provided no advance payment is involved). In other cases it will require the administrative approval, expenditure sanction and technical sanction of the competent authority as though for an original work.
- 25.9** It should be ensured that the materials are purchased strictly in accordance with the requirements of the work and utilized to the best advantage of Government. In case certain materials are rendered surplus to requirements as a result of certain deviations, alterations, substitutions or reduction in the quantity of items during the course of execution of work or due to some materials becoming surplus on completion of work, because these were purchased as a precautionary measure for avoiding any possible delay in procurement or where some provisions have to be made for any other contingencies arising during execution of work or when the outlay has been prohibited for any considerable length of time, the Divisional Engineer should take action to transfer such materials to other works in progress where those are likely to be used within a reasonable time, or bring such materials to stock account as the case may be, provided that they are serviceable. Where the materials rendered surplus cannot be utilized in any of the manners indicated above the Divisional Engineer should take necessary steps to dispose of the materials by sale with due approval.

- 25.10** Ordinary tools and plant required for the general use of Division can be purchased against sanctioned estimates. Before sanctioning the estimate for Tools and Plants it should be ensured that necessary budget allotment exists under the minor head “Tools and Plants”.
- 25.11** Purchase of Motor Cars, Trucks and other plant and machinery will be regulated by special orders of the Government.

Special Tools and Plants

- 25.12** Cost of special tools and plants needed for a specific work would be included in the estimate for the work concerned.

SECTION 26 PURCHASE OF STORES

Bulk Purchases

- 26.1** Materials required for construction and other purposes are procured by the Central Stores in the Headquarters Office at Gangtok. For the purpose various Divisions are required to furnish annual requirement showing the materials and quantities by 1st of April every year.

Purchase through STCS/Government undertakings:

- 26.2** The Central Stores arranges the bulk purchases through the State Trading Corporation of Sikkim/Government Undertakings / open market for supply to stores at District Headquarters directly with intimation to the Central Stores.
- 26.3** Under the Sikkim Financial Rules, purchases costing more than Rs. 10 lakhs, are required to be made through the State Trading Corporation of Sikkim or on the basis of open tenders to be opened at Gangtok by a tender Selection Committee of five which should have one member from the Department concerned, a representative each of Finance Department and the State Trading Corporation and such other members as the Government may decide.
- 26.4** Tenders for purchase (up to Rs. 10 lakhs) are to be opened by a Departmental Committee of at least 3 officers including the Accounts Officer or Officer dealing with accounts.
- 26.5** The indenter should ensure that necessary financial sanction of the competent authority exists before order is placed on the State Trading Corporation/other supplier.
- 26.6** Subject to availability of budget provision/resource, the Head of the Department shall be competent to authorize payment to the State Trading Corporation of Sikkim or other Government run Organization for supply of stores included in schemes/estimates sanctioned by the Government. Advance payments, however, require concurrence of the Finance Revenue and Expenditure Department.
- 26.7** Advance payments should be made only in cases where it is absolutely necessary. The firms should be Government run or well established with reputation of fair dealing.
- 26.8** The amount of advance shall be accounted for under the head to which expenditure and supplies would be debited.

Purchase of Cement and Steel

- 26.9** For purchase of cement and steel, open Tenders/Quotations will be called from the main producers as well as secondary produces having valid license, through press notice.

Purchase of Plant and Machinery

- 26.10** When indenting for plant and machinery etc., the indenting authority shall take a decision as to the quantity of spares to be purchased along with the main equipment and also to place indent thereof on the purchasing organization. The Indenting Officer

should also specify whether any of the following guarantees is required to be obtained from the supplier of the equipments.

- i. Guarantee from the supplier of the equipment that he will supply spare parts to it as and when required on an agreed basis for an agreed period. The agreed basis should be an agreed discount on the published catalogue prices.
 - ii. A warranty to the effect that before going out of production for the spare parts, he will give adequate advance notice to the purchase of the equipment so that the latter may order balance of the lifetime requirements in one lot.
- 26.11** In the indent for spare parts, reference to the number and date of offer for the main equipment and any guarantee/warranty incorporated therein should be quoted by the indenting officers.
- 26.12** The indenting authorities should endeavor to adopt Indian Standard Specifications wherever available and where such specifications are not available they should be consistent with the requirement of safety, security and end use of the stores, permit relaxation in indigenous production.

SECTION 27 PAYMENT FOR THE SUPPLIES

- 27.1** All the stores received are verified and measurements and details thereof are to be recorded in the Measurement Book if the purchase is for specific work and in the Goods Receipt sheet if the purchase is for stock. Payments are to be made on the basis of the entries recorded in the Measurement Book or Goods Receipt sheet as the case may be, according to the terms of the payment as finalized in the supply order. Photocopy of the Measurement Book should be attached with the bill.

Advance Payments for purchase of stores

- 27.2** In the case of purchase of stores costing more than Rs. 10, 00,000/- (Rupees ten lakhs) which are required to be made through the State Corporation of Sikkim, advance payments are to be made to the Corporation with the concurrence of the Finance Cell of the Department, if the advance is being made against the sanctioned project.
- In other cases, where procurement is made directly from producers/manufactures advance payment can be made only with the concurrence of the Finance Revenue and Expenditure Department.

SECTION 28 LOSSES OR DAMAGES OF/TO STORES Booking of Stores

- 28.1** Definite and clear instructions are required to be given in the indent/order with regard to mode of dispatch and consignee's address, which are necessary for correct and intact delivery of the stores. To avoid losses and damages to Stores in transit, the following information should be as detailed as possible as not to leave any loophole for any dispute or misinterpretation at a later stage:
- i. Consignee's: Postal and Telegraphic address.
 - ii. Station of dispatch.
 - iii. Whether to be booked by goods train, passenger train, quick transport service.
 - iv. Whether to be booked at owner's risk or transporter risk
 - v. Whether it should be covered by transit risk insurance.

Taking Delivery of Consignment

- 28.2** The consignee is responsible for verifying at the time of taking delivery from the supplier that the stores have been received in tact without loss or damage. The loss or damages should in every case, be promptly reported to the suppliers as well as to the Officers who placed the orders and are responsible for payment for the stores as otherwise the consignee will be deemed to have accepted the stores. In any event, the consignee should not before checking and verifying the stores, give a receipt certificate to the supplier. Receipts for consignment of materials should be endorsed in favour of the Store Keeper or Junior Engineer or any other responsible Officer of the Department who should personally take delivery of Government stores and hand them over to the carriage contractor.
- 28.3** When due to any practical difficulties it is not possible to deploy any Departmental Officer for keeping a watch on the arrival of consignment and take delivery thereof, after completing formalities and it is intended to endorse, the railway receipts in the name of the carriage contractor, a condition for obtaining an additional security in the shape of bank guarantee should be stipulated in the tenders for carriage of materials. The amount of security in the shape of bank guarantee should be 10%.
- 28.4** In the case of stores purchased thorough the State Trading Corporation of Sikkim the responsibility of taking delivery from Railways/Carrying Contractor rests on the Corporation.

Losses /Damages in Transit

- 28.5** Whenever the losses or damages occur in transit the responsibility for the same varies according to the circumstances of each case and the terms of contract. In the case of contracts stipulating delivery FOR destination the contractor is liable for any loss or damage that may occur in transit and to make good the same by replacement free of charge at destination or accept deduction from his bill for the quantity lost or damaged in transit.
- 28.6** In the case of contracts stipulating delivery, FOR destination, if the suppliers have agreed to the indentor's condition that they will be responsible until the stores contracted for are received in good condition, the responsibility rests with the suppliers as in para above.
- 28.7** For shortages / damages in consignments at owner's risk until it is delivered to the connected stores. The supplier shall have no right of claim of payment if the materials are lost in transit or in between before receipt of materials by the designated officer in destination.
- 28.9** In cases where consignees do not exhibit particulars mentioned in the Receipt Certificates referred to above, it will be assumed that no recoveries were to be effected.

SECTION 29
RECEIPT OF STORES

- 29.1** All materials received should be examined, counted or measured when delivery is taken. The record of the detailed count / weighment or measurement should be kept in the goods receipt sheets and the total number of quantity should be simultaneously entered in the Bin Card.
- 29.2** In the case of Tools and Plant, the items should be brought on the form annexed with complete details. For items of Plant and Machinery, detailed history sheets in

prescribed form by Finance Revenue and Expenditure Department should be completed forthwith and recorded carefully.

