

**Government of Andhra Pradesh**  
**A B S T R A C T**

Codes:- Rationalization of provisions – Modification of contract rules – Delegation of enhanced powers to the officers of Public Works Department – Orders – Issued.

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**TRANSPORT, ROADS & BUILDINGS (C1) DEPARTMENT**

**G.O. Ms. No. 1007**

**Dated. 05-11-1976**

Read the following:-

G.O. Ms. No. 1196, Transport, R&B, dated 11-11-1975

**ORDER:**

Government have for some time been considering the need for delegating more powers to field officers of the Public Works Department, and rationalizing the procedures involved. Towards this and it was decided to undertake a thorough review of the important provisions in the P.W.D. Codes. They accordingly appointed a Committee headed by the Chief Secretary to Government in G.O.Ms. No. 1196, Transport, Roads & Buildings, Dated 11-11-1975 with the following terms of reference:

1. A review of the more important paras of the A.P.W. "D" code., A.P.W. "A" code and A.P.D.S.S. and suggesting appropriate modifications or changes if called for.
  2. A critical review of the existing administrative, financial and technical powers of the State Engineers at various levels and suggesting appropriate recommendations thereon.
  3. Review of work relationships between the Central and the State Governments in the case of centrally sponsored/financed works.
  4. A fresh look at the existing budgetary system of the P.W.D. in all its aspects.
2. The committee in its report submitted to Government has made a series of recommendations for enhanced delegation of powers to field officers of the P.W.D. and also revision of methods and procedures.
3. The Government have carefully examined the recommendations and decided to accept them in to. They direct that, in supersession of all existing orders on the subject, the decisions of the Government as indicated in the annexures to this order shall come into force with immediate effect unless specified otherwise.
4. In addition it has also been decided to disband the special cell in the Secretariat and accept the suggestions of the Committee to address the Government of India, Ministry of Transport for enhancing the powers of the Chief Engineer (National Highways) and the State Government in regard to technical sanction upto Rs. 25 Lakhs and acceptance of tenders for works of National Highways upto 30 % and for issuance of letters of credit quarterly to the extent of Chief Engineers quarterly forecast of requirements.
5. The Chief Engineer (major Irrigation & General) is requested to suggest suitable draft amendments to the Codes wherever necessary.

6. This order issues with the concurrence of the Finance & Planning (Exp.PW.D) Department vide their U.O. No. 4070/FPSP/76, dated. 5-11-1976.

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

G.R. NAIR,  
Secretary to Government.

To  
All C.Es. under T.R&B, I&P and Major Projects Depts.  
Copy to the P.A. (Projects).

//Forwarded: By Order//

Sd/-  
Section Officer.

//True Copy//

Government of Andhra Pradesh,  
Financial Adviser and Chief Accounts Officer,  
Major Projects Department: Secretariat: Hyd-22.

Endt. No. 9550-FA/F.VIII (2)/76-2

Dated. 15-11-1976

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Copy forwarded to the following:

1. Dy. Chief Accounts Officer, N.S. Project, Hill Colony (15 Copies)
2. Director of Accounts, Srisailam (^ Copies)
3. Director of Accounts, Pochampad Project (10 copies)
4. Sr. Pay & Accounts Officer, G.B. Project (6 Copies)
5. Asst. Pay & Accounts Officer, Vamsadhara (5 Copies)
6. Pay and Accounts Officer, TBPHLCs, Ananthapur (6 Copies)
7. All Sections.

S. Radhakrishna Murthy,  
Asst. Financial Adviser.

//Forwarded: By Order//

SECTION OFFICER

## ANNEXURE – II

### RECOMMENDATION OF THE COMMITTEE

Decision of  
The Government.

1. Full details of the estimates including quantities under each item of the work, the estimate rate, the total value of each item of the work etc., should be disclosed to the tenderers at their request even at the time of issue of tender schedules. The present practice of keeping the sanctioned estimate and the schedule of rates as secret documents should dispensed with.

The recommendation is accepted:

2. The Piece Work (K2) contract form may be adopted for construction works costing upto Rs. 1.00 lakh and for transport contracts upto Rs. 5.00 lakhs, as against the present limit of Rs. 20,000/- as per G.O. Ms. No. 859 PWD Dt. 30-04-1970.

The recommendation is accepted.

3. The Earnest Money Deposits of unsuccessful tenderers should be refunded immediately on the expiry of the period of validity of the tenders or on the entrustment of the work to the successful tenderer, whichever is earlier.

