

Circular Memo No.067252/TA1/AEE1/2005

Dated:23-4-2005.

Sub:- Revision of certain rates of the items of the Bridge works – Minutes of meeting of committee of Chief Engineers R&B dated 16.4.2005 – Communicated – Regarding.

Ref:- 1) Minutes of Meeting of Committee of Chief Engineers R&B  
Dt.16.4.2005.

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While enclosing a copy of the reference cited, all the Superintending Engineers of R&B Department are requested to prepare estimates of Bridges based on the new rates approved by the Committee of Chief Engineers of R&B as per minutes enclosed. Regarding price adjustment Government have been addressed for approval.

The bridges technically accorded but tenders not responded shall be revised based on the new changes.

Encl.: As above.

Sd/-

For Engineer-in-Chief(R&B)Admn. & NABARD

To

All the Superintending Engineers of (R&B) Department  
Visakhapatnam, Kakinada, Eluru, Vijayawada, Guntur, Nellore, Ongole, Chittoor, Cuddapah,  
Kurnool, Khammam, Karimnagar, Nalgonda, Nizamabad, Warangal & Rural Circle,  
Hyderabad.

The Superintending Engineer(R&B), Quality Control

The Superintending Engineer(R&B) Designs & Planning

The Deputy Chief Engineer(R&B) Roads

The Deputy Chief Engineer(R&B) Buildings

The Deputy Chief Engineer(R&B) NABARD

The Project Director APSHP

Copy communicated to the PS to Hon'ble Minister for R&B

Copy communicated to the Secretary to Government T R&B Department

Copy communicated to the Chief Engineer(R&B) Roads

Copy communicated to the Chief Engineer(R&B) Buildings

Copy communicated to the Chief Engineer(R&B) National Highways

Copy communicated to the Managing Director APRDC

Copy communicated to the Accountant General

All Technical Assistants

**MINUTES OF MEETING OF COMMITTEE OF CHIEF ENGINEERS,  
R&B DEPARTMENT, MEETING ON 16.4.2005.**

Subject: Revision of certain items of bridge work rates

**The meeting is convened as per Government memo no.5126/RI/2005, dated 16.4.2005 to study certain rates of bridges in view of no response to the tenders of bridges in the state.**

- 1) It is observed that there has been no response in respect of tenders for construction of bridges on State Roads of R&B Department.
- 2) During the past 3 months tenders have been invited for 18 bridges in the state and there was no response for 15 bridges. The issue of lack of response for bridge work has been examined in detailed and it is observed that it is due to following reasons.
  - i) Fluctuation of rates of Steel and Cement.
  - ii) Less Rates for well sinking and centering for cement concrete.
  - iii) Non provision of De-watering charges, vibration charges and water charges.
  - iv) Non provision for other contingencies like watch & ward, site office, staff quarters, Traffic Management etc.,
  - v) Non Provision for LA & LI
  - vi) Non Provision for Q.C. charges, T & P etc to be spent by the contractor.
- 3) Under the present circumstances it is opined that a review has to be made regarding the analysis of rates for various items of work being adopted at the time of preparation of estimates.
- 4) On thorough examination of various issues involved the following suggestions are made to over come the above issue.
  - a) The analysis of rates based on MORT&H standard data for bridge work which is being adopted through out the country in respect of works on National Highways include over head charges at 25% and contractor profit at 10%. But in the data adopted in the R&B department for bridge works the over head charges at 25% and contractor's profit at 10% are not considered as per the Government instructions. However the MORT&H data is adopted excluding over head charges and contractor's profit. Due to this the items which are contingent to the work shown under the over head charges could not be made use of in the departmental estimates for bridges.
  - b) Further, the Government has imposed a sealing of 5% in tender premium and due to which the contractors could not quote their tenders considering all the expenditure that are contingent to the work and not including in estimates.

5) Hence it is proposed to consider:

a) The present local market rates for steel and cement till the revision of SSR for the year 2005-06 are to be adopted. The present market rate for Cement is Rs.2,600/- per MT and for Steel it is varying from Rs.28,100/- to Rs.29,550/- per MT. The quotations from VSP have been obtained for steel and from ACC, SAGAR Cements for cements and enclosed herewith. It is decided now to take **Rs.29,000/- per MT for steel and Rs.2,600/- per MT for cement** for preparation of estimates.

b) At present no **de-watering charges** are being added in bridge estimates. The rates provided in MORT&H data are on percentage basic which are not workable. Further they are irrational. Hence it is agreed to adopt de-watering charges as per SSR 2004-05 at **Rs.83.50/cum** of concrete wherever de-watering is required.

c) In the well sinking, the MORT&H data provides for Crane with grab bucket of 0.75cum. capacity and accessories. In the present R&B data the hire charges of Crane for lifting is considered as Rs.550/- per hour as against the hire charges of Crane with Grab bucket i.e. Rs.2,500/- per hour as per SSR 2003-04. Further, it is also noticed in SSR 2004-05 the item rate for **Crane with Grab bucket** is not provided. The time required for sinking of 8 mts. dia well to a depth of 1m. is 4 (four) hours. The difference of amount for 1m. sinking of well with Crane with Grab bucket and Crane for lifting purpose is Rs.8,580/-. If it is updated to the present SSR rate, the difference may go to Rs.10,000/- RM. Hence it is agreed to adopt the rate of Crane with Grab Bucket at Rs.2500/- per hour since it is the lowest market rate. The market rate as obtained from quotations is found as Rs.2,800/- to Rs.3,000/- per hour.

d) In the MORT&H data the provision towards water for mixing in concrete and curing of concrete is not included. It is agreed to provide Rs.25/- per cum. of concrete towards cost of water for mixing and curing including leads and lifts and other related charges. This is arrived from local market rate and also based on CC items in MORT&H data.

e) It is agreed to provide 13% towards LA and LI for all bridge works since the labour is to be imported and amenities are to be provided for the labour working at site. In MORT&H data this has been included in the over head charges. This will be allowed subject to submission of a certificate from EE and SE concerned stating that the labour are to be imported to the site.

f) The contractor has to spend towards Quality Control tests. This include purchase and maintenance of QC instruments, cost of lab Technicians Minor T &P, Survey instruments, Wastage of materials, that is used for testing etc. Hence it is proposed to include 1% towards Quality Control in each data of CC and steel items.

g) The contractor has to spend certain amounts towards Site office, Watch & Ward, Traffic management during construction which includes caution boards, sign boards which has been considered under MORT&H data under over head charges. Now it is proposed to provide 1% towards above provision in all data of the items of bridge works.

h) In the MORT&H data the vibration charges for concrete items is also included in the over head charges. Hence it is proposed to provide vibration charges as per current SSR.

i) In MORT&H data Form work was provided in terms of percentages, which appears less and very approximate. In SSR specific rates are given for all form work which appears rational and close to realistic market rates. Hence it is proposed to provide centering charges given in the SSR for all concrete items wherever form work is required in place of suggestive percentage of MORT&H data.

- 6) It is also noted that even for the small bridge works the increase or decrease in the rates of steel, cement and bitumen has an effect on the rates of respective items. Hence it is proposed to provide price adjustment clause for works costing more than Rs.50.00lakhs and more than 6 months of period of construction. Hence it is proposed to include the following in bid document.

**“Every quarter the Committee of Chief Engineers of R&B Department shall decide the rates of steel, cement and bitumen depending up on the market rates by collecting appropriate quotations. The Committee shall sit on first working day of the quarter.**

**The new rates of steel, cement and bitumen shall be incorporated in the respective items of Technically sanctioned estimates.**

**The percentage of increase/decrease of the rates of the items involving steel, cement and bitumen over the rates of the technically sanctioned data will be operated on the agreement rates of respective items executed after the date of approval of new rates by the Committee of Chief Engineers (R&B) and contractors shall be paid accordingly”.**

This will be recommended to Government to permit to provide in bid documents,

- 7) **All the above rates are only for bridge works.**  
8) **All the above items are approved in the Committee of Chief Engineers(R&B).**

Engineer-in-Chief(R&B), Administration & NABARD,

Hyderabad

Chief Engineer(R&B), Roads.

Chief Engineer(R&B) Buildings

Chief Engineer(R&B), National Highways

Managing Director, APRDC, Ex-Officio Chief Engineer(R&B)

Superintending Engineer(R&B), Quality Control

Superintending Engineer(D&P)

Deputy Chief Engineer(R&B), Roads.