- 29.3** All stores of sundry nature, particularly sanitary fittings, electrical fittings and spares etc. should be allotted an alphabetical and numerical number to the standards and sizes available and the same should be indicated accordingly in the registers and on racks where these are kept. Similarly stocks of pipes and steel of different kinds and sizes should also be allotted a distinguishing alphabetical and numerical number to facilitate maintenance of accounts.
- 29.4** When procurement of stock is of Steel and Bitumen required for construction works, the procurement officer should also ensure that the articles shall comply with the relevant IS or other standard specifications prescribed for such articles. The articles should be inspected and tested in accordance with the provision of the specifications before acceptance.
- 29.5** All procurement officer and officers authorized to receive the materials, should pay special attention to these points and should take steps to ensure that adequate testing and inspection arrangements are made in each case before bills are recommended for payment.

SECTION 30 SAFE CUSTODY OF STORES

- 30.1** The Divisional Engineer is responsible to ensure that proper arrangements are made throughout the Division for the safe custody of stores and for their protection from deterioration and fire.
- 30.2** The stores will be under the strict supervision and vigilance of a Junior Engineer who will be particularly responsible for the safe custody of stores. At the end of each day, the locks of the stores should be properly sealed by the storekeeper in the presence of chowkidar and entered in the register. At the time of change of duty, proper handing over/taking over should be done by signing the register. The storekeeper should seal the locks when he closes the godown at the end of the day carefully and examine the seal before opening the godown next time to see that the seal has not been tampered with. If he finds that the seal has been tampered with in his absence, he should at once bring this fact to the notice of the higher authorities for reporting the matter to the Police. In the absence of storekeeper, Junior Engineer will discharge these functions.
- 30.3** On the occurrence of any loss, action against the person concerned with the upkeep of stores should be taken promptly so as to avoid delay in obtaining evidence against persons responsible for the loss.

SECTION 31 ISSUE OF STORES

Preparation of Indents

- 31.1** Materials should be issued on receipt of indent on specific form 7. The indent book for drawing materials should be kept in safe custody in the Office of Assistant Engineer. The indents shall be signed by the Junior Engineer/Assistant Engineer for transaction within the Division and also by Divisional Engineer for Inter-Division transactions.
- 31.2** A register to keep a watch on the issue of materials for works, with reference to quantities specified in the agreements should be maintained by the Assistant Engineer in the form prescribed to avoid excessive issue of materials to contractors and to keep

a watch over the issues. In the register, a record of the materials drawn for use on works done departmentally may also be kept, if considered necessary by the Assistant Engineer. The Divisional Engineer should arrange to get the indent examined to see that issues are roughly correct. For detailed check of the quantities issued, it is the responsibility of the Assistant Engineer to ensure that the materials are not issued in excess of the quantities actually required.

- 31.3** Indents are to be handed over to the contractor or his authorized representative to receive the materials from the stores.

Issue of Materials

The following procedure should be followed for drawal of materials from stores:

- i. The indent books should be machine numbered and kept in stock by the Divisional Engineer-in-Charge of Stores. The Divisional Engineer-in-Charge of Stores issues these books stamped with the stamp of his Office to the various indenting authorities.
 - ii. The Divisional Engineer in charge of the work is required to send three sets of specimen signatures of the Junior Engineer/Assistant Engineer in charge of the work at the work site and that of the work Assistant, if any, authorized by the Divisional Engineer for receiving stores in the Junior Engineer's absence, duly attested by him to the Stores. One set thereof will be kept by the Junior Engineer security and the other two sets will be in the office under the personal custody of the Assistant Engineer and Divisional Engineer, Stores. The specimen signatures of the Divisional Engineer shall be attested by the outgoing Divisional Engineer. For a new Division it is to be done by the Superintending Engineer.
- 31.4** The Signatures of the contractors or their authorized agents to whom the materials are required to be issued are attested by the Assistant Engineer and the indent is countersigned by the Divisional Engineer of the Indenting Division.
- 31.5** The indent shall be presented at the Stores within 15 days of signing by the indenting authority.
- 31.6** After verifying the signatures of the Indenting Authority and the Contractor or his authorized agent, the Assistant Engineer in charge of the stores will pass the indent and give issue order thereon.
- 31.7** The Junior Engineer in charge of stores should put his signatures on both sides of the indent in token of having issued the materials and on this authority the gate pass is prepared in triplicate. The gate-passes are signed by the Junior Engineer in charge of the stores after delivery of the materials is taken. The gate-pass in triplicate is handed over to the contractor or his authorized agent who makes over the original copy to the Junior Engineer Security on duty and the other two copies to the Junior Engineer in charge of the work at the site of the work along with materials. The Junior Engineer in charge of the work signs the gate pass in token of having received the materials correctly, retains duplicate copy, for his record and returns the triplicate through the carting agent to the Junior Engineer security to enable him to watch that the material issued has been correctly received at the destination. The Junior Engineer should sign and write his full name and put his stamp. In case of his absence, the gate- pass may be receipted by his authorized representative i.e. Work Assistant who will receive the material, sign and put his full name on the triplicate copy, along with name, of the gate- pass on behalf of the Junior Engineer. If the gate pass is not received back in two days, the indenting Divisional Engineer should be informed by the Stores. For outstations, suitable time shall be fixed as per actual situation.

- 31.8** The signatures of the Junior Engineer in charge of the work at site (or his Work Assistant representing him) on the gate pass should be checked at the end of the day with his specimen signatures and any doubtful case should be reported to the Divisional Engineer, Stores, immediately.
- 31.9** Divisional Officers should ensure that the materials to be issued to a contractor for work are handed over by the Departmental Officers only to those of his representatives who have valid authorization to receive materials on behalf of the contractor.

SECTION 32 DISPOSAL OF SURPLUS STORES

Excessive Stocking of Stores

- 32.1** The Divisional Officers should not store for long materials which are likely to deteriorate within a short time. Some of the materials which are likely to deteriorate within a short time are mentioned below:-

Cement
Tars and Bitumen
Paints
Distempers
Oils
Spirit
Bleaching Powder
Disinfectants

- 34.2** If such materials are indented for or ordered, these should be used on work as early as possible and surplus quantity, if any, may be disposed off under the orders of the Competent Authority.

Transfer to other Divisions

- 32.3** All articles of stock (excluding tools and plants) which are not likely to be required during the following twelve months, should be reported to the Divisional Officer who will, if necessary, take the Superintending Engineer's order as to their disposal. Since the materials which are surplus are liable to deterioration, if kept unnecessarily and also involve an avoidable expense on chowkidars etc. and locking up of capital, it is most essential that such materials should be disposed off either by sale or transfer to other Division where these are required.

Disposal Surplus Stores

- 32.4** Chief Engineer, Stores, has full powers with the concurrence of Finance and Accounts Cell of the Department to issue orders regarding the manner in which particular stores which have already been declared surplus or unserviceable by the Competent Authority are to be disposed off. The disposal can either be made by public auction or through sealed quotations. The question as to who should supervise or conduct the auction will be decided by the Superintending Engineer.
- 32.5** No public stores should be sold otherwise than by public auction.

SECTION 33 LOSSES ON STORES AND THEIR WRITE OFF

Unserviceable Stores

- 33.1** When stores of any kind become unserviceable, a report thereof should be made in **Form 18**. This should be done at once on discovery of the facts.
- 33.2** In case of Survey Reports of stores valued above Rs. 15 lakhs, the certificate that materials proposed to be surveyed are really unserviceable should be recorded by the Superintending Engineer concerned after inspection of the stores. In the case of survey reports below this amount, the certificate should be given by the Divisional Engineer.
- 33.3** All losses of stock should be immediately reported to the next higher authority as well as to the Accountant General even when such loss has been made good by the party responsible for it. Petty cases involving losses not exceeding Rs. 500/- each need not be reported to the Accountant General unless there are in any case, important features which need detailed investigation and consideration. The losses on stock should be immediately investigated and steps taken to obtain sanction of the competent Authority for their write off, if necessary.
- 33.4** In the case of serious losses, the Divisional Officer should hold a Departmental enquiry and record the evidence and his findings thereon, including findings as regards the responsibility and culpability of the persons concerned.

