



GOVERNMENT OF KERALA

Abstract

Finance Department – Sanctioning of tender excess, revised estimate etc – modified procedure- orders issued.

FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT

G.O.(P) No. 375/15/Fin.

Dated, Thiruvananthapuram, 24.08.2015

- Read
- 1) G.O(P) No. 214/2013/Fin dated 09.05.2013
 - 2) G.O (P) No. 03/2015/Fin dated 05.01.2015
 - 3) G.O (P) No.295/2015/Fin dated 15.07.2015.
 - 4) G.O(P)No. 36/2013/PWD dated 17.04.2013

ORDER

Government have issued orders enhancing the powers delegated to Departmental officers, Government Tender Committee, and Committee of Secretaries to sanction tender excess, vide Govt order read 1st above. As per Government Order read 4th paper above CPWD data SoR and National Building code guidelines were adopted in State Government Departments with effect from 01.10.2013. It has come to the notice of Government that the existing procedure in approval of tender excess, sanctioning of revised estimate etc results delay in execution of many public works which in turn will result in cost escalations.

2 .Government have examined the matter in detail and are pleased to issue the following orders.

- a) From September 2015 onwards cost estimates of all Public Works executed by various Engineering Departments shall be prepared only through the software, Project Information and Cost Estimation (PRICE) developed by NIC.

- b) The following enhanced delegation of powers for sanctioning tender excess and revised estimates will be allowed to departmental officers provided the estimates are prepared and Local Market Rates (LMR) are worked out using the PRICE software using approved cost indices.
- c) This will be applicable only if tendering is done through e-procurement mode and adequate participation and competition is ensured.

3.Guidelines for sanctioning tender excess.

- a) At present approval of Government is required if the percentage of tender excess exceeds prescribed limit. Since this cause delay in tender approvals sanctioning of tender excess at different levels based on percentage rates stands withdrawn. Instead, the Technical Sanction amount of the work shall be the basis for obtaining approvals at higher levels.
- b) The acceptance of tender excess shall be based on LMR or quoted amount whichever is less. In cases where estimates were prepared based on previous SoR and the estimated rate has been changed at the time of tendering, then PAC may be re-casted to the prevailing rate at the time of tendering.
- c) All tender excess upto 10% above estimated rate or LMR whichever is less, shall be approved by the competent authority themselves with valid justifications .

d) Normally no tender excess above 10% of estimated PAC will be allowed . If the lowest tender received exceeds 10% of the estimated cost, all such works shall be re-tendered under normal circumstances. However, if the Heads of Departments feel that some works exceeding 10% of PAC are to be urgently executed in the exigency of public service, then all such works shall be sanctioned at Government level with the concurrence of Finance Department. The Head of Department shall exercise due diligence in recommending each such proposal and should personally evaluate the circumstances that warrants such special considerations and submit a detailed justification for the acceptance of each such proposals.

4. Delegation of powers for acceptance of tender excess

a) The tender excess in respect of works having Technical Sanction amount up to Rs.5 crore, shall be approved by the competent departmental authority themselves. In other words, all tender excess of works having Technical Sanction amount upto Rs.25 lakhs, Rs.75 lakhs, upto Rs.5 crore, can be approved by Executive Engineer, Superintending Engineer and Chief Engineer concerned with tender excess not exceeding 10%.

b) The tender excess(not exceeding 10%) in respect of works having Technical Sanction amount above Rs.5 crores and upto 10 cores shall be approved by the Committee headed by the Secretary of Administrative Department.

c)The tender excess(not exceeding 10%) in respect of works having Technical Sanction amount above Rs.10 crores shall be approved by the Committee of Secretaries headed by the Chief Secretary.

5. Delegation of powers for Administrative Sanction/Revised Estimate Sanction.

- a) The validity of all Administrative Sanction (AS) shall not exceed two years. During this period, Administrative Department can issue revised sanction provided the revised estimate is necessitated due to changes in the approved cost index alone and not due to any extra item other than those contemplated in the original estimate.
- b) All Administrative Sanctions exceeding Rs.50 lakhs shall be issued only through PRICE Software, based on the prevailing Schedule of Rates.
- c) Technical Sanction shall not exceed 10% of the Administrative Sanction and in case if it exceeds this limit, then revised Administrative Sanction has to be issued.

6. Delegation of powers in arranging emergency works

The Chief Engineers can arrange works on a quotation basis during emergent situations subject to budget provision and within an annual ceiling of 50 times to the existing financial powers given as per GO(P) No.667/2000/Fin dated 22.03.2000. The other departmental officers shall sanction quotation works upto a maximum of 10 times of the existing delegated powers in a financial year. This shall be subject to the following conditions

- a) All quotations shall be floated through the e-tender portal only with a short tender cycle.
- b) Any quotation exceeding the above limit shall be sanctioned only with the prior approval of the Secretary of the Administrative Department.

7. Price variation Clause

Since State Government is also now following Government of India rates for the preparation of estimates price variation clause followed in

CPWD shall also be adopted for State Government works in case of works having period of completion exceeding 18 months.

8. In partial modification to the Government Order read as 2nd above it is further ordered that

a) The cost of tender forms /fees for works costing between Rs.10 lakh to Rs.1 Crore shall be revised to Rs 2500/- .

b) The restriction imposed in the departmental supply of bitumen in respect of all departmental works up to the limit of Rs.100 lakhs shall be dispensed with.

9. The above guidelines will take effect from 1st September 2015 onwards.

By Order of the Governor

DR.K.M.ABRAHAM

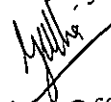
Additional Chief Secretary (Finance)

To

The Accountant General (A&E) Kerala, Thiruvananthapuram
 The Accountant General (G&SSA) Kerala, Thiruvananthapuram
 The Accountant General (E&RSA) Kerala, Thiruvananthapuram
 All Heads of Departments and Offices
 All Departments of Secretariat
 All Private Secretaries to Ministers
 Private Secretary to Chief Minister
 Private Secretary to the Leader of Opposition
 All Secretaries to Government
 The GA(SC)Department (vide item no 7196 dated 12-8-2015)
 The Secretary, Kerala Public Service Commission, Thiruvananthapuram
 (with C/L)
 The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam
 (with C/L)
 The Registrar, High Court of Kerala
 The Secretary, Kerala Human Rights Commission,
 Thiruvananthapuram
 The Managing Director, Kerala State Transport Corporation,
 Thiruvananthapuram (with C/L)
 The Secretary, Kerala State Electricity Board,

Thiruvananthapuram (with C/L)
The Secretary to Governor
The Nodal Officer, www.finance.kerala.gov.in
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Section Officer