

**GOVERNMENT OF ANDHRA PRADESH**  
**IRRIGATION & CAD DEPARTMENT**

Memo No.26135 /Reforms/06

Dt:16.09.2006

**Sub:-** Mobilization Advance to contracts exceeding Rs. One Crore – Revised Orders issued – Regarding.

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In the EPC-turnkey contracts, it is incorporated under the mobilization advance Clause under general conditions of contracts that the contractors are permitted to avail the facility of mobilization in two installments equivalent to 10% of contract amount (5% for labour mobilization and 5% for machinery & equipment).

In the workshop conducted on EPC contracts on 19.08.2006 in Dr. M.C.R., Human Resources Development Institute, the issue of payment of mobilization advances came up for discussions and it was opined that the EPC contractors will be initially doing only investigation, survey & designs works. Therefore it may be adequate to pay them 1% of contract value as first installment of mobilization advance and as and when they start executing the works, 4% of contract value may be paid as second installment of Mobilization advance.

After careful consideration of the above recommendations Government, hereby orders that for all future EPC-contracts, the mobilization advance of 5% towards labour mobilization, be paid in two installments, as detailed below:

1% after concluding the agreement.

4% at the time of commencement of work (After completion of investigation, survey & designs).

There is no change in the clauses relating to release of 5% additional mobilization advance for purchase of machinery.

**RAJIV RANJAN MISHRA**  
**SECRETARY TO GOVERNMENT**

To,  
All ENCs, I & CAD, Hyderabad.  
All CEs / SEs through CEs.  
All Advisors } in I & CAD  
All Sections }

**Copy to:**

PS to Secretary (P) I & CAD  
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//FORWADED BY ORDER//

**SECTION OFFICER**