



# CENTRAL PUBLIC WORKS DEPARTMENT

## OFFICE MEMORANDUM

No.DGW/MAN/167

ISSUED BY AUTHORITY OF DIRECTOR GENERAL OF WORKS

NIRMAN BHAVAN, NEW DELHI

DATED: 01.12.2008

**Subject: Amendment of section 32.8, 32.9 and 32.10 containing Clause 10C, 10CA and 10CC of CPWD Works Manual-2007.**

Following provisions of para 32.8, 32.9 and 32.10 as contained in CPWD Works Manual 2007 stands modified as under. The modified provisions shall be applicable only in respect of the new contracts and shall not be applicable to contracts already drawn or where tenders have already been received and not finalized.

Existing Provision	Modified Provision
<b>32.8 Clause 10(C) of Forms no. CPWD 7 and 8</b> 1) Clause 10(C) provides for re-imbursement to contractor due to increase/decrease caused as a direct result of coming into force of any fresh law or statutory rule or order (but not due to any changes in sales tax/VAT), in the price of material incorporated in the works and/or wages of labour which were prevailing at the time of receipt of tender for the work. The increase should not be attributable to delay in the execution of the contract within the control of the contractor.  2) The operation of the clause includes both the increase as well as decrease in price of materials and/or the wages of labour. 3) To ensure uniformity in working out the rates so payable, <b>the rates are to be analyzed and fixed by the Superintending Engineers (P) of the Zones and approved by the Chief Engineers. The Executive Engineers can make payments on</b>	<b>32.8 Clause 10(C) of Forms no. CPWD 7 and 8</b> 1) Clause 10(C) provides for re-imbursement to contractor due to increase/decrease caused as a direct result of coming into force of any fresh law or statutory rule or order (but not due to any changes in sales tax/VAT), in the price of material incorporated in the works ( <b>excluding the materials covered under clause 10CA</b> ) and/or wages of labour <b>increased over prices/wages prevailing at the time of the last stipulated date of receipt of tenders including extensions, of any, for the work during contract period including the justified period extended under the provisions of clause 5 of the contract without any action under clause 2.</b> The increase should not be attributable to delay in the execution of the contract within the control of the contractor. 2) The operation of the clause includes both the increase as well as decrease in price of materials and/or the wages of labour. 3) To ensure uniformity in working out the rates so payable, <b>following procedure shall be followed:</b> <b>(i) Materials:</b> <b>The Increased/Decreased rates of material(s) shall be approved by Zonal Chief Engineer.</b>

<p>the basis of these rates after satisfying the other requirements of clause 10(C).</p> <p>4) Clause 10(C) forms..... in the nature of an equitable reimbursement.</p> <p>5) The claim for increase <b>shall not be payable if such increase has become operative after the stipulated date of completion of the work in question.</b></p> <p><b>32.9 Clause 10(CA) of Forms no. CPWD 7 and 8</b></p> <p>(1) Clause 10CA provides ..... constituting substantial part of the work.</p> <p>The NIT approving authority may consider bringing materials like cement, steel, structural steel, bitumen etc. under the ambit of this clause. Such list of materials (other than Cement and Steel reinforcement bars) shall be got approved from 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.</p> <p>(2) All India Whole Sale Price indices for various materials <b>is</b> published regularly by Economic Advisor to Government of India, Ministry of Commerce and Industry <b>which is</b> available at their website <a href="http://eaindustry.nic.in">http://eaindustry.nic.in</a>. In case, for a particular material, price indices 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</p>	<p>Payment/recovery shall be made by Engineer-in-Charge on the basis of theoretical consumption of materials(s) multiplied with difference in cost of such material(s) as prevailing at the time of receipt of tender and increased/decreased rates as approved by Zonal Chief Engineer.</p> <p><b>(ii) Labour:</b></p> <p>The increase/Decrease shall be approved and Paid/Recovered by Engineer-in-Charge on the basis of Increase/Decrease of wages of labour coming into force as per fresh law or statutory rule or order.</p> <p>4) Clause 10(C) forms..... in the nature of an equitable reimbursement.</p> <p>5) The claim for increase <b>over and above the prices/wages prevailing at the time of the last stipulated date of receipt of tenders including extensions, if any, for the work during contract period including the justified period extended under the provisions of clause 5 of the contract without any action under clause 2, shall be payable which shall be limited to the prices/wages prevailing at the time of stipulated date of completion or as prevailing for the period under consideration, whichever is less.</b></p> <p><b>This clause shall not be applicable where clause 10CC is applicable.</b></p> <p><b>32.9 Clause 10(CA) of Forms no. CPWD 7 and 8</b></p> <p>(1) Clause 10CA provides ..... constituting substantial part of the work.</p> <p>The NIT approving authority may consider bringing materials like cement, steel, structural steel, bitumen etc. under the ambit of this clause. Such list of materials (other than Cement and Steel reinforcement bars <b>and structural steel</b>) shall be got approved from 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.</p> <p>(2) All India Whole Sale Price indices for various materials <b>(except Cement, Steel reinforcement bars of structural steel)</b> as published regularly by Economic Advisor to Government of India, Ministry of Commerce and Industry which is available at their website <a href="http://eaindustry.nic.in">http://eaindustry.nic.in</a>. <b>and price indices for cement, steel reinforcement and structural steel as issued under the authority of Director General (Works) CPWD</b></p>
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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.....	.....

