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GOVERNMENT OF INDIA
DIRECTORATE GENERAL OF WORKS
CENTRAL PUBLIC WORKS DEPARTMENT

No. DG(W)/CON/36

New Delhi, dated: .10.90

OFFICE MEMORANDUM

Subs:- Composite contract for dismantling of existing structure and construction of new structure.

A case has come to notice of this Directorate, where a composite contract for dismantling of existing structure and construction of new structure was awarded to a contractor. The cost of dismantled material was to be recovered in installments from Running Account Bills, on the value of work done. The contractor was allowed by the Department to dismantle, sell and dispose off the dismantled material, though plans for the new construction were yet to be approved by the Local Body. Due to indefinite delay in approval of plans, the contract had to be closed. Consequently amount payable by the contractor on account of disposal of the dismantled materials was partly adjusted from Contractors' dues on other works and a major portion remained unrecovered, for which claim had to be lodged by the Department with arbitrator.

To over come such eventualities in future, it had been decided by the DG(W) that a condition may be inserted in such contracts that 'Caution Money' equivalent to 50% of the credit likely to be obtained from dismantled materials shall be deposited by the contractor before the work is taken up in hand/ site is handed over to the contractor by the Deptt. This caution money deposited shall be refunded after the cost of dismantled material is finally recovered and the site is cleared by the contractor.

P.C. Sud
(P.C. SUD)

FINANCIAL OFFICER TO DG(W)

(Issued from File No.35/3/87-DG(PM))

To

1. All CEs/SEs/EEs in CPWD (including Hort. Directorate, Delhi Admn.)
2. F.O. to DDG(BW), Deptt. of Telecom., 6th Floor, Samachar Bhavan, New Delhi-1.
3. CE(Civil) Construction Wing, AIR, Samachar Bhavan, N.Delhi.
4. SE-in-Charge, AIIMS, Ansari Nagar, New Delhi.

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