

**Sub: Construction Management System: Circular – 70**

Ref: Guidelines for making payment to contractor for Price Adjustment, Sectional hydro testing, preparation of BOQ and applicable taxes.

**1. Price Adjustment:**

It has been observed that PIUs/ DSCs are not well acquainted with the existing clauses in the Contract regarding "Price Adjustment". Few shortcomings are found / observed in the Price Adjustment Bill. To have better understanding and uniformity in the project towns, following guidelines should be followed by the IPIUs/DSCs:

- a) Earlier issued Circular No. 40 should be followed for all Price Adjustment related bills. Separate clarification shall be issued later on regarding point no 13 (Adjustment after completion).
- b) Price Adjustment clause should be well read by all IPIUs/DSCs and should be followed in accordance to the contract condition mentioned in the contract. Foot note; if any should be read carefully and linked with the subject matter.
- c) All addendums should be checked thoroughly by IPIUs/DSCs staff in consolidated manner.
- d) Special care needs to be taken about the checking of all issued addendums and their interlinking with the relevant subject matter.
- e) All addendums should be placed in hard binded Contract Agreement after the issuance of work order and copy of all addendums should be placed at relevant section where the changes are made.
- f) Accounts personnel team from PMU should check escalation bill of PIUs for correctness of application of price adjustment clause in the bills during their visit to the town.
- g) No payment for Price Adjustment shall be made for extended period without sanctioning the time extension as per contract condition.

**2. Sectional Testing of Pipe Line:**

Sectional Testing is an important part of any laid pipe line to check the leakage of joints / performance of the laid line. In order to ensure timely and regular testing of pipe lines following guidelines should be adhered:

- a) It is to be ensured that sectional testing in water supply / waste water projects are being done simultaneously on regular basis. In specific cases particularly in narrow lanes and dense traffic area, EE, IPIU should take up the work of testing of pipe line on priority to avoid the inconvenience of local residents.
- b) IPIUs/DSCs should ensure that contractor has procured specials (Air Valve/ score valve etc.) / planned for testing/ make all required necessary arrangement for testing of the pipe line well in time as per agreed work plan/ milestone before testing.
- c) Sectional testing should be checked by the IPIUs/DSCs as per contract agreement with maintaining proper documentation in IPIUs office. Pipeline should not be accepted until sectional testing is performed. Sufficient records in the form of photography/ videography or any other mode should be available with IPIUs.
- d) Normally, it would be better that sectional testing should be done immediately after laying of pipe line for the length specified in contract. If exceptional circumstances occurred during sectional testing; EE, PIU

should critically examine the matter and proceed further according to merit to continue work on other fronts.

### 3. Estimation of Bill of Quantities:

During preparation of Bill of Quantities (BOQ) following guidelines should be followed:


- a. Proper investigation should be made for Utility Shifting in consultation with line agencies like BSNL, RSEB, PHED, UIT/ Local bodies, Railways etc for the existing utilities to be shifted coming in the alignment. The actual site analysis should be incorporated in BOQ so that work may be completed without delay in shifting utilities.
- b. Survey & investigation is to be carried out by DSC under the supervision of package in-charge IPIU and EE during preparation of DPR. If any discrepancy is found during execution, the concerned officials shall be responsible personally.
- c. IPIU/DSC personnel shall also monitor/ supervise the confirmatory survey conducted by contractor after award of contract. The IPIUs in-charge shall take decision on the basis of test report and he will be the solely responsible.
- d. Required tests/ survey should be performed by renowned external agency(s) under the supervision of IPIU/DSC.
- e. Quantities should be checked thoroughly by IPIU staff in close coordination with consultants and other supporting staff with proper record keeping so that variation in quantity/items are occurred to the minimum extent during execution. The sector in-charge in PMU and TL IPMC should scrutinize the BOQ for its item and quantities for each sub-project at the time of finalization of DPR and harmony in the documents should be examined.

In case of variation, it should be identified and analyzed at the earliest and submit the case with justification that the proposed variation is essential and required to complete the work.

### 4. All applicable taxes:

All applicable taxes such as Sales Tax/Service Tax/Vat or any other applicable tax shall be deducted from the contractor or reimbursed by IPIUs as per contract conditions.

This circular is equally applicable to all members of PMU, IPIU, IPMC & DSC. However, above circular shall not be superseded by terms and condition mentioned in the contract.

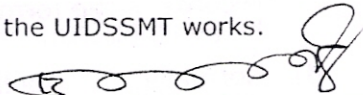
  
(Dr. Prithvi, IAS)  
Project Director

Dated: 31.12.2012

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Copy to following for information and necessary action:

1. Addl. PD / ~~SE~~/ FA / Dy. PD (Adm.)/ Dy. PD (NLCP)/SE (Co-ord)/ SE (WW)/ (WS) / (Roads)/ (Bridges)/ PO (all)/ Sr. AO / All APOs / AAO/ PA to PD PMU, RUIDP, Jaipur.
2. Zone SE, RUSDIP, Jaipur/Jodhpur/Kota.
3. Executive Engineer, IPIU, RUSDIP, Alwar, Baran, Barmer, Bharatpur, Bundi, Chittorgarh, Churu, Dholpur, Jaisalmer, Jhalawar-Jhalrapatan, Karauli, Nagaur, Rajsamand, Sawai Madhopur, Sikar.
4. Team Leader IPMC, Jaipur/ DSC-I, Jaipur/ DSC-II, Jodhpur/ DSC-III, Kota, RUSDIP.
5. Dy. TL/ACM, DSC-I, Alwar/ Dholpur/ Karauli/ Sawai Madhopur/Bharatpur, Dy. TL/ACM, DSC-II, Churu/ Jaisalmer/ Barmer/ Sikar/Nagaur and Dy. TL/ACM, DSC-III, Chittorgarh/Jhalawar/Rajsamand/ Bundi/ Baran, RUSDIP.
6. SE(UIDSSMT), RUIDP, to circulate and ensure compliance in the UIDSSMT works.
7. ACP, RUIDP, Jaipur to send by e-mail.

  
Dy. Project Director (T)