(3) 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.

### 32.10 Clause 10(CC) of Forms no. CPWD 7 and 8

1) This clause provides for variation in contract amount due to variations in price of materials, POL and/or wages of labour required for execution of work (not for the materials supplied or services rendered at fixed price in accordance with clauses 10 and 34), subject to certain conditions.

2) Clause 10(CC) will be applicable in contracts where the stipulated period for completion is more than 18 months.

3) Payment under clause 10(CC) .....  
..... for the period under

**shall be followed.** In case, for a particular material, price indices 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 <b>other then Cement reinforcement bars and structural steel</b> for which All India Whole sale Price Index is to be followed
	1 .....
	2 .....
1. Cement	3.....
2. Steel reinforcement bars	4 .....
3. Structural steel	5.....
4.....	
5 .....	

(3) The base price for cement, steel **reinforcing bars and structural steel for Delhi including Noida, Gurgaon, Faridabad and Ghaziabad** shall be issued by Director General (Works) and for other places shall be issued by concerned Zonal Chief Engineer. Base prices for other materials covered under clause 10CA shall be issued by concerned Zonal Chief Engineer. This clause shall be applicable for all the contracts.

### 32.10 Clause 10(CC) of Forms no. CPWD 7 and 8

1) This clause provides for variation in contract amount due to variations in price of materials, POL and/or wages of labour required for execution of work (not for the materials supplied or services rendered at fixed price in accordance with clauses 10 and 34 **and excluding materials covered under clause 10CA**), subject to certain conditions.

2) Clause 10(CC) will be applicable in contracts where the stipulated period for completion is more than 18 months.

3) Payment under clause 10(CC) .....  
..... for the period under

consideration whichever is lesser.

### 32.10.1 Pre-determination of all components affecting clause 10(CC)

1) The components of materials, **cement, steel**, labour and P.O.L. for every work have to be pre-determined and incorporated in the schedule 'E'. For this purpose, the works, shall be classified broadly as under:

- (i) Building works including sanitary and water supply.
- (ii) Road works and pavement works in airfields.
- (iii) Development works.
- (iv) Carriage works.
- (v) Internal electrical installations.
- (vi) External electrical works.
- (vii) Supplying and installation of machinery, like lifts, sub-stations, pump sets etc.

2) In the case of ..... categories of civil works:

Category of work	Cement + Steel + Material*	Labour	P.O.L.
Building	75%	25%	--
Road Works & pavements in airfields	90%	5%	5%
External sewerage	90%	10%	-
External water supply	95%	5%	-
Bridgework/ flyover works	70%	25%	5%

\* Further break up may be worked out.

3) The above percentage .....the detailed estimate.

4) In respect of carriage .....percentage components.

### 32.10.2 Calculation of escalation/de-escalation

1) The contractor shall prepare..... Book shall be the criterion.

2) The Executive Engineer..... respect of each work.

3) The Executive Engineer..... worked out as below:

consideration whichever is lesser.

**4) Where provisions of clause 10CC are applicable, provisions of clause 10C will not be applicable but provisions of clause 10CA will be applicable.**

### 32.10.1 Pre-determination of all components affecting clause 10(CC)

1) The components of materials (**excluding materials covered under clause 10CA**) labour and P.O.L. for every work have to be pre-determined and incorporated in the schedule 'E'. For this purpose, the works, shall be classified broadly as under:

- (i) Building works including sanitary and water supply.
- (ii) Road works and pavement works in airfields.
- (iii) Development works.
- (iv) Carriage works.
- (v) Internal electrical installations.
- (vi) External electrical works.
- (vii) Supplying and installation of machinery, like lifts, sub-stations, pump sets etc.