Deputy Chief Engineer(R&B) Buildings

Deputy Chief Engineer(R&B), NABARD

Project Director APSHP

GOVERNMENT OF ANDHRA PRADESH  
TRANSPORT, ROADS AND BUILDINGS (R.I) DEPARTMENT

Memo No.5126/R.I(2)/2005-2,

Dated 30-8-2005

Sub:- R&B – Bridge Works – Price adjustment for Steel, Cement, bitumen and diesel and for over head charges @ 15% + VAT – Accorded – Regarding

- Ref:- 1) From the ENC(R&B) Admn. Lr.No.67252/TA.1/ AEE1/2005, dt.12.4.2005 and even number letters dt.23.4.2005, 6.7.2005 and 25.7.2005.
- 2) Government memo No.5126/RI(2)/2005-3, dt.12.5.2005

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The attention of the Engineer-in-Chief(R&B) Administration is invited to the references cited and he is informed that Government hereby accept for price adjustment in respect of steel, cement, bitumen and diesel for all the bridge works costing more than Rs.50.00lakhs and to be completed with a time schedule of more than 6 months, subject to not including the same in the estimate, as detailed below:-

- a) For steel and cement, like in the World Bank works, the data updated by Price Index given by the Director of Economics & Statistics, shall be followed and made applicable on a quarterly basis both for increase as well as reduction, as the case may be.
  - b) For bitumen and diesel, the information from IOC on a quarterly basis shall be adopted.
2. Government hereby also accord permission for overhead charges @ 15% +VAT for the above mentioned works.
3. This memorandum issues with the concurrence of the Finance Department vide their U.O.No.7446/552/Expr.PW/A2/05, dt.10.8.2005.

BINOY KUMAR  
SECRETARY TO GOVERNMENT

To

The Engineer-in-Chief(R&B) Administration, Hyderabad.

Copy to:

The P.S. to M(R&B),  
The Finance (Expr.PW) Department.  
The PS to Secretary to Government, TR&B  
SF/SC

//FORWARDED BY ORDER//

SECTION OFFICER

Office of the Engineer-in-Chief(R&B)Admn. & NABARD,  
Errummanzil, Hyderabad.

Circular memo No.067252/TA2/AEE1/2005,

Dated 5.9.2005

Sub:- R&B – Bridge Works – Price adjustment for Steel, Cement, bitumen and diesel and for over head charges @ 15% + VAT – Accorded – Regarding

- Ref:-
- 1) Circular memo No.067252/TA1/AEE1/2005, dt.23.4.2005.
  - 2) Government memo No.5126/RI(2)/2005-5, dt.30.8.2005  
(copy enclosed)
  - 3) Government memo No.5126/RI(2)/2005-2, dt.16.4.2005.

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Government in the reference cited accepted for price adjustment in respect of Steel, Cement, Bitumen and Diesel for all bridge works costing more than Rs.50.00lakhs and having completion period more than 6 months, subject to not including the same in the estimate as detailed below:

- 1) For Steel and Cement like in the World Bank works, the data updated by price Index, shall be followed and made applicable on quarterly basis both for increase as well as decrease, as the case may be.
- 2) For Bitumen and diesel, the information from IOC on a quarterly basis shall be obtained and adopted.

Further Government in the reference cited also accorded permission for over head charges @ 15% + VAT for the all bridge works.

It is informed that the provisions such as (1) 13% towards, LA & LI (2) 1% towards Quality Control (3) 1% towards site office, watch and ward, traffic management (4) Water charges of mixing and curing of concrete and (5) The hire charges for crane with grab bucket which were approved in the Committee of Chief Engineers R&B Department on 16.4.2005 and communicated vide reference 1<sup>st</sup> cited are disallowed now in view of the permission accorded by the Government for adopting over head charges of 15%. VAT is to be added in addition to 15% of over head charges as per Govt. memo reference 2<sup>nd</sup> cited.

However, the rates for (a) Cement (b) Steel (c) De watering charges (d) Vibration charges and (e) Centering charges (f) Crane with Grab bucket are to be adopted as per SSR 2005-2006.

All the Superintending Engineers(R&B) are informed to follow the above instructions while preparing the estimates for all the bridge works.

Encl.: As above.

Sd/-  
For Engineer-in-Chief(R&B), Admn. & NABARD

To

All the Superintending Engineers (R&B) Department,  
Visakhapatnam, Kakinada, Eluru, Vijayawada, Guntur, Nellore, Ongole, Chittoor, Cuddapah,  
Kurnool, Khammam, Karimnagar, Nalgonda , Nizamabad, Warangal & Rural Circle,  
Hyderabad..

The Superintending Engineer(R&B) Quality Control  
The Superintending Engineer(R&B) Designs & Planning.  
The Deputy Chief Engineer(R&B) Roads  
The Deputy Chief Engineer(R&B) Buildings  
The Deputy Chief Engineer(R&B) NABARD.  
The Project Director APSHP  
Copy communicated to the P.S. to Hon'ble Minister for R&B  
Copy communicated to the Secretary to Government T R&B Department  
Copy communicated to the Chief Engineer(R&B) Roads  
Copy communicated to the Chief Engineer (R&B) Buildings  
Copy communicated to the Chief Engineer(R&B) National Highways  
Copy communicated to the Managing Director APRDC  
Copy communicated to the Accountant General  
All Technical Assistants

**GOVERNMENT OF ANDHRA PRADESH**

**ABSTRACT**

R&B - Road & Bridge Works - Price Adjustment for Steel, Cement, Bitumen & POL and adoption of Overhead Charges - Accorded - Orders - Issued.

TRANSPORT, ROADS & BUILDINGS (R.I) DEPARTMENT

**G.O. Ms. No. 35.**

**Dated: 28-02-2006.**

**Read the following:**

1. Govt. Memo. No. 5126/R.I(2)/2005-5, dated: 30-08-2005.
2. From the Engineer-in-Chief (R&B) Administration Letter No. 67252/TA1/AEE1/2005, dated: 25-10-2005.

**ORDER:**

In the Government Memorandum 1 st read above, orders have been issued for adoption of Price Adjustment Clause in respect of Steel, Cement, Bitumen and POL for all Bridge Works costing more than Rs. 50.00 lakhs and to be completed within a time schedule of more than 6 months. In supersession of the above instructions, the Government hereby issue the following comprehensive orders:-

**A) PRICE ADJUSTMENT:**

1. This Price Adjustment Clause shall apply for Steel, Cement, Bitumen and POL for all the road works & bridge works including ROBs/RUBs where the estimate contract value is Rs. 50.00 lakhs and above and where the time schedule provided is 6 months and above.
2. Price adjustment shall apply only for the work carried out within the Agreement period and shall not apply to work carried out beyond the agreed period of completion.
3. Price adjustment shall be calculated separately for the components of the payment for work done in the manner explained in paras (5) to (8) below.
4. In the formula of Price Adjustment, R, the value of work shall exclude Seigniorage charges, VAT and all other overhead charges.

**5. Adjustment clause for cement component shall be as follows:**

Price adjustment for increase or decrease in the cost of cement procured by the contractor shall be paid in accordance with the following formula.

$$V_c = 0.85 \times P_c / 100 \times R \times (C_i - C_o) / C_o$$

V<sub>c</sub> = Increase or decrease in the cost of work done during the period under consideration due to changes in the rates for cement.



Co= The All India Average Wholesale Price Index for cement on the day 28 days prior to the closing date of submission of bids as published by the Ministry of Industrial Development, Government of India, New Delhi.

Ci= The All India Average Wholesale Price Index for cement on the day 28 days prior to the last date of the measurement recorded to which a particular bill payment is related, as published by the Ministry of Industrial Development, Government of India, New Delhi.

Pc= Percentage of cement component of the work (to be worked out for each work and provided for in the bid document).

#### **6. Adjustment for steel component shall be as follows:**

Price adjustment for increase or decrease in the cost of steel procured by the Contractor shall be paid in accordance with the following formula.

$$V_s = 0.85 \times P_s / 100 \times R \times (S_i - S_o) / S_o$$

V<sub>s</sub>= Increase or decrease in the cost of work done during the period under consideration due to changes in the rates of steel.

S<sub>o</sub>= The All India Average Wholesale Price Index for Steel on the day 28 days prior to the closing date of submission of bids as published by the Ministry of Industrial Development, Government of India, New Delhi.

S<sub>i</sub>= The All India Average Wholesale Price Index for Steel on the day 28 days prior to the last date of the measurement recorded to which a particular bill payment is related, as published by the Ministry of Industrial Development, Government of India, New Delhi.

P<sub>s</sub>= Percentage of steel component of work (to be worked out for each work and provided for in the bid document).