Recommendation of the Committee

Decision of  
The Government

4. Advance to the contractors, for the acquisition of new machinery required for the works, upto 75 % of their cost and limited to 10 % of the contract value for works valued upto Rs. 10.00 lakhs each, and 6% of the contract value for works costing more than 10.00 lakhs each, should be given by the Government, if asked for and this condition clearly indicated in the tender documents. Interest at the prevailing commercial bank rate should be recovered from the contractor on such advances.

#### **ALTERNATIVELY**

The Government may procure the machinery required for the works by the contractor, and sell the same to the contractors on the usual hire-purchase terms. The conditions governing the advances and of the sale of machinery to contractors on hire purchase should be clearly specified in the tender schedules.

Recommendation of the Committee

Decision of

The Government

5. A new class of contractors (Class-IV), in addition to the existing four classes, should be introduced for undertaking works costing between Rs. 2.50 lakhs and Rs. 50,000/- with a solvency of Rs. 25,000/-. The existing class – IV may be renamed as class-V.

The recommendation is accepted.

6. The earth work items in the P.W.D. projects should be put to tender on the basis of the actual classification of the soils and the basic rates and not on the “Through Rate” basis. Classification of soils may be broadly under the four categories.

1. Hard rock
2. Hard disintegrated rock
3. Fissured and fractured rock.
4. All other soils including Soft Disintegrated Rock.

In canal excavations trial trenches to the full section of the canal down to the level of rock, if any, should be got opened out at intervals of 33 metres and the estimate prepared on the basis of soils met with. The method should be followed for all canal excavation works let out from June, 1977 onwards.

Recommendation of the Committee

Decision of the  
Government

The recommendation is accepted.

7. A smaller Committee consisting of the Chief Engineer (MI&GL) and the Chief Engineer (R&B & Admn) instead of the entire Committee of the Chief Engineers may decide the annual S.S.Rs. If the Committee proposes to reduce rate of any item in any circle it shall be approved by the full Board of the Chief Engineers.

The recommendation is accepted.

8. The monetary limit of Rs. 1.00 lakh for publication of tender notices in news papers may be raised to Rs. 5.00 lakhs.

The recommendation is accepted.

The Officer inviting tender may be permitted to send the tender notices for publication to prominent news papers.

The recommendation is accepted.

For works costing over Rs. 1.00 lakh and upto Rs. 5.00 lakhs a minimum advance notice of three weeks for receipt of tenders from the date of first publication may be prescribed.

Recommendation of the Committee

Decision of the  
Government

The recommendation is accepted.

9. All tenders which are beyond the powers of Chief Engineers for acceptance may be finally, without reference to Government, decided by a tender committee which may be constituted with (1) the concerned Chief Engineer (2) another Chief Engineer to be nominated by the Government and (3) the Secretary, Fin. & Plg./ the F.A. (Projects) or/his nominee as the case may be. The Committee may meet once in a fort-night.

The recommendation is accepted.

10. Once a work is administratively sanctioned by Government and the estimate therefore is technically sanctioned by the competent authority, and a contract is concluded for the execution of the work, no work should be stopped or slowed down (rare emergencies excepted) or payment to contractors withheld or delayed, even if there is need for a revised estimate to be sanctioned by the Government. Such payments should however, be subject to the existence of adequate budget provision within the relevant head of. When the expenditure on a work is likely to exceed 10% over the contract value of the work (in the case of premium tenders) the chief Engineer should inform the Government of the approximate extra commitment involved and also follow up with a revised estimate as early as possible. If, however, only a part of the work covered by the estimate has been entrusted on contract at premium rates, this 10% referred to above should be over the total value of the work, comprising the contract amount for the portion or portions already entrusted plus the total estimated value of the items not yet entrusted or utilized. The instructions issued in Govt. Memo. No. 3088/PP.2/75-3, Irrigation & Power (Projects Wing), dt. 19-12-1975 may be modified to the effect that the Chief Engineers may provisionally sanction the revised estimates and submit them to Government for regular sanction before the final payment for the work is made. The Memo., as modified may be retained on permanent basis and made applicable to all branches of Public Works Dept.

The recommendation is  
accepted. The Chief  
Engineer (MI&GI) should  
place the matter before the  
Committee of Chief Engineers  
evolve a suitable form and  
submit it to Govt., for  
approval.

