

DELHI JAL BOARD
DELHI JAL BOARD, GOVT. OF N.C.T. OF DELHI
OFFICE OF THE MEMBER (WS)
VARUNALAYA PHASE-II, KAROL BAGH, NEW DELHI-110 005.

D.F.A.

NO.F: DJB/M (WS)/2007/

Dt

OFFICE MEMORANDUM

escalation under Clause 10CC of General Conditions of Contract/Clauses of Contract is not payable for works for which stipulated period of completion is 18 months or less. CPWD vide O.M. No. DGW/CON/199 dated 02-09-2004 subsequently partially amended vide O.M. no. DGW/CON/204 dated 02-11-2004 have introduced clause 10 CA for making payment of escalation in respect of cement and steel reinforcement bars for their work where stipulated period is 18 months or less. Delhi Jal Board have also introduced the said clause in DJB Contracts but there had been demand from Delhi Jal Board Contractors Welfare Association for including M.S pipes & specials, Cast Iron pipes & specials and Ductile Iron pipes & specials in Clause 10CA for making payment of escalation for such material. The demand of Delhi Jal Board Contractor Welfare Association has been examined carefully and it was decided to include the above material under Clause 10 CA for regulating payment of escalation because these materials form the major component of works of water lines being executed by Delhi Jal Board. Clause 10 CA has been re framed and is circulated for its incorporation in the tenders to be invited hence forth.

Enclosure:- Annexure to above office memorandum Clause 10 CA

2007/

11.6.8

3-4-07

✓
to recd,
✓
HL

g
(R.K.DARG)
MEMBER(WS)

Copy forwarded to
following for their info.
in future..

CE (M...)

Fr 2(2)

- ① ESEI
- ② ESEII
- ③ Accountant

12/11/07

AM I

copy sent to all

03/4/07

CLAUSE 10 CA

If after submission of the tender, the price of cement and/or steel reinforcement bars, and/or mild steel plate/coil required to produce, pipes & specials and/or pig iron required to produce Cast iron pipes and specials and/or Ductile Pipes and specials incorporated in the works (not being a material supplied from the Engineer-in-Charge's stores in accordance with Clause 10 thereof) increase(s) beyond the price(s) prevailing at the time of the last stipulated date for receipt of tenders (including extension, if any) for the work, then the amount of the contract shall accordingly be varied and provided further that any such increase shall not be payable if such increase has become operative after the stipulated date of completion of work in question.

If after submission of the tender, the price of cement and/or steel reinforcement bars, and/or mild steel plate/coil required to produce, pipes & specials and/or pig iron required to produce Cast iron pipes and specials and/or Ductile Pipes and specials incorporated in the works (not being a material stipulated from the Engineer-in-Charge's stores in accordance with the Clause 10 thereof) is decreased, Government shall in respect of these materials incorporated in the works (not being materials supplied from the Engineer-in-Charge's stores in accordance with Clause 10 thereof) be entitled to deduct from the dues of the contractor such amount as shall be equivalent to the difference between the prices of cement and/or steel reinforcement bars, and/or mild steel plate/coil required to produce, pipes & specials and/or pig iron required to produce Cast iron pipes and specials and/or Ductile Pipes and specials as prevailed at the time of last stipulated date for receipt of tenders including extensions if any for the work and the prices of these materials on the coming into force of such base price of

- (a). Cement and/or
- (b) Steel reinforcement bars issued under authority of Director General (Works) CPWD and/or M.S. plate/coil and/or Pig Iron as provided/stipulated in the tender documents for the work under reference.

The increase/decrease in prices shall be determined by the All India Wholesale Price Indices for Cement and Steel (bars and rods) as published by Economic Adviser to Government of India. Ministry of Commerce and Industry and base price for cement and/or steel reinforcement bars as issued under authority of Director General(Works), CPWD as valid on the last stipulated date of receipt of tender, including extension if any and for the period under consideration.

