

DELHI DEVELOPMENT AUTHORITY
E.M.'S OFFICE

NO.: EM 1(10)2004/2696

DT.: 12.4.05

OFFICE MEMORANDUM NO. 572/2005

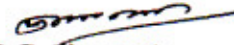
1. CPWD has introduced modified mode of deposit of earnest money vide office memorandum No. DGW/CON/203 Dated 30.09.04 Since DDA is primarily following CPWD's tendering system, this modification, as introduced by CPWD, has been examined and it has been decided to accordingly adopt the same in DDA as per modified draft given in enclosed Annexure-A.

2. C.P.W.D had also adopted modified clause 10(B)(ii) to (vi) pertaining to mobilization advance vide circular no DWG/CON/174 Dt 6.02.03 .It has also been examined and decided to introduce additional clause 10 (B) (ii) to (vi) broadly on the same pattern, however, duly modified as per DDA's requirement as given in the enclosed Annexure-B

It is, enjoined upon all concerned to ensure that these amendments and newly introduced clauses/conditions are adopted in all future N.I.Ts for DDA works.

This issues with the approval of VC, DDA with the Concurrence of F.M and EM as recorded in file No. EM2 (3) 96/DDA/Vol IX.

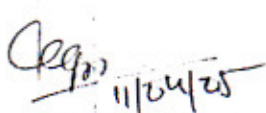
Encl.: (i) Annexure 'A'
(ii) Annexure 'B'


(S.C. Sharma)
Chief Engineer (H.Q)

1. All Chief Engineer, DDA i/c CE (QC) & CE (Elect.)(With.....spare copies for distribution among SE and EE of the Zone.)
2. All SEs, DDA i/c. SE (QC), SE (Vig.) & SE (Elect.) .(Through concerned CE/CVO.)
3. Director (MM), DDA. (With 6 spare copies for distribution among EE of the unit.)
4. Director (Hort.) South & North, DDA. (With 6 spare copies for distribution among Dy.Dir. (H) of the unit.)
5. Project Manager Flyover Gr.I & II, DDA. (With 6 spare copies for distribution among EE's of the unit.)
6. All EEs i/c EEs (QC), EEs(Vig.) & EEs (Elect.)DDA.(Through concerned CE)
7. All Dy. Directors (Hort.) South & North, DDA. .(Through concerned Director)
8. File No. EM2 (3) 96/DDA/Vol IX.

Copy for kind information to:-

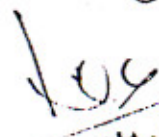
1. VC, DDA
2. EM, DDA
3. FM, DDA
4. CVO, DDA
5. CAO, DDA
6. Dir. (Works), EO -I, II, III & EE (PPC) EM's office.


EO III to EM
DDA


11.04.05

Mode of Deposit of earnest money

Clause No.	Existing	Modified Clause as drafted below is recommended to be adopted
Earnest Money	<p>The earnest money should be @ 2% of the estimated cost put to tender for all works costing upto Rs.25 Crores and for work costing more than Rs. 25 Crores, earnest money should be Rs50 Laes plus 1% of the excess over Rs.25 Crores. Earnest money may be deposited with each tender separately. Earnest money shall be deposited in any of the following manner: Cash/Currency receipt challan / Deposit at call receipt /Demand Draft of a Scheduled Bank Guaranteed by the Reserve Bank of India in favour of A.O CAU/.....DDA</p>	<p>The earnest money should be @ 2% of the estimated cost put to tender for all works costing upto Rs.25 Crores and for work costing more than Rs. 25 Crores, earnest money should be Rs50 Laes plus 1% of the excess over Rs.25 Crores. Earnest money may be deposited with each tender separately. Earnest money shall be deposited in any of the following manner: In Cash (upto Rs. 10,000/-) /currency Receipt Treasury challan/Deposit at call receipt of Scheduled Bank/fixed deposit receipt of scheduled bank/Demand Draft of a Scheduled Bank Guaranteed by the Reserve Bank of India issued in favour of.....DDA. When amount of earnest money is more than Rs.5 lakh, part of earnest money is acceptable in the form of bank guarantee also. In such case, minimum 50% of earnest money (but not less than Rs. 5 Lakh) shall be deposited in the shape as described above and for balance amount of earnest money, bank guaranty will also be acceptable in favour ofDDA.</p>