#### **7. Adjustment clause for Bitumen component shall be as follows:**

Price adjustment for increase or decrease in the cost of bitumen shall be paid in accordance with the following formula.

$$V_b = 0.85 \times P_b / 100 \times R \times (B_i - B_o) / B_o$$

V<sub>b</sub>= Increase or decrease in the cost of work done during the period under consideration due to changes in the rates of bitumen.

B<sub>o</sub>= The Average Wholesale Price of bitumen at the refinery on the day 28 days prior to date of submission of bids. The nearest refinery provided in the sanctioned estimate shall be considered.

B<sub>i</sub>= The Average Wholesale Price of bitumen at the refinery on the day 28 days prior to the last date of measurement recorded to which a particular bill payment is related.

P<sub>b</sub>= Percentage of bitumen component of the work (to be worked out for each work and provided for in the bid document).

**8. Adjustment clause for POL component shall be as follows:**

Price adjustment for increase or decrease in the cost of POL shall be paid in accordance with the following formula.

$$V_f = 0.85 \times P_f / 100 \times R \times (F_i - F_o) / F_o$$

$V_f$  = Increase or decrease in the cost of work done during the month under consideration due to changes in the rate for POL.

$F_o$  = The Average Wholesale Price of High Speed Diesel (HSD) at the existing consumer pumps of BPC at Hyderabad on the day 28 days prior to date of submission of Bids.

$F_i$  = The Average Wholesale Price of High Speed Diesel (HSD) at the existing consumer pumps of BPC at Hyderabad on the day 28 days prior to the last date of measurement recorded to which a particular bill payment is related.

$P_f$  = Percentage of POL component of the work shall be 15%.

**B) OVER HEAD CHARGES:**

- a) For Bridge works, the overhead charges shall be adopted as 19% including component of VAT.
- b) For Road works, the overhead charges shall be adopted as 10% including component of VAT.
- c) The components in the overhead charges include LA&LI/VAT/Sales Tax/ Insurance/Compensation/Site Supervision/Quality control charges and Bankers charges etc., as specified in MORTH Standard Data Book. No additional payment or reimbursement towards these components shall be claimed separately and none of them shall figure as part of estimate separately.

2. The Engineer-in-Chief (R&B) Administration shall take necessary action in the matter.

3. This order issues with the concurrence of the Finance Department vide their U.O.No.1201/106/Expr.PW/A2/06, dt. 24-2-2006.

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

BINAY KUMAR  
SECRETARY TO  
GOVERNMENT

To,  
The Engineer-in-Chief (R&B) Administration, Hyderabad .  
Copy to:  
The Accountant General, AP, Hyderabad .  
The Finance (Expr.PW) Department.  
The PS to Minister (R&B and Ports).  
The PS to Secretary to Government, TR&B Department.  
The Advisor, QC for R&B, Hyderabad .  
SF/SC

//FORWARDED BY ORDER//

SECTION OFFICER

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

R&B - Adoption of price adjustment clause for Steel, Cement, Bitumen and POL for all ongoing works - Accorded - Ordered - Orders - Issued

TRANSPORT, ROADS & BUILDINGS (R.I) DEPARTMENT  
**G.O. Ms. No. 73. Dated: 24-04-2006.**

**Read the following:**

1. From the Engineer - in-Chief (R&B) Administration, Letter No. 67252 / TA1 / AEE1 / 2005, Dt. 19-12-2005.
2. G.O.Ms.No. 35, TR&B (R.I) Department, Dt. 28-02-2006.

**ORDER:**

1. In the G.O. 2 nd read above, orders were issued to adopt price adjustment clause for Cement, Steel, Bitumen and POL for all Road and Bridge works including ROBs/RUBs where the estimate contract value is Rs.50.00 lakhs and above and where the time schedule is 6 months and above.

2. Now, under the circumstances reported by the Engineer - in- Chief (R&B) Administration, in his letter 1 st read above, Government after careful examination of the matter, here by accord permission to adopt price adjustment clause for Steel, Cement, Bitumen and POL for all ongoing / future works, subject to the following conditions:-

i) Price adjustment shall be both for increase and decrease in the prices for the works completed within the original agreement period.

ii) In addition, the price adjustment shall be for valid extension given for natural calamities duly limiting to the actual period / days lost and for portion of work where work is delayed due to land acquisition / shifting of utilities (this shall also be limited to actual length affected).

iii) The price adjustment shall be effective for all on going works and all future works for which final bills are not paid and from the date of agreement.

iv) The variation clause will be when the variation in rates is more or less than 5% of the rate provided in the technical sanctioned estimate based on which the bids are invited or All India wholesale Price Index as stipulated in G.O. 2 nd read above on the date twenty eight days prior to closing date of submission of bids, whichever is advantageous to the department.

v) The price adjustment clause will be applicable for all ongoing works irrespective of the value of work and irrespective of agreement period specified in paras 2 (i) & (ii) above. ‘

vi) For works taken up under Externally Aided Projects, the guidelines specified thereon are to be followed.

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

BINAY KUMAR  
SECRETARY TO  
GOVERNMENT

To,

The Engineer-in-Chief (R&B) Administration, Hyderabad.

Copt to: The Accountant General, A.P., Hyderabad.

The PS to Spl. Secretary to Chief Minister.

The PS to Minister for R&B and Ports.

The Finance (Expr.PW) Department.

The Irrigation & CAD Department (for necessary action to issue similar orders for their works).

The PR & RD Department. (for necessary action to issue similar orders for their works).

The MA & UD Department. (for necessary action to issue similar orders for their works).

The Energy Department. PR & RD Department. (for necessary action to issue similar orders for their works).

The Chairman. Builders' Association of India.

5 th Floor (Pent House).

Block-A, Santhi Sikhara Complex, Raj Bhavan Road , Somajiguda, Hyderabad .

The PS to Secretary to Govt., TR&B.

The Advisor, QC for R&B, Hyderabad .

//FORWARDED BY ORDER//

SECTION OFFICER

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

R&B - Application of price adjustment clause for Steel, Cement, Bitumen and POL to the World Bank aided APERP Works - Permission - Accorded - Orders - Issued.

TRANSPORT, ROADS & BUILDINGS (R.I) DEPARTMENT

**G.O. Ms. No. 123. Dated: 06-07-2006.**

#### **Read the following:**

1. G.O.Ms.No. 35, TR&B (R.I) Department, dt: 28-02-2006.
2. G.O.Ms.No. 73, TR&B (R.I) Department, dt: 24-04-2006.
3. From the CE(R&B)&MD, APRDC, Letters No. MD-APRDC/Accts/ APERP/Price Adjustment/2006, dt: 28-04-2006 and even number letter, dt: 16-05-2006

#### **ORDER:**

1. In the G.O.s. 1 st and 2 nd read above, orders were issued to adopt price adjustment clause for Steel, Cement, Bitumen and POL for all ongoing / future Road and Bridge works including ROBs / RUBs, except Externally Aided Projects, subject to certain conditions. In his letter 3 rd read above, while explaining the details of the issue, the Managing Director, APRDC, has requested to make applicable the orders issued vide G.Os. 1 st and 2 nd read above, to the World Bank aided APREP works also.
2. Government after careful examination of the matter, hereby accord permission to make applicable the orders issued in respect of adoption of price adjustment clause for Steel, Cement, Bitumen and POL vide G.O. 2 nd read above, **to the World Bank aided APERP works also**, subject to the following conditions:-
3. Shall be applicable for the works, for which final bills are not paid as on 31-03-2006 and for which valid extension period is given (i.e., without liquidated damages), with the consent of the contractor concerned.
4. To be ensured that no claims will be processed from works already concluded and bills already paid.
5. The amount of escalation due to extending the provisions of G.O. 2 nd read above, shall have to be met from the regular budget of R&B Department.
6. The Chief Engineer (R&B) & Managing Director, APRDC, shall take necessary action in the matter.

7. This order issues with the concurrence of the Finance Department vide their U.O. No. 4778/378/A2/Expr.PWD/06, dt: 05-07-2006.

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

**T. CHATTERJEE  
PRINCIPAL SECRETARY TO  
GOVERNMENT**

To,

The CE (R&B) & Managing Director, APRDC, Hyderabad .

Copy to:

The Engineer-in-Chief (R&B) Administration, Hyderabad .

The Accountant General, A.P., Hyderabad .

The Finance (Expr.PW) Department.

The PS to Prl. Secretary to Govt. (TC), TR&B.

The Advisor, QC for R&B, Hyderabad .

