



CENTRAL PUBLIC WORKS DEPARTMENT

OFFICE MEMORANDUM

No. DGW/CON/137

ISSUED BY AUTHORITY OF DIRECTOR GENERAL OF WORKS

NIRMAN BHAWAN, NEW DELHI

March 30, 2000

BASE RATE OF LABOUR FOR PAYMENT OF ESCALATION UNDER CLAUSE 10(CC) OF GENERAL CONDITIONS OF CONTRACT FOR CPWD WORKS, 1998

A case has been reported to this Directorate where the local Government revised the minimum wages for labour with retrospective effect. The tenders were received prior to this notification of the local Government. The contractor claimed that he should be paid escalation under clause 10(CC) of the contract with base rate for labour taken that as actually existed on the last date of receipt of the tenders, not the revised rate.

The matter has been examined in this Directorate. It is clarified that even if the fair wages of labour are revised with retrospective effect by any government notification, such that the wages existing on the last date of receipt of tenders get revised after receipt of tenders, the base rate for payment of escalation to the contractor under clause 10(CC) of the General Conditions of Contract for CPWD Works shall be taken the one that actually existed prior to issue of notification revising the wages.

It shall, however, be ensured that in all such cases the contractor actually pays the arrears of wages to the labour becoming due, if any.

(P.K.Mathur)

Superintending Engineer (C&M)

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