11. For Works costing over Rs. 50.00 lakhs each and taking more than 18 months for completion, a price escalation clause may be incorporated in the tender schedules and thereby in agreements providing for both increase and decrease in the prices of materials and labour. In case prices come down the Department will be entitled for a rebate from the contractor. The clause may be on the pattern prescribed in the report of the working group set up by the Planning Commission to prepare a Standard contract Form. The Committee of Chief

Engineers may be entrusted with the work of suggesting the nature scope and wording of the price escalation clause.

The recommendation is accepted.

12. At present there are two systems of Audit and Accounts in the Major Irrigation Projects of the State, viz., with the Director of Accounts and with the Deputy Director of Accounts Officer. The Director of Accounts works under the administrative control of the Chief Engineer of the Project, while the Deputy Chief Accounts Officer works under the Financial Adviser (Projects) and is independent of the Chief Engineer of the Project. It is desirable that only one pattern of Audit and Accounts wing i.e., either with the Director of Accounts Officer, should be adopted in all irrigation Projects. The Government may decide on the new set up of the Audit and Accounts Wing of Projects in consultation with the Project Administrator.

The recommendation is accepted.

13. Minor Irrigation scheme which are within the powers of administrative approval of the Chief Engineer (MI) may be cleared by the Collector of the District in which the work lies and reference to the Board of Revenue may be dispensed with. Schemes which are to be administratively approved by the Government may be referred to the Board of Revenue for its clearance before sanction.

G.R. NAIR.  
SECRETARY TO GOVERNMENT.

ANNEXURE – I

AMENDMENTS TO THE ANDHRA PRADESH DETAILED STANDARD SPECIFICATIONS.

Sl.No.	Preliminary Specification No.	Amendments approved
1.	11	In the first sub-clause of P.S. 11 after the words “as he deems necessary” Add the words “Provided there is no change in the overall scope of the work”
2.	28	For the existing second sub-clause of P.S. 28, substitute the following namely:-  “In the event of the Government taking over portions of the work as and when they are completed, the liability of the contractor shall be limited to the period of six months from the date of taking over the portion of portions of the work, provided that the portion or portions taken over has no connection with the remaining portions of the main work, and is independent of it”
3.	29	At the end of clause P.S. 29, add the following namely:-  “In the case of any difference between Executive Engineer and the Contractor on matters regarding materials, workmanship, removal of improper work, interpretation of contract drawings and contract specifications, mode of procedure and the carrying out of the work, the contractor shall have a right of appeal to the next higher authority viz., the Superintending Engineer of the Circle, and the decision of the latter shall be final and conclusive”
4.	35	In P.S. 35 for the second sub-clause the following shall be substituted namely:-  “If the department intends to supply any Tools & Plant to the contractor on hire, the details of such Tools and Plant, the hire charges leviable, and the terms of hiring them should invariably be specified in the tender schedule and in the agreements and the same should not be varied during the contract period. If, however, the Department is not able to supply any of the Tools & Plant indicated in the agreement, the Contractor shall claim no compensation, but can only claim reasonable extension of contract time. If any other Tools and Plant, that are available with the department but are not indicated in the agreement, are supplied to the contractor during the course of the work, the hire charges and the conditions of hire prevailing in the Department at the time of actual supply shall be applicable.
5.	43	To clause 43 of P.S., add the following:-  “The Executive Engineer should take over the work within one

		month of such notice from the contractor, if the work has been satisfactorily completed in terms of the agreement.”
6.	56	In clause 56 of P.S., for the works “accepted the tender” the words “entered into the agreement” shall be submitted.
7.	60	<p>To clause 60 (a) of P.S., the following shall be added namely:-  “However, any authority higher in rank than the Executive Engineer may, in his absolute discretion, waive or modify any penalty of forfeiture imposed by the Executive Engineer, under the provisions of this clause”.</p> <p>For the existing clause 60 © the following shall be substituted:-</p> <p>“It shall be a further right of the Executive Engineer, under this clause, at any time the “Rate of Progress” in the agreement is not maintained, to give any part of the work to any other contractor at his discretion, in order to maintain the “Rate of Progress” upon the completion of that part of the work that is withdrawn, the Executive Engineer shall certify the amount of expenditure incurred by the Department for getting it completed by another contractor or contractors. Should the amount as certified be less than the amount which would have been due to the contractor on the completion of that part of the work by him, the difference shall not be paid to the contractor. Should however the former exceed the latter, the difference shall be recovered from the contractor by the Government, provided however that such a recovery shall not exceed 5% of the total finished contract amount”.</p>
8.	62	<p>For the existing sub-clauses (a) &amp; (b) of clause 62 of P.S., the following shall be substituted namely:-</p> <p>(a) Payment for the work done by the Contractor will be made on the basis of the measurements recorded in the measurement books or level field books by an officer not below the rank of a supervisor and check measured by an officer not below the rank of an Assistant Engineer. The measurements will be recorded at the various stages of the work, while it is in progress, for the proper assessment of the quantities of work done, and also after the work is completed or when the contract is determined. The contractor or his authorized agent shall be present at the recording of each set of measurement and check measurement and accepted them, then and there, so as to avoid disputes at a later stage. The set of measurements and check measurements may also be taken by the Department, even in the absence of the contractor or his authorized agent, three days after the issue of a notice to the latter, in writing, of such intention by the Department.</p> <p>(b) (b) In cases of over-payment or wrong payment made, if any to the contractor due to wrong interpretation of the</p>