SF / SC

//FORWARDED BY ORDER//

**SECTION OFFICER**



ABSTRACT

R&B- Application of Price adjustment clause for Cement, Steel, POL and all other materials to all ongoing and future building works- permission – accorded- orders-Issued.

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**TRANSPORT, ROAD & BUILDINGS(R.I) DEPARTMENT**

G.O.MS.NO.233

Dated: 20.11.2006

Read the following

1. G.O.Ms.No.35, T R&B (R.I) Department, dt: 28-2.2006
2. G.O.Ms.No. 73, T R&B (R.I) Department.
3. From the Chief Engineer(R&B) Buildings.  
Lr.No.TA9/AEE3/IB/15597/04 dt: 30-5.2006 and 12-9-2006

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**ORDER**

In the G.Os 1<sup>st</sup> and 2<sup>nd</sup> read above, orders issued to adopt price adjustment for Steel, Cement, Bitumen and POL for all ongoing /future Road and Bridge works, subject to certain conditions. In his letter 3<sup>rd</sup> read above, the Chief Engineer (R&B) Buildings while explaining the details of the issue, has requested to make applicable the same to all the ongoing and future building works also.

2. Government after careful examination of the matter, hereby accord permission to make applicable the orders issued vide G.Os 1<sup>st</sup> and 2<sup>nd</sup> read above, to all ongoing building works and future building works costing more than Rs.50.00 lakhs and above, with period of completion as 6 months and above of R&B Department, for the items (i) Steel; (ii) Cement; (iii) POL; and (iv) All other Materials. No tender premium shall be allowed for the works, for which contractor's profit is included in the estimates.

3. The formula for the price adjustment for Steel, Cement and POL shall be as specified in the G.O 1<sup>st</sup> read above.

4. The formula for price adjustment for All Other Materials shall be as follows:-

$$V_m = 0.85 \times P_m c / 100 \times R \times (M_i - M_o) / M_o$$

V<sub>m</sub> = Increase or decrease in the cost of work done during the period under consideration due to changes in the rates for All Other Materials (other than Cement, Steel & POL)

P<sub>m</sub> = percentage of All other Material component of the work (to be worked out for each and provided for in the bid document)

M<sub>i</sub> = The Average Wholesale Price Index for All other Material on the day 28 days prior to the last date of the measurement recorded to which a particular bill payment is related,

M<sub>o</sub> = The Average Wholesale Price Index for All other Material on the day 28 days prior to closing date of submission of bids.

5. The above orders shall be applicable for 17 (seventeen) ongoing and 12 (twelve) ungrounded works, as mentioned in the letter 3<sup>rd</sup> read above and also for future building works.

6. The Chief Engineer (R&B) Buildings shall take necessary action in the matter

7. This order issues with the concurrence of the Chief Engineer (R&B) Buildings



U.O.No.5409/680/A2/Expr.PWD/06, dt. 10-10-2006.

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

T.CHATTERJEE  
PRINCIPAL SECRETARY TO  
GOVERNMENT

To,  
The Chief Engineer (R&B) Buildings  
Copy to:  
The Engineer-in-Chief (R&B) Administration, Hyderabad .  
The PS to Minister (R&B and Ports).  
The Finance (Expr.PW) Department.  
The PS to Principal Secretary to Government, (TC), R&B  
The Advisor, QC for R&B, Hyderabad .  
SF/SC

//FORWARDED BY ORDER//

Sd/---  
SECTION OFFICER

Memo.No. TA9/AEE1/IB/GI/15597/06

Dt: 23.12.2006.

Sub: R&B Application of Price adjustment clause for Cement, Steel, POL and all other materials to all ongoing and future building works- permission- Accorded- Orders- Issued -Regarding.

Ref- 1.G.O.Ms.No.35 T R&B (R1)department dt: 28.02.06.  
2.G.O.Ms.No.73 T R&B (R1)department dt: 24.04.06  
3.G.O.Ms.No.233 T R&B (R1)department dt: 20.11.06

&&&&&

The Government vide G.O third cited have accorded permission to adopt price adjustment for all ongoing building works and future building works costing Rs.50.00 lakhs and above, with a period of completion as 6 months and above of R&B department for the items (i) Steel, (ii) Cement, (iii) POL and (iv) All other materials.

The said G.O is applicable for 17 ongoing works and 12 ungrounded works and also for future building works. The list of works (17+ 12) is appended.

All the Superintending Engineer of (R&B) dealing with Building works are informed to follow the instructions given below regarding the sanction of working estimates including Price adjustment amount

1) The Superintending Engineer (R&B) and Executive Engineer (R&B) can sanction the working estimates including price adjustment, if any at their level with in the power vested with them under

(i) Superintending Engineer (R&B) : Para 417 (d) read with powers delegated in G O Ms No 1067 T R&B dt: 05.11.1976 and GO Ms No 292 T R&B dt: 08.09.1980  
(ii) Executive Engineer (R&B) : 428 (c) read with powers delegated in G O Ms No 1007 T R&B dt: 05.11.1976 and GO Ms No 292 T R&B dt: 08.09.1980 and relevant G Os issued from time to time without approaching this office subject to the condition that,

- a) There are no deviations in the working estimate except that of price adjustment
  - b) All the deviations in the working estimates are already approved by the Chief Engineer (R&B), Buildings /Competent Authority.
- 2) The Superintending Engineers can submit the working estimates to this office if the excess is beyond their powers of sanction stated in Para(1) above or in case when approval for items other than Price Adjustment is sought.
  - 3) The Superintending Engineers are further informed that the applicability of Price adjustment shall be subjected to the conditions stipulated in GO 3<sup>rd</sup> cited.
  - 4) Superintending Engineer, Executive Engineer (R&B), and Divisional Accounts Officer are held responsible for any deviations in calculation for Price Adjustment.

For Chief Engineer (R&B) Buildings

To,  
The Superintending Engineers of (R&B) Department dealing with Building works and requested to instruct the F Es accordingly.  
1. Copy to B B section, O/o C E(B)  
2. Copy to all Technical Assistants ( TA-7,TA-8) of Building wing.

89

Office of the Engineer-in-Chief (R&B),  
Quality Control, Planning & NABARD,  
Andhra Pradesh :: Hyderabad - 500 082

Circular Memo. No: 1814/ DCE (N)/ DEE-1/ AEE-2/ RIDF/ 2006, Dated: 21-02-2007.

Sub: (R&B) Department - NABARD works - Price adjustment - Adoption of Price adjustment clause for steel, cement, bitumen, POL and other materials for all ongoing / future works - Ceratin clarifications - Issued - Regarding.

Ref: G.O.Rt.No. 175, T, R&B (R-I) Department, Dated: 19-02-2007

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Copy of G.O. cited is herewith forwarded to the Superintending Engineers (R&B), dealing with NABARD works noted in margin and they are informed as under:

- 1) The Superintending Engineers are requested to keep in view of the contents in G.O. issued vide G.O.Ms.No. 94, Dated: 01-07-2003, G.O.Ms.No. 35, Dated: 28-02-2006 and G.O.Ms.No. 73, Dated: 24-04-2006 and also clarifications now communicated in implementing the price adjustment clause for all ongoing / future works taken up under NABARD. The applicability shall be examined critically and shall work out the price adjustment amount strictly in accordance with instructions contained in G.O. Further the entire responsibility lies in providing / implementing the clause rests with Superintending Engineers only.
- 2) Further the Superintending Engineers are hereby delegated to approve the financial implication thereof and to approve the working estimate on this account not exceeding the Technical Sanction amount including tender premium. However, if there are any deviations in execution the same shall be cleared in this office before approval of working estimate.
- 3) The receipt of this memo shall be acknowledged.

Encl: Copy of G.O.Rt.No. 175, Dated: 19-02-2007

N. RAMA RAO,  
Engineer-in-Chief (R&B),  
Quality Control, Planning  
& NABARD

To  
The Superintending Engineer (R&B),

1. Srikakulam	2. Vizianagaram	3. Visakhapatnam	4. Kakinada
5. Eluru	6. Vijayawada	7. Guntur	8. Ongole
9. Nellore	10. Kurnool	11. Anantapur	12. Kadapa
13. Chittoor	14. Khanmam	15. Waranga	16. Karimnagar
17. Adilabad	18. Mahaboobnagar	19. Medka	20. Nalgonda
21. Nizamabad	22. Rural Circle		

Copy to the Deputy Executive Engineer-1, 2 & 3, O/o Engineer-in-Chief (R&B), NABARD for information

// T.c.f.b.o. //

for Engineer in Chief (R&B),  
Quality Control, Planning

Circular Memo No. 67252/TA1/AEE1/2005

Dated 20-02-2007

**Sub : R&B –Price Adjustment – Adoption of Price Adjustment clause for Steel,  
Cement , Bitumen , POL and other materials for all on going /future works –  
Certain clarifications – GO Communicated - Regarding**

**Ref : GO Rt No.175 T R&B (RI) Department Dated 19-02-2007**

**-X-X-X-**

A copy of Government Orders cited is here with communicated to all the  
Suprintending Engineer s R&B and Executive Engineer s R&B for taking  
necessary action.