SECTION 34 STOCK TAKING

- 34.1** The Divisional Engineers are to have stock taken throughout their Division at least once a year. It is not necessary that all the stocks of a Division or even of a Sub-Division should be checked and counted at the same time, but the date on which the articles are taken stock of should be entered in the stores returns. Stores should be counted by an Officer not below the rank of Assistant Engineer who is not the custodian, the Ledger Keeper or the Accountant of the stores.
- 34.2** Verification should be made in the presence of the authority responsible for the custody of the stores or of a person deputed by him. If such an authority fails to be present during physical checking of stores or fails to depute a person, the verifications should be carried out in the presence of another Officer not in charge of the stores.
- 34.3** The results of all verifications of stock should be reported to the Divisional Officer for orders but as soon as a discrepancy is noticed, the book balance must be set right by the verifying officer, treating surplus as a receipt and a deficit as an issue, with a suitable remark.
- 34.4** The shortages and damages, as well as unserviceable stores, should be reported immediately to the higher authorities.
- 34.5** The verification of materials charged direct to works will be done in the manner prescribed above.
- 34.6** Apart from the stock, dismantled materials, stores and materials at site account are also to be checked in the same manner every year and certificates recorded in the registers.
- 34.7** In the case of Tools and Plants, the stock taking should be done every six months ending 31st March and 30th September in the same manner stated above and certificates of physical verification recorded thereon.

- 34.8** The report about required stock taking and physical verification and certification thereof should be made immediately to the Superintending Engineer,

CHAPTER VI
WORKS OF OTHER DEPARTMENTS / AGENCIES
SECTION 35

General Rule.

- 35.1** The term “Works of other Department / Agencies” is applied to works of constructions or repairs, the cost of which is not met out of departmental funds, but being financed from other Department or other non-Government sources, or funds of public expenditure nature, but not included in the financial estimates and accounts of the State Government which may either be deposited in cash or otherwise placed at the disposal of the Public Works Department. Works executed for other than the same Public Work Department in the State Government , Municipalities, other public bodies and fall under this category, when the cost is chargeable either to cash deposits made for the purpose or to their heads of account at the Treasuries, Pay and Accounts Office when the payment is released.
- 35.2** Where a work is to be carried out from the funds provided in the Budget Estimates of the other State Government Department, (other than the deposit works) the work should be executed in accordance with the procedure laid down in this manual for execution of the works. However, before the work is executed the Public Works Department shall insist upon the other Department / Agency to transfer the allocation / funds to the executing Department along with necessary authorization to operate the Heads of Account.
- 35.3** All the payments for work done for other Departments, Municipalities and other public bodies shall be made from the respective authorized Pay and Accounts Offices / Department of the State Government and in NO CASE the Public Works Department should forward any bills for work done or other documents including the measurement books for any of the construction or maintenance works, of other Departments / Municipalities, other public bodies except for the purpose of Audit and Investigations.
- 35.4** In addition to the amount to be transferred for the work to be done for the other Departments / Municipalities, other public bodies, they are also required to deposit / transfer funds for cost of establishment, T&P, which should include charges at such percentage as are prescribed by the Government of Sikkim from time to time which is also to be recovered in advance. The depositor or the authority on whose behalf the work is to be done is also to be made to understand clearly that the Public Works Department does not bind itself to complete the work within the amount of estimate and that the authority depositing or administering the funds agrees to finance any excess that may occur. An acknowledgement of this clear understanding is required to be obtained from the concerned Depositor. The depositing department/ Agencies should also be made aware of the fact that in case where the money is paid by installments, the Public Works Department will not be responsible for any increase in cost or damage to the uncompleted work caused by temporary stoppage of the work pending receipt of further installment of funds.

35.5 The Principal Chief Engineer cum Secretary, Roads and Bridges Department is also required to prescribe the Departmental charges to be incorporated in each estimate with the concurrence of Finance Department.

Powers to undertake Works of other Department / Agencies

35.6 The officers of the Public Works Department have been empowered to undertake works of other department / Agencies as per powers delegated. The works may be accepted by the Department to utilize the spare capacity and should not in any way affect the Departmental Works.

Powers of the Public Works Officers to accept works of other Department / Agencies

35.7. The officers of the Public Works Department have been empowered to undertake works of other department / Agencies of the amounts shown hereunder:-

Principal Chief Engineer cum Secretary	:	Full Powers.
Chief Engineer	:	up to Rs. 20.00 Lakhs
Additional Chief Engineer	:	up to Rs. 15.00 Lakhs
Superintending Engineer	:	up to Rs. 05.00 Lakhs

The above powers of officers to undertake deposit works or works of other Department are to be exercised with levy of 9% establishment charge and other Departmental charges as applicable.

35.8 The Principal Chief Engineer cum Secretary / Head of the Department may undertake deposit works or works of other Department at lower rates of establishment and Departmental charges as prescribed above.

Realization of funds

35.9. Whenever a deposit work / works of other department in the Government is to be carried out, the transfer of fund or deposits should be realized before any liability is incurred on account of the work. No interest will be allowed on sums deposited or funds transferred at the disposal of Public Works Department.

35.10 Forty Percent of the estimated cost to be deposited / transferred in respect of Works of autonomous bodies entirely financed by the Government. In case of deposit works of autonomous bodies financed entirely from Government funds, and where receipt of money is assured, 40 % (forty percent) of the estimated cost of the work may be got deposited as advance in the case of construction works. Thereafter, the balance amount is to be transferred based on progress of work upon submission of utilization certificate to the extent of fund so transferred or deposited. Where delays are experienced in obtaining funds, and where expenditure has to be incurred, the matter should be brought to the notice of Superintending Engineer/Chief Engineer/Principal Chief Engineer cum Secretary promptly for taking up the matter with the Client Department. It is reiterated that no expenditure is to be incurred on such Works out of Public Works Department grants and vice versa.

35.11 To enable the Client Department/ Agencies to provide additional funds on time, revised estimates should be submitted by the Public Works Department, at the appropriate stage during the execution of works, wherever required.

35.12 With regards to works involving autonomous bodies/departments who have earlier defaulted in payments and where outstanding amount for work done exceeds Rs. 10 lakhs or where outlay is predominantly on purchase of capital equipment, the entire deposit including Departmental charges should be obtained in advance.

Transfer of Deposits from Civil Divisions to Electrical Divisions in respect of Deposit Works / Transfer works.

- 35.13** It is enjoined on Principal Chief Engineer cum Secretary to transfer to the electrical Divisions or the Civil Division, part of the fund / deposits received, in proportion of Electrical Works/ Civil Works as the case may be, as per the preliminary estimate.
- 35.14** The onus of consequences arising out of delays in execution of works, as per completion schedule, in spite of receipt of fund in the Department, shall rest on Officer of the Public Works Department accepting the deposit as per delegation of powers.
- 35.15** It should be ensured that the expenditure is not more than the deposits / authorization for expenditure received for the work. Where the Superintending Engineers are doubtful about the timely receipt of the deposits/ transfers, matter should be brought to the notice of Principal Chief Engineer cum Secretary, who in turn takes the matter with the Client Department / Agencies by giving notice that if further deposit / transfer of funds are not received, work shall be stopped. Efforts should also be made to realize the funds for excess expenditure already incurred on the project if any by holding meeting with clients at higher level.

EXECUTION OF WORKS

- 35.16** With regards to the design, estimate and execution of work, instructions as contained in the Public Works Department Code and Manual should be followed.
- 35.17** Superintending Engineer of the Circle is required to send to Chief Accounts Officer / Sr. Accounts Officer in HQ, the statement of expenditure along with Schedule of Deposit works showing the progress of expenditure on deposit work setting forth the amount of the estimate, the total deposit / fund received and the progressive expenditure for transmission to the depositor concerned after verification by the Pay and Accounts Officer.
- 35.18** Divisional Officers should send a quarterly report to the Client Department / Organizations showing amount transferred / deposited and the expenditure incurred against different works and progress of works endorsing a copy of the statement to the Superintending Engineer concerned to enable him to pursue the matter with the Office.
- 35.19** It is necessary that in respect of works of other Department / Agencies, the Department should settle their accounts against the deposits / transfers expeditiously so that the amount in the book of audit as well as Government/Department/Agencies does not remain unaccounted for a considerable period.

**CHAPTER VII
SECTION 36**

QUALITY CONTROL AND TECHNICAL AUDIT WING

Introduction

- 36.1** An independent quality assurance and technical audit wing for works under the respective Principal Chief Engineer cum Secretary of Public Works Department shall be constituted. The Quality Assurance activity, in order to be truly effective, has to ensure a progressively improved and uniform quality of the finished work. Experience gained over years indicate that “Process Control” is essential in building construction and road works to ensure that the work in different phases is executed in a manner predetermined and laid down in specifications. In order to achieve the

above, the prerequisites cover among other things, availability of adequately manned and equipped agency for exercising quality control, periodical appraisal of quality and system of feedback for effecting possible improvements.

