

**176.** (a) When a contractor refuses to execute work at the rates provided in his piece-work agreement, then, the agreement should be terminated and the work measured up and paid for at the rates in the sanctioned agreement enforcing or not as the case may be, the forfeiture of the security deposit. The work should not then be given out at higher rates, unless open tenders have been called for and the most favourable rates obtained.

*Note* :— If, however, it is found necessary in any case to give out the balance of work at higher rates to another contractor without calling for open tenders, whether on account of urgency or any other reason, the previous approval of the next higher authority above that which accepted the original cancelled agreement should be obtained.

(b) Revision of rates in accepted agreements of any kind, during the currency of such agreements is normally prohibited. In cases, however, where the Executive Engineer considers there are sufficient reasons to revise rates in current agreements, then the sanction of the authority above that which accepted the agreements should be obtained, placing on record with the agreement the reasons for such revision and effect of the same on the total amount of work to be done under the concerned items and on the total amount of the work to be done under the agreement. Whenever revised rates in any agreement are sanctioned, the increased rates will have effect only from the date of sanction of such revised rates, unless it is specially stated by the sanctioning authority that they should have retrospective effect

**. Revision of rates in current agreements —  
provision under**

**Para 176(b) — Clarification**

Para 176(b) lays down that revision of rates in accepted agreements of any kind during the currency of such agreements is normally prohibited. However, in cases where the Executive Engineer considers that there are sufficient reasons to revise rate in current agreements, sanction of the authority above that which accepted the agreement should be obtained placing on record along with the agreement the reasons for such revision and the effect of the same on the total amount of the work to be done under the concerned items and on the total amount of the work to be done under the agreement.

It may happen that an agreement is entered into by a Superintending Engineer after the tender is accepted by the Government. A point has been raised whether in such cases, it would be correct if the Chief Engineer being the authority next higher to the Superintending Engineer who entered into the agreement, revises the rate in the current agreement in items of Para 176(b) of the 'D' Code.

The Government have examined the issue. It is clarified that any modification of the rates should be approved by the authority higher than that which originally accepted the rates. If the tender is accepted by the Government, modification of rates should be done only with the prior approval of the Government. Modification of the rates by the competent authority should be with the concurrence of the contractor, who is the other party to the agreement.

The Government also direct that the power of departmental officers to revise rates should be limited to rectification of bonafide mistakes or errors in original agreement such as electrical or typographic or typographical errors.

(Memo.No. 261-Y/72-3, P.W.D., Dt. 21-7-1972)

(c) In all cases, as in (a) and (b), it must be observed that the Code rules governing such estimates revisions as may be involved, are complied with.

(d) The corrections in agreements should be attested under dated initials by the accepting authority also, not only to indicate his acceptance of the altered rates, but also to prevent any tempering with agreements after approval.

(e) In all cases in which work not covered by the original agreement is ordered the rates for such items of work should be settled as laid down in clause 7 of the conditions printed in the form of piece-work agreement or clause 63 of the Preliminary Specification of the A.P. Detailed Standard Specifications. Such extra items of work should not be ordered by the Executive Engineer on his own responsibility, if the revised estimate or deviation statement providing for them requires the sanction of a higher authority.

Supplemental rates should be deducted in the following manner  
For items directly deductible from similar items the rate should be arrived at by adding or subtracting the cost of cement or steel, etc. For new items which do not correspond to any item in the agreement the new rate is the estimated rate plus or minus the overall tender percentage.

[Govt. Memo.No. 25—Y164—6, P.W. (Y), Dt. 29—6—1966]

(f) In respect of fines or forfeiture of deposit ordered by an authority with reference to the relevant conditions in the forms of agreement or relevant clauses of the Preliminary Specification to the A.P. Detailed Standard Specifications in an agreement use in the Public Works Department, any authority higher than the one who has ordered the fine or forfeiture may in his absolute discretion waive or modify the fine or forfeiture imposed by a lower authority.