**Encl : Copy of GO Rt No.175 T R&B (RI)  
Department Dated 19-02-2007**

**For Engineer-in-Chief (R&B) Admn & Roads**

**To  
All the Superintending Engineers and Executive Engineers of (R&B) Department  
dealing with State Roads  
The EE@/EE(TEC)/EE(RS & PMS)  
All Technical Assistants of Roads Wing**

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

R&B - Price Adjustment - Adoption of price adjustment clause for Steel, Cement, Bitumen, POL and other materials for all ongoing/future works - Certain clarifications - Issued.

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TRANSPORT, ROADS & BUILDINGS (R.I) DEPARTMENT

G.O.Rt.No.175.

Dated:19-2-2007.

Read the following:

1. G.O.Ms.No.94, I&CAD Department, dt.1-7-2003.
2. G.O.Ms.No.35, TR&B (R.I) Department dt.28-2-2006.
3. G.O.Ms.No.73, TR&B (R.I) Department, dt.24-4-2006.
4. G.O.Ms.No.123, TR&B(R.I) Department, dt. 6-7-2006.
5. From the ENC(R&B)Admn&NH, Lr.No.67252/TA1/AE:1/2005 dt.22-8-2006.
6. G.O.Ms.No.233, TR&B (R.I) Department, dt.20-11-2006.

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ORDER:

In the circumstances reported by the Engineer-in-Chief(R&B)Administration&NH in his letter 5th read above. Government after careful examination of the matter, hereby issue the following clarifications for implementation of the G.Os.2nd, 3rd and 6th read above:-

- i) Price adjustment shall be applicable within the original contract period or period extended on grounds of departmental delays and shall not be applicable to extensions granted on account of contractor's fault, as envisaged in G.O.1st read above.
- ii) Price adjustment shall be applicable from the date of agreement, for all those ongoing works, where final bills are not taken by the contractor as on the date of issue of G.O Ms.No.73, dt.24-4-2006.
- iii) Price adjustment shall be applicable for the actual components/items of works actually carried out during the period of the bill.
- iv) The above orders are applicable for all works of R&B Department i.e. Roads, Bridges and Buildings works.
- v) Price adjustment shall not be applicable for 'Other Materials' in respect of Road and Bridge works and applicable for all Building works as per the G.O.6th read above.

2. The Engineer-in-Chief(R&B)Administration&Roads shall take necessary action accordingly.

3. This order issues with the concurrence of the Finance Department vide their U.O.No.35125/1000/A2/Expr.PWD/06, dt.19-2-2007.

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

I CHATTERJI  
PRINCIPAL SECRETARY TO GOVERNMENT

To  
The Engineer-in-Chief(R&B)Administration&Roads, Hyderabad

Copy to:

The PS to Spt.Secretary to CM  
The PS to Minister for R&B and Ports  
The Finance (Expr.PW) Department  
The Builder's Association of India, A.P Centre, Hyderabad.  
The PS to Prl.Secretary to Govt. I.C., TR&B  
The Advisor, Q.C. for R&B, Hyderabad  
SF/SC

FORWARDED BY ORDER

SECTION OFFICER,

GOVERNMENT OF ANDHRA PRADESH  
A B S T R A C T

Roads & Buildings – Adoption of Price Adjustment for Steel and Cement for all ongoing works of Bridges, Roads and Buildings and other Civil Works of all Departments – Further Orders – Issued.

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TRANSPORT, ROADS & BUILDINGS (R.I) DEPARTMENT

G.O.Ms.No.94

Dated:16.04.2008.  
Read the following

1. G.O.Ms.No.35, T.R & B(R.I) Dept., Dt:28.02.2006.
2. G.O.Ms.No.73, T.R & B(R.I) Dept., Dt:24.04.2006.
3. G.O.Ms.No.123, T.R & B(R.I) Dept., Dt:06.07.2006.
4. G.O.Ms.No.233, T.R & B(R.I) Dept., Dt:20.11.2006.
5. G.O.Ms.No.175, T.R & B(R.I) Dept., Dt:19.02.2007.
6. Builders' Association of India representation dated:11-04-2006.
7. Minutes of the Board of Chief Engineers, Dt:02.01.2008.
8. Minutes of the meeting held in the Chambers of Hon'ble CM on 09.04.2008 at 11.am.

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**ORDER:**

In the G.Os 1<sup>st</sup> to 5<sup>th</sup> read above, orders were issued according Price Adjustment to all the works under the control of Roads & Buildings Department viz. Roads, Bridges, Buildings and Civil Works for all ongoing and future works for the items Steel, Cement, Bitumen, POL and other items duly following the Price index rates and following the formula mentioned therein.

2. The Builders' Association of India, A.P.Centre have made representation that, hike in steel and cement etc, are causing heavy losses to them, hence it is not possible to take up the works and have requested to issue orders allowing difference in estimate rate to monthly rates instead of adopting Price Index Formula issued in G.O.Ms.No.35, T.R & B Dept., Dt:28.02.2006, in respect of items Steel and Cement.

3. The I & CAD Dept. have placed the matter before the Board of Chief Engineers. The Board of Chief Engineers have recommended for allowing monthly price adjustment based on rates fixed by the Board of Chief Engineers, provided that the agencies furnish monthly work done quantity and measures/check measures by the concerned Departmental Officers/EPC Agencies.

4. In the minutes of the meeting held on 09.04.2008 in the chambers of Hon'ble Chief Minister, it has been decided to allow monthly Price adjustment for Steel and cement. With regard to Bitumen and POL prices it is not included in this scheme, as these are being corrected by the PSU Oil companies every fortnight and being adopted by the Roads & Buildings Dept.

5. Government after careful examination of the matter accept the recommendations of the Board of Chief Engineers and minutes of meeting held on 9-04-08 and hereby allow to adopt Price adjustment for steel and cement every month in supersession of the orders issued in G.O.Ms.No.35, T.R & B Dept., Dated: 28.02.2006 and formula used for adjustment based on whole sale price index and co-efficient of 0.85 is now replaced by the absolute variation between the estimated rate and the rate approved by the Government based on the recommendation of Board of Chief Engineers for the month starting from the 1<sup>st</sup> March 2008 subject to the following conditions:-

- i) The Board of Chief Engineers shall meet on the 5<sup>th</sup> of every month and will recommend the new price to the Principal Secretary, R&B on the next day of the review for approval starting from 5<sup>th</sup> May,2008.
- ii) The Principal Secretary, R&B in consultation with the Secretary, Finance (W&P) shall issue a Order on the settled new price every month based on the Board of Chief Engineers recommendation.
- iii) The BOCE shall collect quotations from ISI approved producers for all categories of Steel including TMT and arrive at an average admissible price to be applied for the month.
- iv) The Board of Chief Engineers shall collect quotations from ISI standards cement manufacturers and similarly average rates should be adopted for the month.
- v) For Indiramma housing programme, the required increase will be RS.3,000 per unit for rural and urban individual housing. For G +, Housing Board houses taken up by the A.P.State Housing Corporation and Rajiv Swagruha programme the adjustment scheme will be applicable to meet the price contingency.
- vi) The Price adjustment shall not be limited to Rs.50.00 Lakhs and above estimated projects and a time period of 6 months and above, but shall be applied irrespective of cost estimates and time period.
- vii) For the works taken up in externally aided projects, the guidelines specified thereon are to be followed.

- viii) The price adjustment shall be applicable for all ongoing and future works. The price adjustment shall be applicable within original contract period or period extended on grounds of the departmental delays and valid reasons and shall not be applicable to the extensions granted on account of the contractors fault as envisaged in G.O.94 of I&CAD. The price adjustment shall be applicable from the date of agreement for all those ongoing works where final bills are not taken by the contractors as on the date of issue of these orders. Price adjustment shall be applicable for actual components of items of works actually carried out during the period of the bill. The above orders are applicable for all contracted works of the Government of Andhra Pradesh and Corporations, local bodies and Government Undertakings, Tirumala Tirupathi Devasthanam, etc.
- ix) The adjustment scheme will be applied in all cases where the variation between the estimated rates and Board of Chief Engineers approved rates (increase or decrease) is more than 5% for the month.
6. All the Heads of Department/Corporations, Universities dealing with PWD Works shall take action accordingly.

