

GOVERNMENT OF ANDHRA PRADESH  
IRRIGATION & CAD (PW-REFORMS) DEPARTMENT

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MEMO. NO. 22500/Reforms/2008-1,

Dated 20-8-2008

Sub:- Irrigation & CAD Department – Execution of Project Works – Recovery of Mobilization advance – Reg.

Ref:-1. Govt. Irrigation & CAD (PW) Department Memo. No. 16316/Reforms/2006, dt. 31-3-2008.

2. Chief Engineer (Projects) Mahaboobnagar Lr. No. CE(P)/MBNR /AMRP/W16/8466/2005/Vol.IX/819, dt. 24-6-2008.

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The attention of all the Engineers-in-Chief and Chief Engineers is invited to the Memo. cited, wherein the general instructions issued in Govt. Memo. No. 5217/Reforms/2006, dt. 23-2-2006 on the subject were re-iterated, duly making it clear that specific conditions of contract will prevail.

2. The Chief Engineer (Projects), Mahaboobnagar in the letter cited has requested to effect recovery of Mobilization advance only for the running bills at 20% without including the amount already paid in previous bills i.e., first 10% of the Agreement amount and suggested that this 20% amount along with interest on this amount upto date only be recovered in each part bill, instead of interest on the total mobilization advance.

3. In this connection, a reference is drawn to the instructions issued at para 17 of Govt. Irrigation & CAD Department Memo. No. 5217/Reforms/2006, dt. 23-2-2006, which contains three distinct parts as indicated below:-

- (i) The deduction of the advance commences in the next interim payment following that in which the total of such payments to the Contractor reaches 10% of Contract value.
- (ii) The deduction will be made at the rate of 20% of the amount of all the interim payments together with interest.
- (iii) It Specifies that the exclusion of amounts paid till the stage of recovery is reached is not correct.

4. The proposal is examined in consultation with Finance Department and it is noted that implementation of part (iii) with out Considering the Parts (i) and (ii) will result in exceeding the deduction on account of Mobilization advance to more than 20% and at times, it may exceed the total bill amount for that interim payment resulting in cash flow problem thereby impacting the progress of the work.

5. Therefore, it is decided that the recovery towards repayment of Mobilization advance and interest on that starts only from the next running bill after 10% of the Contract value is touched. Any recovery on the interim bills towards Mobilization advance should be limited to the 20% on each such interim payment bill till mobilization advance with interest is completely recovered. The 20% recovery should be appropriated towards principal amount of mobilization advance and interest out standing on the above amount on that date should be recovered additionally.

6. The above instructions shall be followed with immediate effect.

7. This memo. is issued with the concurrence of Finance (W&P) Department U.O. No. SP 9798/F5(A1)/08-01, dt. 31-7-2008 and U. O No. 3696/F5(A1)/08-1, dt. 14-8-2008.

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RAJIV RANJAN MISHRA  
SECRETARY TO GOVERNMENT..

All the Engineers-in-Chief of Irrigation & CAD Dept.  
All the Chief Engineers of Irrigation & CAD Dept.

C. S. SRSP.