Quality Control System of the Department

- 36.2** In the Quality Control system of the Department, the field Engineer-in-Charge of execution has to adopt the relevant Quality Control measures to ensure the desired quality of work.
- 36.3** The direct responsibility for ensuring proper quality of work as per approved specifications and for achieving designed life of the building and other works rests with the construction team i.e. Divisional Engineer, Assistant Engineer and the Junior Engineer including contractor. The Superintending Engineer shall be overall responsible for management of Quality System and Procedures for works under his charge.
For this purpose, a Quality Assurance Team headed by the Superintending Engineer (QA) in Head Office is required to be provided in the Department. No powers have been delegated for acceptance of sub-standard works. The Chief Engineer shall periodically review and monitor the Quality Control System.
- 36.4** Independent Quality Assurance is set up which keeps a watch on the effectiveness/adequacy of quality control measures at site and also provides guidance to the field engineers.

Organizational Set Up of Quality Control Personnel.

- 36.5** The implementation of Quality Control in the field will require close co-operation among the three agencies namely (a) field engineers (b) the Construction Agency and (c) The Quality Assurance Team.
- 36.6 The broad responsibilities of the Engineer-in-Charge will be as under: -**
1. To ensure that only materials duly approved by the competent authority are used in the work confirming to IS standard.
 2. Wherever necessary, the Divisional Engineer shall approve the sources for respective materials.
 3. Samples of materials should be approved by the Divisional Engineer and signed by him and contractor and preserved till end of the project.
 4. Samples of various materials, fittings to be used shall be approved well in advance before placing orders and displayed at site of works with make and name of the manufacturer/supplier.
 5. To ensure that the laboratory tests as laid down in the specifications are carried out at appropriate time and materials failing to conform to the required specifications are promptly rejected and removed from site.
 6. As far as practicable, all tests on materials will be carried out at the construction site in a field laboratory, which will be set up under the control of the Divisional Engineer. At least one laboratory should be established in each Division. The equipment for such field laboratories may be purchased directly charging their cost to the work. A Junior Engineer of the Division, with aptitude for testing should be selected by the Divisional Engineer for manning the laboratory. He should be given training in the Central Laboratory of the Department to familiarize with the various tests and then placed in charge of the field laboratory.
 7. Results of routine tests carried out in the field laboratory will be promptly communicated simultaneously to the Engineer-in-Charge and the Quality Control

Team functioning in the Department. The Junior Engineer-in-Charge of the field laboratory will be responsible for carrying out tests correctly and for timely communication of test results to authorities mentioned above.

8. Although testing of materials is a very important requirement for quality control, often testing is not carried out by Assistant Engineer / Junior Engineer at site till the lapse is pointed out by an inspecting officer. It is essential that the officers who have to get the work executed at site should be aware of the various tests required to be carried out during the progress of work and should be adequately prepared for the same before the actual works starts.
9. It will be necessary for the Divisional Engineer to keep a watch over regular testing of materials while making payment at the stage of each running bill. For this purpose, a proforma may be prescribed which shall be checked by the Superintending Engineer and the Accounts Officer before making payment.
10. No payment shall be released by the Superintending Engineer and the Accounts Officer without the satisfactory quality control report.
11. Samples for tests are taken mostly by Superintending Engineer (QA). Samples for 10% of mandatory tests should be collected by Superintending Engineer. 10% of the field tests should be done by Divisional Engineer in the presence of the Contractor.
12. To ensure proper Quality Control, detailed Procedures as may be laid down by the Quality Assurance Cell of the Department, should be strictly adhered to by all construction staff.
13. A Guard File shall be maintained at all work sites with copies of all inspection reports to-date.
14. Inspection Register, Site Order Book, Record of tests, Hindrance Register, etc. should be put up for entries and review to every inspecting officer.
15. The Inspecting Officers of the rank of Superintending Engineer and above shall not confine themselves only to review of progress, co-ordination and general matters but shall inspect the work from quality control aspects
16. The Superintending Engineer (QA), Superintending Engineer (Circle), Additional Chief Engineer, Chief Engineer and Principal Chief Engineer cum Secretary should invariably review and sign the Guard File of earlier inspections, inspection register, Site Order Book, Registers of test carried out, Hindrance register etc.
17. The Divisional Engineer in-charge of Works should ensure that Assistant Engineer / Junior Engineer as well as contractor's supervisors-in-charge are fully aware of specifications for any new/fresh items of work to be taken up in the next two weeks. Assistant Engineer / Junior Engineer /Supervisors should ensure that this important aspect is not overlooked. Senior Officers should guide the subordinates for execution of specialized/selected items to avoid common defects.
18. **Check list.**
 - (i) As and when any important item is taken up for execution, Assistant Engineer / Junior Engineer should go through the specifications and make a check list. This check list should be got approved from Divisional Engineer. The important items, inter-alia, include foundation, including reinforcement and shuttering, brickwork, cast-in-situ mosaic flooring, doors and windows, plumbing i/c water supply pipe lines, roof treatment, earth-filling etc.
 - (ii) In buildings works, one of the serious problem is dampness and leakage. Divisional Engineer shall ensure that necessary tests are carried out for proper slopes of canopies, chajjas, terracing, drainage arrangements water tightness of expansion joints, joint in the water supply, drainage and sanitary works before

- these are covered/concealed and also ensure rectification of defects noticed and certify the rectification carried out.
- (iii) Divisional Engineer shall ensure availability of the required test equipment for field tests as well as an updated copy of specifications and copies of Agreement at sites of works.

Quality Control Team at Departmental Level

36.7 The Quality Assurance Team with Superintending Engineer of the Quality Control as its head will comprise the Assistant Engineer (along with his J.E. for laboratory work) whose main job is quality assurance.

- (a) In order that the role of the Superintending Engineer / Assistant Engineer (QA) is effective in the process of Quality Control, the following points are essential: -
- (i) The periodicity of visit of works should be such that the process control at various stages is possible.
 - (ii) There should be minimum delay between inspection of work and communication of inspection information to Field formation.
 - (iii) The Superintending Engineer/ Assistant Engineer (QA) should carry out his tasks in work that relates operationally to the quality specifications and standards laid down for the work and to the control actions that can be applied to the construction process. Thus, the Engineer in-charge of QA Cell should assess those aspects which are important to the overall quality of the finished work.
 - (iv) The data received from Superintending Engineer/ Assistant Engineer (QA) should be analyzed and organized by Superintending Engineer (QA) to evaluate significant facts not only about the finished work but also the process leading to it.
 - (v) The analyzed and organized data should be presented to the Field Formation in a form that enables them to see immediately its significance for control and necessary action.

36.8 The functions of Quality Assurance Team at State level are as under:

- (i) Every Superintending Engineer (QA) should carry out minimum 10 visits to different works every month.
- (ii) In pre-dominantly construction division, where maintenance work exists, at least 10% of such visits should be of maintenance works.
- (iii) Superintending Engineer (QA) should prepare his programme and take approval of Chief Engineer. The programme should be sent to site in advance of inspection.

36.9 During periodical visits, efforts of the Superintending Engineer/ Assistant Engineer (QA) should be directed at:

- (i) To check the quality of materials used in the work.
- (ii) In respect of the quality of finished items also, random checks shall be applied by the Superintending Engineer/ Assistant Engineer (QA), with the help of handy instruments like Impact Hammer, penetrometer, moisture meter, etc.
- (iii) The Superintending Engineer/ Assistant Engineer (QA) shall also carry out a systematic check on the field test carried out by the Field staff during the progress of the work. This is to be with particular reference to the mandatory tests laid down in the PUBLIC WORKS DEPARTMENT Specification. In case of any abnormal test results coming to his notice, the Superintending Engineer/ Assistant

Engineer (QA), with the approval of Chief Engineer, shall send samples of such items to the laboratory for repeat tests.

- (iv) The Superintending Engineer/ Assistant Engineer (QA) is to also provide guidance to the field staff in case of any problem relating to routine field tests.
- (v) Finally, on the basis of these observations with regard to the quality of works, general adherence to the quality control procedure and the standard of progress, he shall submit an overall assessment report to the Superintending Engineer of the Circle. Superintending Engineer shall forward the report with minimum delay to the Sub- Division and Division.
- (vi) The report of the Superintending Engineer/ Assistant Engineer (QA) while being comprehensive should be simple and clear so that when communicated to the field formation, the necessary control actions, become evident.
- (vii) In case any new technology or material is being used at a site and if any defect is noticed during site inspections, Superintending Engineer/ Assistant Engineer (QA) shall send a report to the Chief Engineer and Principal Chief Engineer cum Secretary of the Department.

36.10 RESPONSIBILITY FOR QUALITY CONTROL

Following responsibilities are assigned to various field Engineers in respect of assurance of quality control of Materials and Works. Any item not listed below shall be deemed to be the responsibility of the concerned Divisional Engineer (DE) and his subordinates (AE and JE).