		<p>provisions of the contract, the A.P. Detailed Standard Specification or otherwise, such unauthorized payment will be deducted in the subsequent bill or final bill of the work, or failing that, from the bills under any other contract with the Government from the contractor, or at any time thereafter, from his security deposits available with the Department.</p>
9.	63	<p>The existing sub-clause (a) &amp;(b) of clause 63 of P.S. the following shall be substituted namely :-</p> <p>“The contractor is bound to execute all supplemental items that the found essential, incidental and inevitable during the execution of the work, at the rates to be worked out as detailed below:-</p> <p>(a) For all items of work in excess of the quantities shown in Schedule-A of the tender, the rates payable for such items shall be either the tender rates or the standard schedule of rates for the items plus or minus the overall tender percentage accepted by the competent authority, whichever is less.</p> <p>(b) For items directly deducible from similar items in the agreement, the rates shall be derived by adding to or subtracting from the agreement rate of such similar item, the cost of the difference in quantity of material or labour between the new items and the similar items in the agreements, worked out with reference to the Schedule of Rates adopted in the sanctioned estimate plus or minus the overall tender percentage.</p> <p>(c) For new items which do not correspond to any items in the agreement, the rate shall be the Standard schedule rate plus or minus the overall tender percentage.</p> <p>The term “Standard Schedule of Rates” used in the above sub-clauses (a), (b) and (c) means the schedule of rates on which the sanctioned estimate was prepared”.</p> <p>The existing sub-clause © shall be renamed as sub-clause (d).</p>

G.R. NAIR,  
SECRETARY TO GOVERNMENT

**ANNEXURE – III  
DELIGATION OF POWERS**

Sl. No.	Nature of Powers	Chief Engineers			Superintending Engineers			Executive Engineers		
		Power existing	Powers Recommended	Powers Delegated	Power existing	Powers Recommended	Powers Delegated	Power existing	Powers Recommended	Powers Delegated
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
1.	(a) The administrative approval to estimates for works (other than residential buildings and electrical works) i) plain areas : Irrgn. R&B ii) Tribal areas  The split over requirements of new works should be correctly worked out by the C.E., concerned well in advance of the next financial year. There should be vigorous pre-budget scrutiny by the Govt., in the finance and Planning Dept. A list of new works approved by the Govt. may be communicated to the C.E. and the A.G. in the form of a G.O. in such a case the C.Es may have full powers of administrative approval without any monetary limit and Govt., sanction for individual estimates may not be necessary.	5.00 lakhs  3.00 lakhs  15.00 lakhs		10.00 lakhs   15.00 lakhs The recommendation is accepted	Rs. 1.5 lakhs Rs. 1.00 lakhs	3.00 lakhs Rs. 4.5 lakhs	3.00 lakhs Rs. 4.5 lakhs	Rs. 20,000 Rs. 15,000	Rs. 40,000 Rs. 60,000	Rs. 40,000 Rs. 60,000

1.	(b) Purchase of T&P	Rs. 2.5 lakhs  The screening Committee	Full powers subject to limit of budget allotment and clearance by the screening Committee will also assess and decide on the actual need for the purchase of T&P	The recommendation is accepted	Rs. 30,000	No change	No change	Rs. 5,000	No change	No change
1.	(c) Purchase of and improvements to floating plant for which rent or hire is recoverable	Rs. 25,000	Rs. 50,000	Rs. 50,000	-	-	-	-	-	-
1.	(d) Administrative approval to full contributonal works	Full powers	No change	No change	Rs. 50,000	Rs. 1.00 lakh	Rs. 1.00 lakh	Rs. 7,500	Rs. 15,000	Rs, 15.000