7. The above orders will come into effect from 01.03.2008.

8 This order issues with the concurrence of Finance Dept. vide their U.O.No.11746-B/524/A2/Expr.PW/08, Dated: 16.04.2008.

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

Dr.T.CHATTERJEE,  
PRINCIPAL SECRETARY TO GOVERNMENT

To:

The all HODs connected with Engineering works..

Copy to:

The Housing, I & CAD, Panchayat Raj, Home, Higher Education,  
School Education, Social Welfare, Tribal Welfare, Revenue,  
M.A & U.D and H.M & F.W. Depts.

The ENC (AW) I&CAD, ENC(R&B) Admn. & NH,

The Builder's Association of India,  
A.P.Centre, Hyd.

The P.S to Prl. Secy. to Govt. (TC)  
T.R & B Dept.

The Advisor, QC for R&B, Hyd.

The Technical Advisor,  
Housing Dept. & School Education Dept.

//forwarded by order//

SECTION OFFICER



GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Roads & Buildings - Adoption of Price Adjustment for steel and Cement for all ongoing works of Bridges, Roads and Buildings and other Civil works of all Departments - Further Orders - Issued - Amendment - Issued.

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TRANSPORT, ROADS & BUILDINGS (R.I) DEPARTMENT.

G.O.Ms.No. 109

Dated: 24.4.2008.  
Read

1. G.O.Ms.No. 94, TR&B (R.I) Department, dt. 16.4.2008.

\*\*\*\*\*

The following amendment to the G.O.Ms.No.94, TR&B (R.I) Department Dated: 16.04.2008. is issued:

AMENDMENT.

For para 5(v) in the said G.O. the following shall be substituted:

(v) For Indiramma housing programme, the required increase will be Rs. 3,000 per unit for rural and urban individual housing. For G+ houses taken up by the Housing Board, A.P.State Housing corporation and Rajiv Swagruha programme the adjustment scheme will be applicable to meet the price contingency.

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

Dr.T.CHATTERJEE,  
PRINCIPAL SECRETARY TO GOVERNMENT

To  
The All HODs connected with Engineering works

Copy to:

The Housing/I&CAD/Panchayat Raj/Home/ Higher Education/ School Education/ Social Welfare/Tribal Welfare/Revenue/ MA & UD and HM &FW Departments.

The ENC (AQ)I&CAD/ENC (R&B) Admn& NH

The Builder's Association of India, A.P. Center, Hyderabad

The PS to Prl.Secy. to govt. (TC),TR&B Dept.,

The Advisor, QC for R&B, Hyderabad

The Technical Advisor, Housing Dept &  
School Education Department

//FORWARDED::BY::ORDER//

SECTION OFFICER

GOVERNMENT OF ANDHRA PRADESH  
A B S T R A C T

Roads & Buildings – Adoption of Price Adjustment for Bitumen and POL for all ongoing works of Bridges, Roads and Buildings – Further Orders – Issued.

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TRANSPORT, ROADS & BUILDINGS (R.I) DEPARTMENT

G.O.Ms.No.252

Dated:28.08.2008.  
Read the following

1. G.O.Ms.No.35, T.R & B(R.I) Dept., Dt:28.02.2006.
2. G.O.Ms.No.73, T.R & B(R.I) Dept., Dt:24.04.2006.
3. G.O.Ms.No.123, T.R & B(R.I) Dept., Dt:06.07.2006.
4. G.O.Ms.No.233, T.R & B(R.I) Dept., Dt:20.11.2006.
5. G.O.Ms.No.175, T.R & B(R.I) Dept., Dt:19.02.2007.
6. G.O.Ms.No.94, T.R & B(R.I) Dept., Dt:16.04.2008.
7. Builders' Association of India representation Dt.:17-04-08.

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**ORDER:**

In the G.Os 1<sup>st</sup> to 5<sup>th</sup> read above, orders were issued according Price Adjustment to all the works under the control of Roads & Buildings Department viz. Roads, Bridges, Buildings and Civil Works for all ongoing and future works for the items Steel, Cement, Bitumen, POL and other items duly following the Price index rates and following the formula mentioned therein.

2. In the G.O. 6<sup>th</sup> read above, Government issued orders to adopt price adjustment for steel and cement every month in supersession of the orders issued in the G.O. 1<sup>st</sup> read above, and formula used for adjustment based on whole sale price index and co-efficient of 0.85 is replaced by the absolute variation between the estimated rate and the rate fixed by the Government.

3. The Builders' Association of India, A.P.Centre have made representation to adopt price adjustment for Bitumen and POL on par with Steel and Cement as envisaged in G.O. 6<sup>th</sup> read above.

4. Government after careful examination of the matter hereby allow to adopt Price adjustment for Bitumen and POL every fortnight in supersession of the orders issued in G.O.Ms.No.35, T.R & B Dept., Dated: 28.02.2006 by replacing the co-efficient of 0.85 by "1" i.e. absolute variation of the rate fixed by the Public Sector Undertakings (PSUs) subject to the following conditions:-

- i) For the price adjustment of Bitumen and POL, rate determined by the PSUs may be allowed.
- ii) The weight ages for different components taken together including those for which price adjustment is not eligible should not exceed 100%.
- iii) The final price adjustment amount should be subject to the adjustment with reference to the amount arrived on completion of work with price adjustment co-efficient of '1' instead of 0.85.

- iv) The Price adjustment shall not be limited to Rs.50.00 Lakhs and above estimated projects and a time period of 6 months and above, but shall be applied irrespective of cost estimates and time period.
- v) For the works taken up in externally aided projects, the guidelines specified thereon are to be followed.
- vi) The price adjustment shall be applicable for all ongoing and future works. The price adjustment shall be applicable within original contract period or period extended on grounds of the departmental delays and valid reasons and shall not be applicable to the extensions granted on account of the contractors fault as envisaged in G.O.94 of I&CAD Dept. The price adjustment shall be applicable for all ongoing works. Price adjustment shall be applicable for actual components of items of works actually carried out during the period of the bill. The above orders are applicable for all contracted works of the Government of Andhra Pradesh and Corporations, local bodies and Government Undertakings, Tirumala Tirupathi Devasthanam, etc.
- vii) This Order will apply only when the difference between the estimated rates of POL and Bitumen and their current price is more or less than 5%.

5. All the Heads of Department/Corporations, Universities dealing with PWD Works shall take action accordingly.

6. The above orders will come into force with effect from 01.03.2008.

7. This order issues with the concurrence of Finance Dept. vide their U.O.No.18817/876/A2/Expr.PWD/08, Dated: 04.07.2008.

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

Dr.T.CHATTERJEE,  
PRINCIPAL SECRETARY TO GOVERNMENT

To:

The all HODs connected with Engineering works..

Copy to:

The Housing, I & CAD, Panchayat Raj, Home, Higher Education,  
School Education, Social Welfare, Tribal Welfare, Revenue,  
M.A & U.D and H.M & F.W. Depts.

The ENC (AW) I&CAD, ENC(R&B) Admn. & NH,

The Builder's Association of India,  
A.P.Centre, Hyd.

The P.S to Prl. Secy. to Govt. (TC)  
T.R & B Dept.

The Advisor, QC for R&B, Hyd.

The Technical Advisor,  
Housing Dept. & School Education Dept.

//forwarded by order//

SECTION OFFICER

GOVERNMENT OF ANDHRA PRADESH  
A B S T R A C T

Roads & Buildings – Adoption of Price Adjustment for Steel and Cement for all ongoing works of Bridges, Roads and Buildings and other civil works of all Departments – Further Orders – Issued – Amendment – Issued.

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TRANSPORT, ROADS & BUILDINGS (R.I) DEPARTMENT

G.O.Ms.No.269

Dated:15.09.2008

Read:

G.O.Ms.No.94, T.R & B(R.I) Dept., Dt: 16.04.2008.

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**ORDER:**

The following amendment to the G.O.Ms.No. 94, T.R & B Dept., Dated: 16.04.2008 are issued.

A M E N D M E N T

For para 5 (viii) in the said G.O. the following shall be substituted:

- ix) The price adjustment shall be applicable for all ongoing and future works. The price adjustment shall be applicable within original contract period or period extended on grounds of departmental delays and with valid reasons and shall not be applicable to the extensions granted on account of the contractors fault as envisaged in G.O. 94, of I&CAD Dept. The price adjustment shall be applicable for ongoing works. Price adjustment shall be applicable for components of works actually carried out during the period of the bill. The above orders are applicable for all contracted works of the Government of Andhra Pradesh and Corporations, local bodies and Government Undertakings, Tirumala Tirupathi Devasthanam, etc.