		Works Costing	
		Above 20 lakhs	Upto20 lakhs
A. MATERIALS			
(a)	Sand, stone, metal and chips, bricks, ord. glass panes etc	JE and AE	JE
(b)	Timber, paints, polish, door, Shutters, windows, door/Window fittings, Sanitary and water special glass panes etc	JE and AE	JE
(c)	Marble, granite, kota stone and similar items	AE and DE	AE
(d)	Cement and Steel	AE and DE	JE and AE
(e)	Scaffolding / Shuttering of bridges etc	AE and DE	JE and AE
B. ITEMS OF WORKS			
(i)	Foundation upto plinth	AE and DE	JE and AE
(ii)	Base and Sub- Base works in Road work i/c Carpeting / Blacktopping	AE and DE	AE and JE
(b)	Brick masonry/stone masonry	JE and AE	JE
(c)	Scaffolding and shuttering of bridges etc including adequacy	AE and DE	JE and AE

(d)	Reinforcement and RCC	AE and DE	JE and AE
(e)	Structural steel work	AE and DE	AE
(f)	Steel work	AE	JE and AE
(g)	Aluminium work	AE and DE	JE and AE
(h)	Wood work/Wood substitutes i/c furniture's	AE and DE	JE and AE
(i).	Flooring-CC, i/c footpath, irrigation works, mosaic glazed/ ceramic tiles etc	AE and DE	JE and AE
(i)	Flooring and cladding-marble, Granite, kota, Sandstone etc.	AE and DE	AE
(k)	Plastering, painting and polishing	JE and AE	AE & JE
(l)	Joints in pipes i/c testing. Slopes in flooring i/c verandah, balcony, toilets, terrace	AE and DE	JE and AE
(m)	Bitumen painting of roofs	JE and AE	JE
(n)	Water proofing treatment	AE	JE and AE
(o)	Fittings of doors/windows	AE	JE and AE
(p)	False ceiling work	AE and DE	AE
(q) (i)	Storage tanks	AE and DE	JE and AE
(ii)	Sluice valves, fire hydrants	AE	JE and AE
(iii)	CI/Hume pipes and specials and their Caulked joints	AE and DE	JE and AE
(r) (i)	Sanitary installation i/c fittings	AE and DE	JE & AE
(ii)	Manholes i/c covers and frames	JE and AE	JE
(iii)	CI Inspection bends and Chambers	JE and AE	JE
(s)	General quality of work with particular reference to lines and levels/adherence to drawings and specifications and functionality	DE and SE (Circle)	AE and DE
C.	Other important materials/items	To be decided by the Chief Engineer	

SECTION 37 ARBITRATION AND LITIGATION CASES

Application of arbitration

37.1 Standard Contract Form provides for appointment of an Arbitrator in case of questions and disputes relating to certain matters specified therein arising at any stage, whatever, between the parties. This however, does not apply to action taken under following clauses where the decision of the specified officer is final to the extent given below:-

1. Decision of Chief Engineer regarding rate at which compensation is recovered.
2. Expenses incurred by the Engineer-in-Charge in getting the work done either by employing labour or through another agency.
3. Opinion of the Engineer-in-Charge as to the reasonability of the grounds shown by the contractor for granting extension of time.
4. The proportion that the algebraic sum of amounts of deviations, altered, additional or substituted work bears to the original contract value, for the purpose of determining the reasonable extension of time for completion of work due to these components.

37.2 The contractor cannot have recourse to a court of law for the redress of his grievances, unless he has exhausted the channel of arbitration as envisaged in relevant arbitration clause. Even if the contractor goes to the Court, the Superintending Engineer should take a plea that the contractor being a signatory to the agreement containing arbitration clause, any dispute arising out of or in any way connected with the execution of work has first to be settled by reference to arbitration.

37.3 A standard application form seeking appointment of arbitrator has been evolved; contractors seeking arbitration should apply in the prescribed form as per annexure.

37.4 The application form duly filled in shall be submitted by the Contractor to the Chief Engineer with three copies thereof to the concerned Superintending Engineer. All the three copies of the application form shall be accompanied by a statement of claims in the matter indicated in the application form.

37.5 The arbitration clause can be invoked by the Engineer-in-Charge as well by applying to the Chief Engineer for appointment of the Arbitrator. He should apply for arbitration as and when the dispute arises and should not wait till the end.

37.6 The party invoking arbitration clause should give information enough to justify existence of disputes. For this purpose the party has to give details about the demand having been made and its refusal by the other party. It is held by Courts of Law that a "dispute" implies an assertion of right by one party and repudiation thereof by the other. Existence of a dispute is a condition precedent to arbitration. If there is no existence of dispute there cannot be any right to demand arbitration.

37.7 In view of the above the Chief Engineer should ensure that before appointing arbitrator, existence of dispute has been established. For this purpose, the party invoking arbitration clause should be asked to produce documentary evidence of its claims having been duly lodged with the other party and refusal by the other party to accede to them.

Preparation for Arbitration Cases

37.8 The following steps should be taken by the Circle Office with a view to properly defending the arbitration cases.

- (i) As soon as a contractor applies for arbitration, Circle Office should arrange to prepare a detailed history sheet containing the data regarding estimates, designs and drawing, NIT, agreements and substituted items, reduction statements, extension of time/notices issued under clause 2.
- (ii) List out important letters in respect of the issues raised by the contractor or the important notices by the contractor or the important notices issued to the contractor and places these originals in a separate file. In the routine file true copies of these documents may be placed.
- (iii) Keep original agreements, plans, designs including the calculations for these if available, and details of measurements and analysis of rates attached to the technically sanctioned estimates, all the Measurement Books connected with the work. Cash books, site order book, cement register in safe custody of Superintending Engineer along with the originals listed in (ii) above.
- (iv) Measurement books should be closed.
- (v) All the files connected with the work should be properly page numbered stitched and sealed and kept by the Superintending Engineer along with the above record.
- (vi) If there are important situations or circumstances which are not available on the file but are only known to the Executive Staff, their signed statements regarding the factual information should be obtained and kept on record, as after a lapse of time, they may not be available for personal discussions, or they may be unable to recall past events.
- (vii) The Superintending Engineer may call the Executive staff in charge of the work from their new stations for any information that he may need to collect by personal discussions but only under orders from the Chief Engineer.

37.9 If the work has been completed the final bill should be proposed as early as possible, in any case, before the disputes are referred to arbitration. The Superintending Engineer/Divisional Engineer should ensure that the bills are finalized immediately, if not already done.

37.10 A detailed note on the facts of the case dealing with each and every item of the claims and /or counter claims should be prepared by the Superintending Engineer along with reference to various relevant documents supporting the Government case or negotiating the Contractor's claim.

Processing of Contractor's Application

37.11 The Superintending Engineer shall send one copy of the application of contractor to the Chief Engineer, with the under mentioned information, without waiting for a reference from the Chief Engineer within 15 days from the date of receipt of contractor's application in his office.

- (a) An attested copy of relevant arbitration clause.
- (b) A note regarding verification of factual data furnished by the contractor in the application form.
- (c) Brief comments on each claim of the Contractor while giving such comments the admissibility of the claims in the light of arbitration clause and limitation act will be kept in view and commented upon.
- (d) Statement of counter claims of the Department if any. However, if counter claims are not readily enlisted or available, comments on contractor's claims should not be delayed.

Appointment of Arbitrator

37.12 The standard form of appointment letter as prescribed in this Manual is to be used for appointing an Arbitrator.

- 37.13** In those cases where the amount of the claim is less than Rs. one lakhs Para 2 of the standard form should be deleted. (Para 2 states that the Arbitrator shall give reasons for the award if the amount of claims in dispute is Rs. one lakhs or above).
- 37.14** Whenever a notice for appointment of an arbitrator is received from a contractor, the Chief Engineer should process the cases so as to appoint an arbitrator within 30 days from the receipt of such a notice. The time limit of 30 days for appointment of arbitrator should be strictly adhered to.
- 37.15** In cases, when no agreement exists or where no clause exists in an agreement for referring the matter of dispute to the sole arbitration of a person to be appointed by the Chief Engineer, the disputes should not be referred to arbitration by mutual consent and no agreement should be drawn up for this purpose.
- 37.16** The authority of an appointed arbitrator does not become revocable except with the order of the court. It shall not be revocable by the death of any party or parties to the contract.
- 37.17** The draft letter for appointment of new arbitrator due to transfer or vacation of Office by the old arbitrator shall be as per Annexure in this Manual
- 37.18** When the arbitrator enters into reference and writes to the parties to the contract to file the statement of facts and counter statement of facts before him, the Superintending Engineer should take prompt action to prepare the defense duly supported by adequate documentary evidence and witness and arrange for its submission to the Chief Engineer and get his approval and send to the arbitrator by the date and within time specified by him. In cases where the claims (excluding interest) exceed Rs. 10 lakhs advice of Law Department should be sought.
- 37.19** Superintending Engineer should deal with preparation of counter statements with utmost urgency and submit the counter statements of facts normally within one month and in really exceptional cases within two months from the date of receipt of the statement of facts. However, in cases where some unavoidable delay in adhering to the time limit is foreseen they should explain the position to the arbitrator and obtain extension of time before the expiry of the stipulated date.

