

GOVERNMENT OF ANDHRA PRADESH  
A B S T R A C T

Roads & Buildings – Adoption of Price Adjustment for Steel and Cement for all ongoing works of Bridges, Roads and Buildings and other Civil Works of all Departments – Further Orders – Issued.

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TRANSPORT, ROADS & BUILDINGS (R.I) DEPARTMENT

G.O.Ms.No.94

Dated:16.04.2008.  
Read the following

1. G.O.Ms.No.35, T.R & B(R.I) Dept., Dt:28.02.2006.
2. G.O.Ms.No.73, T.R & B(R.I) Dept., Dt:24.04.2006.
3. G.O.Ms.No.123, T.R & B(R.I) Dept., Dt:06.07.2006.
4. G.O.Ms.No.233, T.R & B(R.I) Dept., Dt:20.11.2006.
5. G.O.Ms.No.175, T.R & B(R.I) Dept., Dt:19.02.2007.
6. Builders' Association of India representation dated:11-04-2006.
7. Minutes of the Board of Chief Engineers, Dt:02.01.2008.
8. Minutes of the meeting held in the Chambers of Hon'ble CM on 09.04.2008 at 11.am.

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**ORDER:**

In the G.Os 1<sup>st</sup> to 5<sup>th</sup> read above, orders were issued according Price Adjustment to all the works under the control of Roads & Buildings Department viz. Roads, Bridges, Buildings and Civil Works for all ongoing and future works for the items Steel, Cement, Bitumen, POL and other items duly following the Price index rates and following the formula mentioned therein.

2. The Builders' Association of India, A.P.Centre have made representation that, hike in steel and cement etc, are causing heavy losses to them, hence it is not possible to take up the works and have requested to issue orders allowing difference in estimate rate to monthly rates instead of adopting Price Index Formula issued in G.O.Ms.No.35, T.R & B Dept., Dt:28.02.2006, in respect of items Steel and Cement.

3. The I & CAD Dept. have placed the matter before the Board of Chief Engineers. The Board of Chief Engineers have recommended for allowing monthly price adjustment based on rates fixed by the Board of Chief Engineers, provided that the agencies furnish monthly work done quantity and measures/check measures by the concerned Departmental Officers/EPC Agencies.

4. In the minutes of the meeting held on 09.04.2008 in the chambers of Hon'ble Chief Minister, it has been decided to allow monthly Price adjustment for Steel and cement. With regard to Bitumen and POL prices it is not included in this scheme, as these are being corrected by the PSU Oil companies every fortnight and being adopted by the Roads & Buildings Dept.

5. Government after careful examination of the matter accept the recommendations of the Board of Chief Engineers and minutes of meeting held on 9-04-08 and hereby allow to adopt Price adjustment for steel and cement every month in supersession of the orders issued in G.O.Ms.No.35, T.R & B Dept., Dated: 28.02.2006 and formula used for adjustment based on whole sale price index and co-efficient of 0.85 is now replaced by the absolute variation between the estimated rate and the rate approved by the Government based on the recommendation of Board of Chief Engineers for the month starting from the 1<sup>st</sup> March 2008 subject to the following conditions:-

- i) The Board of Chief Engineers shall meet on the 5<sup>th</sup> of every month and will recommend the new price to the Principal Secretary, R&B on the next day of the review for approval starting from 5<sup>th</sup> May,2008.
- ii) The Principal Secretary, R&B in consultation with the Secretary, Finance (W&P) shall issue a Order on the settled new price every month based on the Board of Chief Engineers recommendation.
- iii) The BOCE shall collect quotations from ISI approved producers for all categories of Steel including TMT and arrive at an average admissible price to be applied for the month.
- iv) The Board of Chief Engineers shall collect quotations from ISI standards cement manufacturers and similarly average rates should be adopted for the month.
- v) For Indiramma housing programme, the required increase will be RS.3,000 per unit for rural and urban individual housing. For G +, Housing Board houses taken up by the A.P.State Housing Corporation and Rajiv Swagruha programme the adjustment scheme will be applicable to meet the price contingency.
- vi) The Price adjustment shall not be limited to Rs.50.00 Lakhs and above estimated projects and a time period of 6 months and above, but shall be applied irrespective of cost estimates and time period.
- vii) For the works taken up in externally aided projects, the guidelines specified thereon are to be followed.

- viii) The price adjustment shall be applicable for all ongoing and future works. The price adjustment shall be applicable within original contract period or period extended on grounds of the departmental delays and valid reasons and shall not be applicable to the extensions granted on account of the contractors fault as envisaged in G.O.94 of I&CAD. The price adjustment shall be applicable from the date of agreement for all those ongoing works where final bills are not taken by the contractors as on the date of issue of these orders. Price adjustment shall be applicable for actual components of items of works actually carried out during the period of the bill. The above orders are applicable for all contracted works of the Government of Andhra Pradesh and Corporations, local bodies and Government Undertakings, Tirumala Tirupathi Devasthanam, etc.
- ix) The adjustment scheme will be applied in all cases where the variation between the estimated rates and Board of Chief Engineers approved rates (increase or decrease) is more than 5% for the month.
6. All the Heads of Department/Corporations, Universities dealing with PWD Works shall take action accordingly.

7. The above orders will come into effect from 01.03.2008.

8 This order issues with the concurrence of Finance Dept. vide their U.O.No.11746-B/524/A2/Expr.PW/08, Dated: 16.04.2008.

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

Dr.T.CHATTERJEE,  
PRINCIPAL SECRETARY TO GOVERNMENT

To:

The all HODs connected with Engineering works..

Copy to:

The Housing, I & CAD, Panchayat Raj, Home, Higher Education,  
School Education, Social Welfare, Tribal Welfare, Revenue,  
M.A & U.D and H.M & F.W. Depts.

The ENC (AW) I&CAD, ENC(R&B) Admn. & NH,

The Builder's Association of India,  
A.P.Centre, Hyd.

The P.S to Prl. Secy. to Govt. (TC)  
T.R & B Dept.

The Advisor, QC for R&B, Hyd.

The Technical Advisor,  
Housing Dept. & School Education Dept.

//forwarded by order//

SECTION OFFICER