2. After para 5(ix), the following shall be added:-

Government also order that all the Heads of Departments/ Corporations/Local Bodies shall ensure that the payment for Steel/Cement, where this G.O. is applicable, is limited to the lowest rate of invoice or rate fixed by the price adjustment clause whichever is less.

3. The above amendment shall come into force with effect from 01.03.2008.
4. This order issues with the concurrence of Fin. Dept. vide their U.O.No.21938-B/1053/A2/Expr.PW/08, Dt:07.08.2008.

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

Dr.T.CHATTERJEE,  
PRINCIPAL SECRETARY TO GOVERNMENT

To:

The all HODs connected with Engineering works.

Copy to:

The Housing, I&CAD, Panchayat Raj, Home Higher Education,  
School Education, Social Welfare, Tribal Welfare,

Revenue,

M.A & U.D and H.M & F.W Depts.

The ENC(AW) I&CAD, ENC(R&B) Admn. & NH,

The Builders' Association of India, Hyd.

The Advisor, QC for R&B, Hyd.

The Technical Advisor, Housing Dept. & School Education Dept.

The P.S. to Prl. Secy. to Govt. (TC), T.R & B Dept.

//forwarded by order//

SECTION OFFICER

GOVERNMENT OF ANDHRA PRADESH  
ROADS AND BUILDINGS DEPARTMENT



O/o THE ENGINEER-IN-CHIEF(R&B) ADMN&NH  
ERRAMANZIL:: HYDERABAD

Memo No.G.Os/MC//DEE/AEE5/2009

Dt: 11-02-2009

Sub: - Roads & Buildings - Adoption of Price Adjustment for other materil, Labour and Machinery for all ongoing and future building works of all Departments-Further Orders issued-And G.O. Ms No 269, T, R&B (R.I) Dept. Dt: 15.9.2008-withdrawn - Orders Issued-Communicated -Reg.

Ref: -1. G O.Ms.No. 35 of T, R&B (R.I) Dept. Dated: 30.1.2009

2. G O.Ms.No. 47 of T, R&B (R.I) Dept. Dated: 04.2.2009

\*\*\*\*\*

Copies of references cited are herewith communicated to all Superintending Engineers(R&B) for information and necessary action.

Encl: - 1. G O.Ms.No. 35 of T, R&B (R.I) Dept. Dated: 30.1.2009

2. G O.Ms.No. 47 of T, R&B (R.I) Dept. Dated: 04.2.2009

P. v. Saty 11.2.09  
For Engineer-in-Chief (R&B) Admn.& NH

11/2/2009

To  
All Superintending Engineers(R&B) I.A.R.C.

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Roads & Buildings - Adoption of Price Adjustment for Other Materials, Labour and Machinery for all ongoing and future Buildings Works of all Departments - Further Orders - Issued.

TRANSPORT, ROADS & BUILDINGS (R.I) DEPARTMENT

G.O.Ms.No.35

Dated:30.01.2009.

Read the following:

1. G.O.Ms.NO.35, T.R & B(R.I) Dept., Dt: 28.02.2006.
2. G.O.Ms.No.73, T.R & B(R.I) Dept., Dt: 24.04.2008.
3. G.O.Ms.No.123,T.R & B(R.I) Dept., Dt: 06.07.2006.
4. G.O.Ms.No.233,T.R & B(R.I) Dept., Dt: 20.11.2006.
5. G.O.Ms.No.175,T.R & B(R.I) Dept., Dt: 19.02.2007.
6. G.O.Ms.No.94, T.R & B(R.I) Dept., Dt: 16.04.2008.
7. G.O.Ms.No.252,T.R & B(R.I) Dept., Dt: 28.08.2008.
8. Builders" Association of India representation dated: 18.09.2008.
9. Discussions held in the chambers of Principal Secy. to Government, T.R & B Dept., on 23.09.2008.
10. From the ENC(R&B) Admn. & NH Lr.No.Committee of CEs meeting/AEE2/DEE1/MC/2007, Dt: 27.11.2008.

\*\*\*

**ORDER:**

In the G.O.s 6<sup>th</sup> and 7<sup>th</sup> read above, orders were issued according Price Adjustment for all the works under the control of the Government of Andhra Pradesh and Corporations, local bodies and Government Undertakings, Tirumala Tirupathi Devasthanam, Universities, APRSCL, APSPHC, APMHIDC, APSRTC Roads & Buildings Department viz. Roads, Bridges, Buildings and Civil Works for all ongoing and future works for the items Steel, Cement, Bitumen, POL and other items duly following the Price index rates and following the formula mentioned therein.

2. The Builders' Association of India, A.P.Centre have represented that, hike in 'other materials' including electrical, sanitary and labour charges are substantial and are causing them severe losses. They have requested to issue orders allowing difference in estimate rates to that of prevailing SSR rates whenever there is a change in SSR in respect of all other items, machinery and labour charges.

3. Government after careful examination of the matter hereby allow to adopt Price Adjustment for all other materials and labour charges in Building works subject to the following conditions:

i) The Price adjustment for Steel & Cement shall continue in the manner as envisaged in the G.O.6<sup>th</sup> read above along with pertinent amendments.

ii) For all other items including water supply, sanitary and electrical, labour charges and machinery charges price adjustment shall be effected in the ongoing works by adjusting the difference in estimate rates to that of prevailing SSR rates whenever there is a change in SSR.

iii) 1<sup>st</sup> - June of every year shall be the date effective for allowing the price adjustments in respect of all other materials including electrical, sanitary etc., machinery and labour charges, or the date of release of the revised SSR, whichever is later

iv) Measurements and Check-measurements shall be commensurate with the progress of work and shall form the basis for adoption of price adjustments.

v) Rate analysis for the purpose of price adjustments shall be prepared and approved by the competent authority deriving the rates from the originally estimated rates based on the current SSRs as per the applicability subject to the provisions of this order.

vi) Government shall meet the additional costs, if any, in the Indiramma housing schemes due to the applicability of the price adjustments.

vii) For Non-SSR items, where the price adjustment is applicable as per the provisions of this order, usual procedures shall be followed to finalize such rates subject to the conditions stipulated in this order.

viii) Tender premium/discount on the works are operative on the original Estimated Contract Values (ECV) and on price adjusted contract values as per the applicability subject to the conditions stipulated in this order.

ix) Contract Agreements shall be amended with work-slip statements and supplemental agreements for the applicable quantities with the modified/adjusted prices for making payments to the agencies.

x) For the works taken up in externally aided projects, the guidelines specified thereon are to be followed.

xi) The price adjustment shall be applicable for all ongoing and future works. The price adjustment shall be applicable within original contract period subject to work done within the agreement period or period extended on grounds of the Departmental delays and shall not be applicable to the extensions granted on account of the contractors fault as envisaged in G.O.Ms.NO.94, I&CAD (COD) Dept. Dt: 01.07.2003, The price adjustment shall be applicable for all those ongoing works where final bills are not taken by the contractors as on the date of issue of these orders. Price adjustment shall be applicable for actual components of items of works actually carried out during the period of the bill. The above orders are applicable for all contracted works of the Government of Andhra Pradesh and Corporations, local bodies and Government Undertakings, Tirumala Tirupathi Devasthanam, Universities, APRSCL, APSPHC, APHMHIDC, APSTRC, APHB, etc.

4. The above orders shall come into effect from 01.03.2008.

5. All the Heads of Department/Corporations, Universities dealing with PWD Works shall take action accordingly.

6. This order issues with the concurrence of Fin. Dept. vide their U.O.No.37034-B/1780/A2/Expr.PWD/08, Dated: 20.12.2008.

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

Dr.T.CHATTERJEE,  
PRINCIPAL SECRETARY TO GOVERNMENT

To:

The all HODs connected with Engineering works

Copy to:

The Housing, I&CAD, Panchayat Raj, Home, Higher Education, School Education, Social Welfare, Tribal Welfare, Revenue, M.A & U.D and H.M & F.W Depts.

The ENC(AW) I&CAD, ENC(R&B) Admn. & NH,

The Builders' Association of India, A.P.Centre, Hyd.

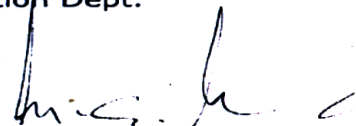
The P.S. to Prl. Secy. to Govt.(R&B) T.R & B Dept.