The increase and decrease in prices shall be determined by the rate/price for Mild Steel Plate/Coil and Pig Iron as published/issued by M/s Steel Authority of India Limited F.O.R. Delhi and the base price of Mild Steel Plate/Coil and Pig Iron as stipulated in the tender documents for the date of receipt of tender documents including extension if any and for the period under consideration for the work under consideration.

The amount of the contract shall accordingly be varied for cement and/or steel reinforcement bars and will be worked out as per the formula given below:

- (a). Adjustment for component of 'cement'

$$Vc = Pc \times Cc \times \frac{C1 - C10}{C10}$$

Where,

- Vc: Variation in cement cost i.e. increase or decrease in the amount in rupees to be paid or recovered.
- Pc: Base price of cement as issued under authority of DG (W), CPWD valid at the time of the last stipulated date of receipt of tender including extensions, if any.

- Qc Quantity of cement used in the works since previous bill.
 Clo All India whole sale price Index for cement as published by the Economic Advisor to Government of India Ministry of Industry and Commerce as valid on the last stipulated date of receipt of tenders including extensions, if any.
 CI All India whole sale price Index for cement for period under consideration as published by Economic advisor to Government of India, Ministry of Industry and Commerce.

- (b) Adjustment for component of 'Steel'.

$$Vs = Ps \times Qs \times \frac{Sl - Sio}{Sio}$$

Where.

- Vs: Variation in cost of steel reinforcement bars i.e. increase or decrease in the amount in rupees to be paid or recovered.
 Ps: Base price of steel reinforcement bars, as issued under authority of DG (W), CPWD at the time of the last stipulated date of receipt of tender including extension, if any.
 Qs: Quantity of steel paid either by way of secure advance or used in work since previous bill (whichever is earlier).
 Sio All India Wholesale Price Index for Steel (Bars & Rods) for the period under consideration as published by Economic Advisor to Govt. of India, Ministry of Industrial and Commerce as valid on the last stipulated date of receipt of tender including extensions, if any.
 Sl All India Wholesale Price Index for Steel (Bars & Rods) for the period under consideration as published by Economic Advisor to Govt. of India, Ministry of Industry & Commerce.

Provided always that provision of the preceding Clause 10C shall not be applicable in respect of cement and/or steel reinforcement bars.

- (c) Adjustment for M.S.plate/Coil used for producing M.S. pipes & specials (By weight of pipe & specials)

$$VMs = PMs \times QMs \times \frac{CMs - CMSO}{CMSO}$$

Where.

- VMs:- Variation in plate cost used for producing pipes & specials i.e. increase or decrease in the amount in rupees to be paid or recovered.
 PMs:- Base price as stipulated in tender documents valid at the time of last stipulated date of receipt of tender including extension if any.
 QMs - Quantity of Mild Steel Plate/Coil used in the works since previous bill.
 CMSO - Sale price for Mild Steel Plate/Coil as published/issued by M/s Steel Authority of India Limited as valid on the last stipulated date of receipt of tender including extension if any.
 CMs - Sale Price for Mild Steel Plate/Coil for period under consideration as published/issued by M/s Steel Authority of India Limited.

- (d) Adjustment for Component of Pig Iron/CI and or DI pipes by weight and CI and/or D.I specials (By weight).

$$V_p = P_p \times Q_p \times \frac{C_p - C_{p0}}{C_{p0}}$$

Where,

- V_p - Variation in Pig Iron/C.I and D.I material pipes and specials cost (By weight) i.e. increase or decrease in the amount in rupees to be paid or recovered.
- P_p - Base price of Pig Iron as stipulated in the tender document valid at the time of the last stipulated date of receipt of tender including extension if any.
- Q_p - Quantity of Pig Iron/C.I and or D.I material pipes and specials (By weight) used in the works since previous bill.
- C_{p0} - Whole Sale Price Index/ rate for Pig Iron as issued by M/s Steel Authority of India Limited as valid on the last stipulated date of receipt of tenders including extension if any.
- C_p - Whole Sale Price Index/rate for Pig Iron issued for the period under consideration as issued by Steel Authority of India Limited provided always that provision of the preceding Clause 10C shall not be applicable in respect of cement and/or steel reinforcement bars.