2.	Technical sanctioned to detailed estimate of works.	Full powers. Upto amount of administrative approval plus excess indicated below (1) for works costing upto Rs. 2.00 lakhs 10% subject to a limit of Rs. 10,00,000/ (ii) for works costing above Rs. 200 lakhs 5% subject to a limit of Rs. 20,00,000/-	No change	No change	Rs. 10.00 lakhs subject to condition that excess over administrative sanction shall not exceed 10%	No change	No change	Rs. 1.00 lakhs subject to condition that the excess over administrative sanction shall not exceed 10%	No change	No change
3.	<u>Excess over estimates</u> (Passing of excess expenditure over technical sanction)	i) For works costing Rs. 200 lakhs 10% subject to a limit of Rs. 10,00,000/- ii) For works costing above Rs. 200 lakhs 5% subject to a limit of Rs. 20,00,000/-	15% above the amount of Technical sanction	15% above the amount of technical sanction.	10% subject to a limit of powers of technical sanction	No change	No change	5% subject to a limit of his powers of	No change	No change

								technical sanction		
4.	Passing excess expenditure on all works irrespective of total sanctioned estimate without percentage limit	Rs. 10,000	No change	No change	Rs. 6,000. The S.E. has no powers to sanction excess over revised estimate sanctioned by higher authority	No change	No change	Rs. 2,0000/- The E.E. has no powers to sanction excess over revised estimate sanctioned by higher authority	No change	Nochange
5.	Acceptance of tenders	Can accept tenders for all works upto Technically sanctioned estimates plus such percentage excess as C.E. is competent to sanction under excess over estimates.	No change	No change	Can accept upto sanctioned technical estimate plus excess as he is competent to sanction excess over estimates subject to a maximum of Rs. 11.00 lakhs per each tender, S.E. (Major projects) can accept tenders upto Rs. 30.00 lakhs provided they are the lowest.	No change	No change	Can accept tenders upto sanctioned estimate plus excess as he is competent to sanction excess over estimates subject to a maximum of Rs. 1,05,000/-	No change	No change

6.	Dispensing with tenders )Powers of Nomination)	Rs. 50,000	Rs. 1,00,000	Rs. 1,00,000	Rs. 25,000	Rs. 50,000	Rs. 50,000	Rs. 10,000	Rs. 20,000	Rs. 20,000
7.	<u>RESIDENTIAL BUILDINGS</u>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	<u>Sanction of estimates</u> Administrative approval to estimate for works									
8.	<u>Sanitary works</u> Administrative approval to Minor works for construction of Latrines and Septic tanks	Rs. 1,000	Rs. 2,000	Rs. 2,000	Rs. 5,00	Rs. 1,000	Rs. 1,000	Nil	Nil	Nil
9.	<u>Electrical Works</u> (Residential and non-residential buildings)									
i)	To accord administrative sanction of estimates for the first installation of Electrical fittings for all buildings.	Rs. 50,000 Non residential Residential	Rs. 1,00,000  Rs. 50,000	Rs. 1,00,000  Rs. 50,000	Rs. 20,000 Non residential Rs. 40,000 Residential Rs. 20,000	Rs. 40,000	Rs. 40,000	Non Residential Residential	Rs. 5,000  Rs. 2,500	Rs. 5,000  Rs. 25,000
ii)	To accord administrative approval to additions, improvements and alterations, to electrical works in non-residential buildings	Rs. 10,000	Rs. 15,000	Rs. 15,000	Rs. 5,000	No change	No change	Rs. 1,000	No change	No change
iii)	To accord administrative approval to additions, improvements and alterations to electrical works in residential buildings	Rs. 2,000	No change	No change	Rs. 1,000	No change	No change	Nil	Nil	Nil
iv)	To accord technical sanction for detailed estimates for electrical works	Full powers	No change	No change	Rs. 50,000	Rs. 1,00,000	Rs. 1,00,000	Rs. 15,000	Rs. 30,000	Rs. 30,000
v)	Acceptance of Tenders	Can accept upto Technically sanctioned estimate plus such percentage as C.E. is competent to sanction under excess over estimates	-	-	Rs. 50,000	Rs. 1,00,000	Rs. 1,00,000	Rs. 25,000	Rs. 50,000	Rs. 50,000
10.	Dispensing with Tenders (Powers of nomination)	Rs. 50,000	No change	No change	Rs. 25,000	No change	No change	Rs. 1,000	No change	No change

G.R. NAIR,  
Secretary to Government