Production of Official Documents before Court /Application and Claiming ‘Privilege’ concerning the same

- 37.20** In the course of legal/arbitration proceedings, the court/arbitrators may either themselves or at the instance of the opposite party, require production of official record, e.g. files, correspondence, register or the other documents which are supposed to have a bearing upon the case. While the court/arbitrator may require the production before them of any document relevant to the case, it must be borne in mind that in terms of sections 123 , 124 of the Indian Evidence Act, Government is permitted to claim privilege for not producing the documents disclosure of which may be considered detrimental to public interest. Such privilege may invariably be claimed in respect of all unpublished records of the Government i.e. documents which have not come to the knowledge of the other party. For this purpose “Notes Portion” of a file and all communications and letters other than those emanating from or sent to the party (original or copies) should be treated as “unpublished records” of the Government in respect of which privilege, as aforesaid, can be claimed. This will be done producing before the court/arbitrators declaration signed by Principal Chief Engineer-cum-Secretary as Head of the Department stating that documents referred in the declaration contain unpublished Official information relating to the affairs of the State and that privilege in respect of the same is being claimed as their disclosure would be detrimental to the public interest.

37.21 A Departmental Officer may appear as a witness, if summoned by the Arbitrator at the request of a contractor also. He is expected to give true and correct facts of the case. Deterrent action should be taken against the Officials concerned, if they are found responsible for giving wrong evidence or concealing material facts an arbitration case.

The State Information Officer appointed by the Government for providing necessary information against Right to Information Act, 2005, the State Information Officer concerned shall be held responsible for not providing the information in time as prescribed in the RTI Act within the stipulated timeframe. However, this clause will be operated subject to the provisions on the RIT Act, 2005.

Default of a Party

37.22 If the claimant fails to communicate his statement of facts in accordance with the time determined by the arbitrator without showing sufficient cause, the arbitrator shall terminate the proceedings. If the respondent fails to communicate his counter statement of facts within the time determined by the arbitrator, the arbitrator shall continue the proceedings without treating the failure itself as an admission of allegations by the claimant. In case a party fails to appear at the hearing or fails to produce documentary evidence, the arbitrator may continue the proceedings and make the award on the evidence before him.

Issue of Award

37.23 Whenever an award is made by an arbitrator appointed otherwise than through court and if under the award, some money is payable to the Government by the Contractor the Superintending Engineer should first supply to the Arbitrator stamped paper of appropriate value, as may be asked for by the arbitrator according to the amount of the award, and request the Arbitrator to write the award on the stamped paper (non judicial) so supplied to him.

It is open to objection in a court of law to write the award on ordinary paper and afterwards re write it on the stamped paper. The award should, therefore, always be obtained on the stamped paper. It is for the Arbitrator to say as to which party should supply the stamped paper in such cases. As per the provision in the Arbitration clause in all cases where the total amount of all claims in dispute is Rs. One lakhs and above the arbitrator shall have to give the reason for the award.

Filing of Award

37.25 After the award is published, it should be examined if it is acceptable to the Government. Once the competent authority decides to accept the award immediate action should be taken to make the payment to the contractor.

26.26 In cases where the awards are interest bearing and are proposed to be challenged the awarded amount may be deposited in the court as provided under the provisions of order 24 of CPC in order to avoid the accrual of interest thereon.

37.27 Whenever amount of an arbitration award is deposited in court, intimation to this effect should simultaneously be given to the contractor.

37.28 The payment should be made to the contractor after obtaining an undertaking from the contractor for acceptance of the award in full and final settlement. Immediate payment ensures that the Department is absolved of the liability of payment of interest on the amount awarded. The undertaking is to be obtained from the contractor on

stamped paper. Before obtaining the said undertaking the contractor will be addressed as per specimen letter at Annexure “IV” formally informing him of the intention of the Department to accept the award. Thereafter the contractor will be called upon to sign the undertaking.

- 37.29** Immediately on acceptance of the award by the Government or on receiving such intimation from the Contractor a communication as per Annexure in the Manual should be issued to the Contractor, intimating the fact of such acceptance and offer payment in terms of the award if the Contractor communicates acceptance of the award within the specified time. Payment so made would bar the contractor from suing again in respect of the same dispute.
- 37.30** An Arbitration award shall not be discharged by the death of any party thereto either as respect to the deceased or any other party, but shall in such event be enforceable by or against the legal representative of the deceased.

Acceptance of Award

- 37.31** Acceptance of award lies with the State Government. Since for filing objections against an award the period of limitation prescribed under the Arbitration and Conciliation Act, 1996 is three months from the date of receipt of award by the party, the decision regarding acceptance of arbitration award should be taken by the competent authority on priority basis. The procedure followed in scrutinizing the award consists of examination of merits from factual, technical and legal points of view. The Superintending Engineer should within 7 days of receipt of arbitration award send a self contained reference together with a copy of the agreement, a copy each of the statement and counter statement of facts, a copy of the award financial statement and his comments to the Chief Engineer. The Chief Engineer should forward the same with his comments to the Law Department through the Head of the Department within 4 days of the receipt of the case. The Law Department within a reasonable time the latter should then obtain the decision of the State Government.

The Superintending Engineer should make payment to the Contractor in terms of the award within a period of 30 days from the receipt of acceptance of award from the competent authority and intimate the actual date of payment to the Chief Engineer. The payments made on the Arbitration awards are treated as “Charged” expenditure.

Setting of Award

- 37.33** In all arbitration cases when awards of the arbitrators go against the Department whether by upholding the claims of the contractors or by rejecting the counter claims of the Department, detailed reasons and lapses, if any on the part of the concerned officials due to which the awards have gone against the Department should be gone into detail by the Chief Engineer concerned. The Chief Engineer should send his recommendations to the Principal Chief Engineer-cum-Secretary on the issue of fixing the responsibility and for taking action against the officers wherever necessary.
- 37.34** The question of challenging the arbitral award in a court of law should be considered very carefully and the matter should be examined by the Law Department before the award is challenged.
- 37.35** All proposals for filing appeal against the arbitration award irrespective of the value of the award should be referred to the Law Department for final decision. The following documents should be sent invariably with all awards:
1. Contract Agreement in original.
 2. Award of the Arbitrator.
 3. A statement in the Proforma.

- (i) Claim no.
- (ii) Brief description of claim/counter claim as justified by the arbitrator.
- (iii) Amount of claim.
- (iv) Amount of award.
- (v) Recommendations (Superintending Engineer)
- (vi) Recommendations (Chief Engineer).

Period of Limitation

37.36 It is a term of the contract in the relevant arbitration clause that if the contractor does/does not make any demand for arbitration in respect of any claims(s) in writing within 90 days of receiving of intimation from the Government that the bill is ready for payment the claim of the contractor will be deemed to have been waived and absolutely barred from the liabilities under the contract in respect of these claims.

In spite of above specific provision in the Arbitration Clause the Chief Engineer should not withhold appointment of arbitrator on the ground that the request was received after the expiry of the specific period mentioned in the relevant arbitration clause of the agreement, but should appoint the Arbitrator clarifying in the letter of appointment of the arbitrator that the reference is without prejudice to the defense that may be raised by the Government regarding the tenability of the claim on all necessary and available grounds including those of limitation and the parties to the agreement will be free to raise the question of limitation before the Arbitrator.

37.37 While examining the request for arbitration from a contractor or supplier or any claim in a litigation case it should be examined whether the claim of the contractor is time barred, in accordance with the provision of the Limitation Act, 1908 or 1963 as the case may be. This point should be taken into consideration in preparing the defence. The question as to whether any dispute had become time barred will itself be a dispute which can only be settled by arbitration. The stage of reference is not concerned with the question whether the claim of the party to the arbitration agreement is barred by the Law of limitation and that a question falls within the province of the arbitrator to whom the dispute is referred. The reference of the disputes, even though seemingly time barred, would therefore be made to the arbitrator. The parties would be free to raise the question of time bar before the arbitrator who would no doubt consider this proof and give his award. However, it can be clarified in the letter of appointment of the arbitrator that the reference is without prejudice to the defense that may be raised by the Government regarding the tenability of the claim on all necessary and available grounds including those of limitation.