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<p>Clause 10B</p>	<p>No change in the description of clause.</p>	<p>May be read as Clause 10B (i) . No change in the description of clause.</p>
<p>(ii) Mobilisation Advance</p>	<p>Nil</p>	<p>ii) Mobilization advance not exceeding 10% of the tendered value or estimated cost put to tender or Rs.1.00 crore, which ever is less may be given, if requested by the contractor in writing within one month of the order to commence the work. In such a case, the contractor shall execute a Bank Guarantee Bond from a Scheduled Nationalised Bank as specified by the Engineer-in-Charge for the full amount of such advance is released. Such advance shall be in Two or More installments to be determined by the Engineer-in-Charge at his absolute discretion. The first installment of such advance shall be released by the Engineer-in-Charge to the contractor on a request made by the contractor to the Engineer-in-Charge in this behalf. The second and subsequent installments shall be released by the Engineer-in-Charge only after the contractor furnishes a proof of the satisfactory utilization of the earlier installment to the entire satisfaction of the Engineer-in-Charge.</p>
<p>Plant & Machinery Advance</p>	<p>Modified Clause as drafted below recommended to be adopted</p>	<p>Mobilization advance shall be admissible only for works where estimated cost put to tender is rupees two crores and above.</p> <p>iii) An advance for plant & machinery required for the work and brought to site by the Contractor may be given if requested by the contractor in writing within one month of bringing such plant and machinery to site. Such advance shall be given on such plant and machinery, which in the opinion of the Engineer-in-Charge will add to the expeditious execution of work and improve the quality of work. The amount of advance shall be restricted to 5% of tender value. In the case of new plant and equipment to be purchased for the work, the advance shall be restricted to 90% of the price of such new plant and equipment paid by the contractor for which the contractor shall produce evidence satisfactory to the Engineer-in-Charge. No such advance shall be paid on any plant and</p>

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<p>Interest and recovery</p>	<p>iv) The mobilization advance and plant and machinery advance in (ii) and (iii) above bear simple interest at the rate of 10% per annum and shall be calculated from the date of payment to the date of recovery, both days inclusive, on the outstanding amount of advance. Recovery of such sums advanced shall be made by the deduction from the contractor's bill commencing after first ten per cent of the gross value of the work is executed and paid, on pro rata percentage basis to the gross value of the work build beyond 10% in such a way that the entire advance is recovered by the time 80% of the gross value of the contract is executed and paid, together with interest due on the entire outstanding amount up to the date of recovery of the installment.</p> <p>20.10.11</p>	<p>equipment of perishable nature and on any plant and equipment of a value less than Rs. 50,000/-. Seventy five percent of such amount of advance shall be paid after the plant & equipment is brought to site and balance twenty five percent on successfully commissioning the same.</p> <p>This advance shall further be subject to the condition that such plant and equipment (a) are considered by the Engineer -in - charge to be necessary for the works; (b) and are in and are maintained in working order; (c) hypothecated to the DDA as specified by the Engineer - in - charge before the payment of advance is released. The contractor shall not be permitted to remove from the site such hypothecated plant and equipment without the prior written permission of the Engineer -in - charge. The contractor shall be responsible for maintaining such plant and equipment in good working order during the entire period of hypothecation failing which such advance shall be entirely recovered in lump sum.</p> <p>The contractor shall insure the plant and machinery for which mobilization advance is sought and given, for a sum sufficient to provide for their replacement at site. Any amount not recovered from the insurer will be borne by the contractor.</p> <p>iv)The mobilization advance and plant and machinery advance in (ii) and (iii) above bear simple interest at the rate of 10% per annum and shall be calculated from the date of payment to the date of recovery, both days inclusive, on the outstanding amount of advance. Recovery of such sums advanced shall be made by the deduction from the contractor's bill commencing after first ten per cent of the gross value of the work is executed and paid, on pro rata percentage basis to the gross value of the work build beyond 10% in such a way that the entire advance is recovered by the time 80% of the gross value of the contract is executed and paid, together with interest due on the entire outstanding amount up to the date of recovery of the installment.</p>
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v) If the circumstances are considered reasonable by the Engineer in charge, the period mentioned in (ii) and (iii) for request by the contractor in writing for grant of mobilization advance and plant and equipment advance may be extended in the discretion of the Engineer in charge.

vi) The said bank guarantee for advances shall initially be made for the full amount and valid for the contract period, and be kept renewed from time to time to cover the balance amount and likely period of complete recovery together with interest.

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