The Advisor, QC for R&B Hyd.

The Technical Advisor, Housing Dept. & School Education Dept.

The APRSCL, APSPHC, APHMHIDC, APSRTC, APHB.

//forwarded by order//



SECTION OFFICER



GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Roads & Buildings – Orders issued in G.O.Ms.No.269, T.R & B Dept., Dated: 15.09.2008 – Withdrawn – Orders – Issued.

TRANSPORT, ROADS & BUILDINGS (R.I) DEPARTMENT

G.O.Ms.No. 47

Dated:04.02.2009.

Read the following:

1. G.O.Ms.No.269,T.R& B(R.I) Dept., Dt:15.09.2008.
2. Representation of Builders' Association of India, Dated:08.11.2008.
3. From the ENC(AW) I&CAD Dept., Lr.No.RC/ENC (AW)/ADA/AE1/24686/Vol.VI, Dated: 05.11.2008.

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**ORDER:**

In the G.O.1<sup>st</sup> read above, orders were issued for payment of Price Adjustment for Steel/Cement, limiting further to the lowest rate of invoice or rate fixed by the price adjustment clause whichever is less.

2. The Builders' Association of India in their representation 2<sup>nd</sup> read above has requested for withdrawal or cancellation of the G.O.Ms.No.269, T.R & B Dept., Dated:15.09.2008.

3. In the letter 3<sup>rd</sup> read above, the Board of Chief Engineers (BOCEs) who has been consulted in the matter has opined that the procedure for limiting the lowest rate of invoices or the rate fixed by price adjustment clause whichever is less may lead to different rates for various works in the same month and will lead to legal and audit problems and recommended the stipulation of payment with reference to invoice to be withdrawn. Besides price adjustment for all other items are not based on invoices. Also, different prices may be paid by contractors for different quantities of the same material.

4. Government with these considerations and after careful consideration of the matter hereby withdraw the G.O.Ms.No.269, T.R & B Dept. Dated:15.09.2008.

5. All the Heads of Department connected with Engineering works shall take further action accordingly.

6. This order issues with the concurrence of Fin. Dept. vide their U.O.No.370349/1781/A2/Expr.PWD/08,Dated:19.12.08.

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

Dr.T.CHATTERJEE  
PRINCIPAL SECRETARY TO GOVERNMENT

To:

✓ The all HODs connected with Engineering works.

Copy to:

The Housing, I&CAD, Panchayat Raj, Home, Higher Education, School Education, Social Welfare, Tribal Welfare, Revenue,M.A & U.D and H.M & F.W Depts.

The ENC(AW) I&CAD, ENC(R&B) Admn. & NH,

The Builders' Association of India, Hyd.

The Advisor, QC for R&B, Hyd.

The Technical Advisor, Housing Dept. & School Education Dept.

The P.S. to Prl. Secy. to Govt. (TC), T.R & B Dept.

The ASPRSCL, APSPHC, APMHIDC, APSRTC, APHB.

3/13/09 C.M.U

//forwarded by order//

  
SECTION OFFICER

GOVERNMENT OF ANDHRA PRADESH

A B S T R A C T

R&B – Calculation format of Steel for Price Adjustment in lieu with  
G.O.Ms.No.94, T.R & B Dept. – Clarification – Issued.

TRANSPORT, ROADS & BUILDINGS (R.I) DEPARTMENT

G.O.Ms.No. 81

Dated:25.02.2009.

Read the following:

1. G.O.Ms.No.94, T.R & B Dept., Dt:16.04.2008.
2. From the Builders' Association of India representation  
Dated:29.01.2009.

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**ORDER:**

The Builders' Association of India in their representation at 1<sup>st</sup> read above, have requested to issue clarification with regard to the formulae to be applied to Steel and Cement also in addition to POL.

2. Government after careful consideration of the matter hereby clarify that the price adjustment will be applicable to all the steel items for which monthly review rates are being communicated by the Board Of Chief Engineers. In all the estimates and agreements, unit weights in respect of each steel item shall be specified and incorporated in the specification. All the measured units in the measurement books shall be converted into respective units as published by Board of Chief Engineers. The conversion into weights shall be based on standard weights. The material used shall also confirm to standard weights. The price adjustment will be based on weight only, as the rates are fixed on weight basis.

3. In respect of overlaps and wastages in fabrication of steel, the quantity for overlaps and wastages as specified in the data of the sanctioned estimate shall be added to the quantity of the steel recorded in the Measurement Books for the purpose of price adjustment.

4. All the Heads of Department/Corporations, Universities dealing with PWD Works shall take action accordingly.

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

Dr.T.CHATTERJEE,  
PRINCIPAL SECRETARY TO GOVERNMENT

To:

The all HODs connected with Engineering works..

Copy to:

The Housing, I & CAD, Panchayat Raj, Home, Higher Education,  
School Education, Social Welfare, Tribal Welfare, Revenue,  
M.A & U.D and H.M & F.W. Depts.

The ENC (AW) I&CAD, ENC(R&B) Admn. & NH,

The Builder's Association of India,  
A.P.Centre, Hyd.

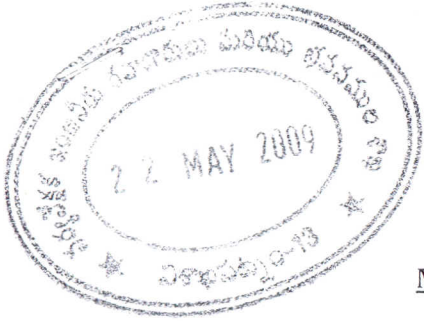
The P.S to Prl. Secy. to Govt. (TC)  
T.R & B Dept.

The Advisor, QC for R&B, Hyd.

The Technical Advisor,  
Housing Dept. & School Education Dept.

//forwarded by order//

SECTION OFFICER



GOVERNMENT OF ANDHRA PRADESH  
ROADS AND BUILDINGS DEPARTMENT

O/o Chief Engineer (R&B) CRN &  
Managing Director APRDC  
A.C. Guards, Hyderabad.

Memo No:3385/EE(CRF)/DEE 4/AEE, dt. 02-05-09.

**Sub:-** Payment of Price Adjustment in intermediate (running) bills – certain instructions communicated – Regarding.

**Ref:-** Memo No. 3385/EE (CRF)/DEE 4/AEE, dt. 24-04-2009.

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A copy of the reference cited is herewith communicated to all Superintending Engineer's (R&B) for taking necessary action.

Encl: As above.

*N. Chaitanya*  
for Chief Engineer(R&B), CRN &  
Managing Director, APRDC.

To

All the Superintending Engineers (dealing with RDC, Corenet and OPRC Works). *VISAKHAPATNAM.*  
All the Executive Engineers (dealing with RDC, Corenet and OPRC Works).  
Copy to All DEE's of DCE I and DCE II of APRDC.  
Copy to PD/GM Table.

*W.D./J.D.*  
*M. Chandrababu Naidu*  
*22/05/09*



Hence, all the Superintending Engineers / Executive Engineers are directed to ensure that the Price Adjustment is paid / recovered in accordance with various G.Os on Price Adjustment issued from time to time in each and every running account (intermediate) bill invariably. These instructions shall be followed scrupulously and failure on the part of any Executive Engineer and Divisional Accounts Officer in recovery of Price Adjustment in view of the decrease in prices of materials will be viewed very seriously and action will be taken against the defaulters and makes them as responsible for the loss caused to the Government in not taking timely action in finalization of Price adjustment.

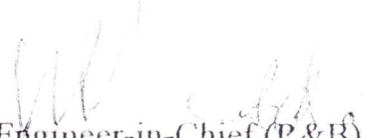
The receipt of this Circular Memo shall be acknowledged by return of post.

K. SIVA REDDY,  
ENGINEER-IN-CHIEF (R&B) ADMN. & N.H.

To

To

- All the Superintending Engineers ( dealing with CRF & Railway Safety Works)
- All the Executive Engineers (dealing with CRF & Railway Safety Works)
- All the Technical Assistants of CRF & RSW wing.
- Copy to the Engineer-in-Chief (R&B), State Roads.
- Copy to the Engineer-in-Chief (R&B), HUDCO,
- Copy to the Chief Engineer (R&B), NABARD,
- ✓ Copy to the Chief Engineer (R&B) & Managing Director, APRDC.
- Copy to the Chief Engineer (R&B) D&P.
- Copy to the Superintending Engineer (R&B) NH, O/o E-in-C (R&B), Hyd.
- Spare

  
for Engineer-in-Chief (R&B) Admn. & N.H.