An appeal before the Division Bench is to be filed within 30 days of pronouncement of Judgment by the High Court. If for any reason delay occurs the Court has to be approach for condonation of delay in filing the appeal and the Department has to explain the day to day delay, to the satisfaction of the Court. Every care should therefore, be taken in handling such Arbitration/Court cases and it should be ensured that timely and prompt action is taken within the period of limitation.

Court Cases

37.39 Before any action is taken in a court of law against some party for amount due to Government a reliable report of its financial standing should be obtained and simultaneously the expenditure likely to be incurred to recover this amount should be

carefully estimated so that unnecessary expenditure on litigation may be avoided, where there is no reasonable chance of recovering the judgment debts from the party concerned.

- 37.40** Although it is the primary responsibility of the Government Counsel to see the proper defence of the case, it is equally the responsibility of Superior Officer of the Department to keep constant watch over the progress of these cases and see that all such cases, at every stage, are processed properly so that the cases do not go against the Government interest by default resulting in financial loss etc to the Government. The Superintending Engineer should therefore see that all such cases are reported to the Chief Engineer as soon as a suit against government is launched by any aggrieved party or the Department itself intends to file a suit against a contractor or third party. The first report from the Superintending Engineer about such cases should give a brief description of the case and the steps which are being taken or have been taken for the proper defence or prosecution of the suit. Thereafter, fortnightly reports on each such case should be sent to the Chief Engineer detailing the progress of the case and further action taken or to be taken for its defence or its successful prosecution.
- 37.41** To enable him to discharge properly the responsibility that has been placed upon him in the matter of defence of court cases, the Superintending Engineer should observe the following instructions:
- (i) He will collect all the relevant records and compile it for the benefit of the counsel.
 - (ii) If it is considered necessary to obtain the advice of higher authorities at any stage the Superintending Engineer should refer the matter immediately to the Chief Engineer for advice either personally or in writing, according to the needs of the occasion.
 - (iii) All defence statements to be filed by the Superintending Engineer should be approved by the Chief Engineer and the Counsel before the statement is filed.
- 37.42** In all Court cases concerning the Department which the Superintending Engineers have to defend with the assistance of Government Advocates/Counsels, the Superintending Engineers should intimate the complete postal address and telephone numbers (both offices and residences) to the Advocates/Counsels so that any information/development relating to the case is intimated to them straight away without referring the matter through the Departmental head or other high ranking officer.

Judgment in Court Cases

- 37.43** The progress of the cases in the Court should be watched by the Superintending Engineer who is in charge of the case as well as the office of the Chief Engineer on the basis of the monthly reports. It shall be the responsibility of the Superintending Engineer to send a report to the Chief Engineer directly within 48 hours after the court has delivered a judgment which is adverse to the Government with copies to the Head of the Department for information.
- 37.44** It will also be his responsibility to apply for and furnish with the minimum delay a copy of the judgment and all other relevant papers, his own comments and opinion of the counsel conducting the case on the advisability of filing an appeal/revision petition to enable the Government to come to a decision whether an appeal/revision

petition should be filed or not. There should be no delay in communication between the Superintending Engineer and the Counsel and personal contact by telephone etc. should be maintained with him.

- 37.45** On receipt of the relevant papers from the Superintending Engineer, the Chief Engineer should consider advisability of filing an appeal/revision petition in the light of comments of the Superintending Engineer. Thereafter the Chief Engineer should forward his proposals, to the Secretary for seeking advice of the Law Department.
- 37.46** The proposal should be made well in advance of the last date of filing an appeal and should be complete in every respect i.e. copy of the judgment (if such copy has not been received, a verbatim report of the same) and all other relevant papers should accompany the proposal. It is essential that there should be coordination between the different district officers and the Chief Engineer's Office in such matters i.e. whenever any important decision of general interest is taken on a contractor's claim.
- 37.47** In all cases where officers of the Public Works Department are required to give instructions to Government advocates in connection with court cases, they should give complete written instructions in regard to each case. In any case the instruction must be communicated at least a day before the date of hearing.

Law Charges on Civil Suits

- 37.48** The costs and expenses incurred on civil suits in connection with the execution of government works may be divided into three categories given below:
- (i) The amount of the claim for which a decree is given.
 - (ii) The amount of incidental costs incurred by the executing Department in connection with a work financed from its own Departmental head of expenditure e.g. when the Public Works Department carried out a work chargeable to the Public Works Heads of Expenditure, and.
 - (iii) The amount of incidental costs incurred by the executing Department in connection with a work financed from a different head of expenditure, for instance the Public Works Department executes a work the cost of which is debit to the head of account other than the Public Works Heads.
- 37.49** The decretal amount of the claim vide item(i) above should be debited in all cases to the works concerned and the charges referred to in item, (ii) above to the sub head "Establishment Contingencies" of the executing Department. As regard, (iii) the amount should generally be borne by the Department on whose behalf the work is undertaken on the ground that action of the executing Department was as agent and taken in the interest of the work.
- 37.50** When however, it is established that the law suit has been caused by a deliberate act of an employee of the agent Department for his personal gain the charges should be adjusted by recovery from the individual concerned. Such cases should be submitted to the Government for their orders.
- 37.51** In case of his transfer or relinquishing charge due to any other reason, the Superintending Engineer should leave a self contained note on the file, at the time of his handing over charge, giving full back ground of all the disputes that have cropped

up to the time of his incumbency, various developments thereon and the order passed with due reference to the connected files.

- 37.52** This should form a necessary and essential feature of all the handing over notes. Suitable method and procedure should be devised by which such files are carefully preserved and become available at the later stage to the Superintending Engineer who is required to defend the case.
- 37.53** The transferred Superintending Engineers should make a comprehensive note about the pending claims of all the contractors for works in progress or completed in their time except those where counter statement of facts have already been prepared. The note should indicate the admissibility or otherwise of each claim and the orders of competent authority. The note along with attested true copies of important letters mentioned there in should be handed over to their successors.
- 37.54** It should be made a rule that all drawings issued with the NIT and those subsequently followed for execution of works are properly preserved and kept along with the contract documents. It should be ensured by the Superintending Engineer that suitable and adequate arrangements are made in his Circle regarding preservation of all important documents, registers etc. Besides others, a list of all such records should be prepared and kept handy so that correct position of each case may be known to the Superintending Engineer who is required to conduct the case timely and properly.
- 37.55** The arbitration cases should not be considered as legacy of old and defunct decisions handed over to subsequent Superintending Engineers. These should, on the other hand be given due importance and dealt with on priority basis at all stages till these are finally disposed off.
- 37.56** One of the important documents for defence in an arbitration case is the agreement. It is essential that a copy of the Chief Engineer's orders conveying his decision on recovery of compensation and copies of sanctioned extra, substituted and deviated items, details of abnormally high /low rated items and sanctions to the extension of time etc. should be attached to the original agreement so that these are readily available during the hearings of the arbitration case. It would be better if these papers are got signed by the contractor as far as possible so that any claim on these issues can be verified before the Arbitrator.
- 37.57** Before a dispute is put to Arbitration, the Department should know its exact position with regard to each item of the claims under dispute. It is thus necessary that a very close and thorough study of the relevant documents is made and the case prepared accordingly.
- 37.58** The Superintending Engineers shall send a quarterly statement (ending March, June, September and December) of pending arbitration cases in the year to the Chief Engineer. These reports should be reviewed by the Chief Engineer at periodical meetings with their Superintending Engineers to expedite the finalization of arbitration cases.

37.59 All correspondence between Superintending Engineer and Chief Engineer regarding appointment of Arbitrator or on award and subsequent court cases should be through D.O letters and should be sent through special messengers in the same station.

Jurisdiction of Courts:

37.60 The Courts of the place from where the tender acceptance letter has been issued shall have the jurisdiction to decide any dispute out of or in respect of the contract.

**SECTION 38
RULES FOR ENLISTMENT OF CONTRACTORS**

38.1 The rules for enlistment of contractors in the Public Works Department are contained in Annexure.

38.2 An individual or a firm having such individuals as one of its partners who is a dismissed Government Servant or removed from the approved list of contractors or having business banned/suspended by any Government Department in the past or convicted by a Court of Law should not be enlisted as contractors in the Public Works Department.

Registers of Enlisted Contractors

38.3 Each Office shall maintain registers showing the enlistment of various contractors in different classifications. Whenever contractors are blacklisted, removed or temporarily suspended from the list of approved contractor, a remark shall be made in the register against the contractors concerned.