2) In the case of ..... categories of civil works:

Category of work	Cement + Steel + Material*	Labour	P.O.L.
Building	75%	25%	--
Road Works & pavements in airfields	90%	5%	5%
External sewerage	90%	10%	-
External water supply	95%	5%	-
Bridgework/ flyover works	70%	25%	5%

\* Further break up may be worked out.

3) The above percentage .....the detailed estimate.

4) In respect of carriage .....percentage components

### 32.10.2 Calculation of escalation/de-escalation.

1) The contractor shall prepare..... Book shall be the criterion.

2) The Executive Engineer..... respect of each work.

3) The Executive Engineer..... worked out as below:

<p>(a) Gross value of work done upto this quarter .....(A)</p> <p>(b) Gross value of work done upto the last quarter ..... (B)</p> <p>(c) Gross value of work done since previous quarter: (A – B .....(C)</p> <p>(d) Full assessed value of secured advance fresh paid in this quarter .....(D)</p> <p>(e) Full assessed value of secured advance recovered in this quarter .....(E)</p> <p>(f) Full assessed value of secured advance for which escalation is payable in this quarter: (D – E) .....(F)</p> <p>(g) Advance payment made during the quarter .....(G)</p> <p>(h) Advance payment recovered during the quarter .....(H)</p> <p>(i) Advance payment for which escalation is payable in this quarter:(G – H) .....(I)</p> <p>(j) Extra item deviated quantities of agreement items paid as per clause 12 based on prevailing market rate during this quarter .....(J)</p> <p><b>M = C + F + I – J</b></p> <p><b>N = 0.85 M</b></p> <p>(k) Less cost of materials supplied by the department as per clause 10 &amp; recovered during the quarter .....(K)</p> <p>(l) Less cost of services tendered at fixed charges as per clause 34 &amp; recovered during the quarter .....(L)</p> <p><b>(m) Cost of work for which escalation/de-escalation is applicable</b>  <b>W = N – (K +L)</b></p>	<p>(a) Gross value of work done upto this quarter .....(A)</p> <p>(b) Gross value of work done upto the last quarter ..... (B)</p> <p>(c) Gross value of work done since previous quarter: (A – B .....(C)</p> <p>(d) Full assessed value of secured advance fresh paid in this quarter .....(D)</p> <p>(e) Full assessed value of secured advance recovered in this quarter .....(E)</p> <p>(f) Full assessed value of secured advance for which escalation is payable in this quarter: (D – E) .....(F)</p> <p>(g) Advance payment made during the quarter .....(G)</p> <p>(h) Advance payment recovered during the quarter .....(H)</p> <p>(i) Advance payment for which escalation is payable in this quarter:(G – H) .....(I)</p> <p>(j) Extra item deviated quantities of agreement items paid as per clause 12 based on prevailing market rate during this quarter .....(J)</p> <p><b>Q = C + F + I – J</b></p> <p><b>R = 0.85 Q</b></p> <p>(k) Less cost of materials supplied by the department as per clause 10 &amp; recovered during the quarter .....(K)</p> <p>(l) Less cost of services tendered at fixed charges as per clause 34 &amp; recovered during the quarter .....(L)</p> <p>(m) Cost of work for which escalation/de-escalation is applicable .....(M)</p> <p><b>m) Less cost of Cement – Quantity of cement brought at site for bonafide use in the work during the quarter X Base Price of Cement : (M)</b></p> <p><b>n) Less Cost of reinforcement bars – Quantity of reinforcement bars brought at site for bonafide use in the work during the quarter X Base Price of reinforcement bars: (N)</b></p> <p><b>o) Less cost of structural Steel – Quantity of Structural Steel brought at site for bonafide use in the work during the quarter X Base Price of Structural Steel : (O)</b></p> <p><b>p) Less cost of other material covered under clause 10CA – Quantity of such Material/Materials brought at site for bonafide use in the work during the quarter covered under clause 10CA X Base Price of such Material/Materials : (P)</b></p> <p>Cost of work for which escalation/de-escalation is applicable</p> <p><b>W = R – (K +L) – (M + O +P)</b></p>
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4) All India Wholesale Price Index for civil ..... Executive Engineers under their jurisdiction. 5) Copies of all sanctions issued by ..... accepted by the Chief Engineer.	4) All India Wholesale Price Index for civil ..... Executive Engineers under their jurisdiction. 5) Copies of all sanctions issued by ..... accepted by the Chief Engineer.
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Superintending Engineer

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