



CENTRAL PUBLIC WORKS DEPARTMENT

OFFICE MEMORANDUM

No.DGW/CON/230

ISSUED BY AUTHORITY OF DIRECTOR GENERAL OF WORKS

NIRMAN BHAVAN, NEW DELHI

DATED: 13.03.2007

Subject: Inclusion of items other than steel and cement in Clause 10CA of General Conditions of contract, 2005.

Clause 10 CA was introduced in General Conditions of contract vide office memorandum No. DGW/CON/199 dt. 2.9.2004, to cater for variation in prices of cement and reinforcement steel bars.

The matter of inclusion of items other than steel and cement in clause 10 CA of GCC- 2005 was under the active consideration of the Department. In this connection, it has now been decided to allow items other than cement and steel for adjustment of cost of work due to variation in prices of those materials constituting a substantial cost of the work. For the purpose, following para No. 32.7.1 is added in **Work Manual 2003**.

Para 32.7.1 : - Clause 10 CA of PWD form No. 7 & 8

Clause 10 CA provides for varying the amount of contract due to increase or decrease in prices of various materials pertaining to the work.

This clause shall be applicable for allowing adjustment in cost of work due to variation in prices of costly materials constituting substantial part of the work. The NIT approving authority may consider bringing materials like cement, steel, structural steel, bitumen etc. under the ambit of this clause, after getting the same approved by ADG concerned, who shall have full powers for such approval. The material, the estimated cost of which is less than 5% of estimated cost of work and the materials like sand, stone etc. the prices of which vary from place to place, need not be considered. The items which are supplied by the department at fixed price to the contractor shall also not be considered.

All India Whole Sale Price indices for various materials is published regularly by Economic Advisor to Government of India, Ministry of Commerce and Industry which is available at their website

<http://eaindustry.nic.in> In case, for a particular material, price is not being published by Ministry of Commerce and Industry, the price indices of nearest similar material shall be followed. List of materials for which this clause is applicable and nearest similar material shall be indicated in schedule F of GCC while finalizing NIT of a work as illustrated below.

Clause 10 CA	
Material covered under this clause	Nearest material for which All India Whole sale Price Index is to be followed
1. Cement	Cement
2. Steel	Steel (bar & rods)
3. Barbed Wire	Steel Wire
4.

The base price for cement and steel is issued regularly by the Directorate. ADGs shall intimate the Directorate about inclusion of any material other than cement and steel so that base price and All India Whole Sale Price indices of such materials may also be issued by Directorate on regular basis thereafter.

In the contract where clause 10 CC is applicable, this clause shall not be operational. For materials covered under clause 10 CA, price variations under clause 10 C shall not be applicable.

Further clause 10 CA of GCC 2005 may now be read as following.

Clause 10 CA (Payment due to variation in prices of materials after receipt of tender.

If after submission of the tender, the price of the materials mentioned in schedule F increases/decreases beyond the price(s) prevailing at the time of the last stipulated date for receipt of tenders (including extensions, if any) for the work, then the amount of the contract shall accordingly be varied and provided further that any such variations shall be effected for stipulated period of contract including the justified period extended under the provisions of clause 5 of the contract without any action under clause 2.

The increase/decrease in prices shall be determined by the All India Wholesale Price Indices of materials as published by Economic Advisor to Government of India, Ministry of Commerce and Industry and base price for

materials 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. In case, price index of a particular material is not issued by Ministry of Commerce and industry then the price Index of nearest similar material as indicated in schedule F shall be followed.

The amount of the contract shall accordingly be varied for all such materials and will be worked out as per the formula given below for individual material : -

Adjustment for component of individual materials.

$$V = P \times Q \times \frac{CI - CI_o}{CI_o}$$

Where

V = Variation of material cost i.e. increase or decrease in the amount in Rupees to be paid or recovered.

P = Base Price of material as issued under authority of DG(W), CPWD valid at the time of the last stipulated date of receipt of tender including extension, if any.

Q = Quantity of material used in the work since previous bill.

CI_o = All India Wholesale Price Index for the material 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 extension, if any.

CI = All India Wholesale Price Index for the material for period under consideration as published by Economic advisory to Government of India, Ministry of Industry and Commerce.

Provided always that provisions of the preceding clause 10 C shall not be applicable in respect of materials covered in this clause.

Further schedule F of GCC is amended as follows:-

Existing	Modified	
Clause 7 : Gross work to Interim payment	No change	
No provision	Clause 10 CA	
	Materials covered under this clause	Nearest material for which All India Whole sale price Index is to be followed
	1.....
	2.....
	3.....

Clause 10CC Clause 10CC to benext column	No change	

The above modifications in Works Manual 2003 and GCC 2005 shall be applicable for all future works.

Superintending Engineer(C&M)

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