

**Copy of Circular No. 25 Dt. 7-75 from the A.G.A.P.II Hyderabad abstract.**

Contracts-Public works Dept - Entering into K2 agreements pending acceptance of L.S. Agreement – incorporation of escalation clause improvisational agreement – Revised clause approved.

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**Public Works Department.**

**G.O. Ms. No. 631**

**Dt. 3-6-75.**

1. G.O. Ms. No. 1748 PWD Dt. 20-8-73.
2. From the A.G.A.P. Lr. No. 137/ Dt. 31-1-64.
3. From the C.E. “N&Ink G1.) Lr. No. F.I. (1) 55289/61, dt. 19-6-70.

**ORDER**

In the Government order first read above on escalation clause was prescribe for incorporation in K2. Agreement to provisionally entered into pending acceptance of L.S. Agt. On grounds of execution of works pending formal execution of contracts and it may not be possible to execute L.S. contracts for want of details plans delay in finalization of qualities, approval of L.S. tenders etc. Hence a clause was ordered to be incorporated in the K2 agreements provisionally entered into providing for their conversion into L.S.

2. The Accountant General Andhra Pradesh has pointed out that the clause does not safeguard the interests of the Govt. in the event of the contractor backing out of the contract especially when the eventually terms of the contracts are not attractively enough to him.

3. The Govt. have examined the points raised by the Accountant General, A.P. in consultation with the Chief Engineer (Major Irrigation and General) etc., and above the following revised clause for incorporation in provisional K2 agreements.

His contract being a provisional agreement will stand superseded on entering into L.S. agreements. All the works under the contract will be traced as part of L.S. agreement and noted on accordingly. If the contractor fails to conclude the L.T. agreement with in two weeks from the date of receipt of the earnest money and the cost of the work done. Further, the contractor is liable to reimburse the extra cost incurred, if any, by the Dept., in completing the balance work.”

4. The Chief Engineer “Major Lr. And G1) is requested to suggest suitable amendments to the A.P.D.S.S.

5. This order issued with the concurrence of the Finance and planning (Ex.PWD) Dept., in their U.O. No. 1106/697/75 dt. 25-4-75.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Sd/-  
Secretary to Government.

Endt. No. NSPO/Co-Ordn/G1.I/9.97 d/320 dt. 22-8-75.

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