38.4 Each Division and Circle Office should maintain a register of Circulars imposing penalty of one kind or the other as a result of review of the Performance Report in the following Performa:-

1. Sl.No.
2. Name of the contractor.
3. Class of registration.
4. Warning issued.

**CHAPTER VIII
PUBLIC BUILDINGS**

39. These rules apply to buildings which are borne on the books of the Sikkim Public Works Department and which are maintenance by Sikkim Public Works Department.

39.1 General Rules

- a) The Divisional Engineer should make some person of his establishment responsible for the general condition of each building.
- b) Insurance of Government buildings are not to be effected except in the case of specially valuable property liable to special risks. In the later case the sanction of Government should be obtained.

- c) The initial supply of fire extinguishing equipment and repairs and maintenance of the same shall be made by the Departments to whom the buildings are allowed. No fire extinguishing equipment should be provided for residential buildings.

39.2 Furniture and Fixtures

- a) Every public building should be provided with necessary fixtures by the Public Works Department which should also arrange for repair of these fixtures periodically. Petty repairs of fixtures and replacement of broken glasses in doors and windows should be carried out by the Department occupying the building. The Public Works Department will not ordinarily provide furniture for non residential buildings occupied by other Department. In respect of residential buildings under the control of the Public Works Department, furniture will be supplied by Public Works Department according to the scale laid down for each type of building/quarter. The furniture required for the offices of Public Works Department should be charged to the contingent grant of the office concerned.
- b) The furniture required for Public Works Department inspection bungalows and rest houses should be supplied and repaired at the cost of Public Works Department. Rent for furniture when charged should be 15% per annum on the Capital cost of the furniture.
- c) Numerical account of furniture supplied to residential buildings will be maintained in the form of Tools and Plant accounts separately for each building and acknowledgement of the occupant should be obtained for the furniture provided to the quarter/residence.

39.3 Maintenance of buildings

The maintenance and repairs of all buildings, residential as well as non residential shall be the responsibility of the Public Works Department. But maintenance and repairs of non residential buildings cost of which does not exceed Rs.50, 000/- in each case may be allowed to be carried out by occupying Department, though they are borne on the Register of Public Works Department. The Public Works Department will however extend such help or technical advice as may be required by the Civil Engineering Department. The repairs and maintenance of residential buildings is completely the responsibility of Public Works Department. The occupants should not carry out any additions or alterations to the building or dismantle any portion of the building even though they are prepared to bear cost of such alterations, addition or dismantlement without prior approval of the Government. If the damages are caused due to improper use, the cost of the same shall be recovered from the occupants.

39.4 Gardens attached to Residential and Non-residential buildings

Only gardens attached to the non-residential buildings and residential buildings of Ministers will be maintained by the Public Works Department. However, in respect of vacant residential buildings the maintenance of garden shall be the responsibility of the Public Works Department and the expenditure shall be charged to the maintenance estimate of the building.

39.5 Purchase, Sale, Transfer of Government buildings

- a) **Purchase of buildings:** No building may be purchased for public purpose without the specific sanction of Government. In all such cases, the survey and valuation

according to the accepted norms or any other authority recognized as valuation authority under the laws should be obtained and submitted for approval of the Government.

- b) **Sale and dismantlement of Buildings:** The Principal Chief Engineer cum Secretary / Head of the Department is competent to sanction the sale or dismantlement of building, the book value of which does not exceed Rs. 10 lakh. But in case the building is sold along with vacant land, if any, the approval of the Government should be obtained before sale of building. Before a building is sold, it should be ensured by the Chief Engineer that the building is not required by Government for any public purpose. Temporary structures or buildings may be dismantled with the sanction of competent authority as soon as the purpose for which they are erected has been served and if they are no longer required for use. When the cost of the building was originally debited to a capital account or revenue account, the sale proceeds should be credited to revenue account as recovery of expenditure.
- c) No religious buildings should be destroyed damaged or dismantled during the course of execution of any work without the full and free consent of the persons interested in it and without the approval of the Government.

39.6 Hiring of private buildings for office as well as residential purpose

When any private building is taken on hire by Government either for office or for residential accommodation by any Government department, the rent payable should be assessed according to the formulae as approved and amended by the Government from time to time. A lease or rental deed should be entered into with the owner of the building and the lease deed should specify the liability of municipal and other taxes as well as normal maintenance and repair. No addition or alteration should be made at the cost of the Government for private building taken on hire either for office or residential purpose.

39.7 Sanitary, Water Supply and Electrical Installations.

All works and repair in connection with sanitary, water supply and electrical installations of Government buildings should be carried out by the Public Works Department and the provisions for the same should be made in the construction / maintenance estimate of the building.

39.8 Inspection of the Public Buildings:

Residential and non residential buildings borne on the books of Sikkim Public Works Department should be inspected and examined every year by the officers of the Department as indicated below:

1. Junior Engineer: building costing up to Rs. 20,00,000.00
2. Assistant Engineer: building costing up to Rs.1,00,00,000.00
3. Divisional Engineer: building costing above Rs. 1,00,00,000.00

A register of building should be maintained by the respective authorities to record the date of inspection, result and remarks if any and any immediate attention is required, the matter should be reported to the superior authority immediately.

The Divisional Engineer shall maintain a register of all buildings of their jurisdiction in the proforma provided for Register of Building.

39.9 Residence of Government Officials:

Government officials are allowed Government quarters subject to availability. The officer occupying the Government accommodation is not entitled to draw house rent and also pay license fee as notified by the Government from time to time. No officials are authorized to occupy two quarters at a time. In the event of such occupancy, the occupant is liable to pay standard house rent as may be assessed for each type of quarter on the basis of market rate and the license fee.

APPENDIX - I

Scale of furniture for residential building:

CLASS – I CATEGORY

1. Wooden beds (double)		1 No.
2. Wooden bed (single)		4 Nos.
3. Armed chair		1 No.
4. Writing table / Computer Table		1 No.
5. Dining table with 6 Nos. Chair		1 set.
6. Ward robe		2 Nos.
7. Dressing table		2 Nos.
8. Sofa set (six pcs set.)		1 set.
a) Centre sofa	1 No.	
b) Side sofa	2 Nos.	
c) Centre table	2 Nos.	
d) Tea poy	2 Nos.	
9. Bed side table		6 Nos.
10. Book self		1 No.
11. Kitchen table and Chair		1 each.

CLASS – II CATEGORY

1. Wooden beds (double)		1 No.
2. Wooden bed (single)		3 Nos.
3. Armed chair		1 No.
4. Writing table / computer table		1 No.
5. Dining table with 6 Nos. Chair		1 set.
6. Ward robe		2 Nos.
7. Dressing table		2 Nos.
8. Sofa set (six pcs set.)		1 set.
a) Centre sofa	1 No.	
b) Side sofa	2 Nos.	
c) Centre table	1 Nos.	
d) Tea poy	2 Nos.	
9. Bed side table		4 Nos.
10. Book self		1 No.
11. Kitchen table and Chair		1 each.

CLASS – III CATEGORY

1. Wooden bed (single)		3 Nos.
2. Armed chair		1 No.
3. Writing table / Compute table		1 No.
4. Dining table with 4 Nos chairs		1 Set.
5. Ward robe		1 Nos.
6. Dressing table		1 Nos.

- | | |
|----------------------------|---------|
| 7. Tea poy | 2 Nos. |
| 8. Bed side table | 3 Nos. |
| 9. Kitchen table and Chair | 1 each. |

CLASS – IV CATEGORY

- | | |
|-----------------------------|---------|
| 1. Wooden bed (single) | 3 Nos. |
| 2. Armless chair | 4 Nos. |
| 3. Armed chair | 1 No. |
| 4. Kitchen table with chair | 1 each. |
| 5. Ward robe | 1 Nos. |
| 6. Dressing table | 1 Nos. |
| 7. Tea poy | 2 Nos. |
| 8. Bed side table | 2 Nos. |

APPENDIX – II

POWER TO APPROVE SELF PROCUREMENT
As per para 20.7 of Sikkim Public Works Manual 2009

Sl No.	Designation	Power to approve self procurement at a time		
		Cement	Steel	GI Wire
1	Principal Chief Engineer cum Secretary / HOD	Full Power	Full Power	Full Power
2	Chief Engineer	1000 Bags	10MT	10 MT
3	Additional Chief Engineer	600 bags	4000Kg	4000Kg
4	Superintending Engineer	400 Bags	2000Kg	2000Kg
5	Divisional Engineer	200 Bags	1000Kg	1000Kg