

URGENT

**Himachal Pradesh
Public Works Department**

No. PW/CTR/32-20/General Instruction/2018- **18184-283**

Dated: **14/9/18**

To

All the Chief Engineers
in HP.PWD

Subject:- Issue regarding implementation of GST in the Public Works Department in work Contracts (Guidelines thereof).

This is in continuation to this office letter No. PW/CTR-32-20/Genl. Inst. GST/2018-15556-656 dated 10.08.2018 and No. PW/CTR-32-20/Genl. Inst. GST/2018-14838-937 dated 29.08.2018 vide which the instructions for implementation of GST on work contracts alongwith amendments in various clauses of the contract agreement as approved by the Govt. has been issued, which are also available on the departmental website. Some clarifications are being sought out by the various field functionaries regarding the subject cited above from time to time, for which the clarification is hereby given as under:-

1. **Rates to be quoted by the Contractors:-** All rates to be quoted by the contractors in tenders/bids shall be inclusive of GST and all liability towards GST would be borne by the contractor.
2. **Reimbursement to the contractors for the running works awarded prior to 01.07.2017:-**
The contractors, who have paid GST on the payments of running work contracts awarded before 01.07.2017 will be compensated by way of reimbursement of their claims as per formula given on Annexure – (ख), as per the following guidelines :-
 - i) The contractor will submit his claim alongwith copy of his GST return to the Executive Engineer concerned.

ii) The claim shall be checked in division office for the work done only after 01.07.2017 and recommend the same for approval to the Superintending Engineer concerned.

iii) The payment of claim shall be released to the contractor, for the amount approved by the Superintending Engineer concerned.

3.

Clause 2 A (incentive clause):- The clause 2 A shall be applicable only for the work contracts of value more than Rs.50.00 Lac, for which relevant Yes/No has to be marked in schedule "F" of the contract agreement. Also the stipulated time period for any work shall be allowed in the tender so as to avoid any undue favour to the contractor. Authority approving the DNIT will ensure that time allowed to execute the work be fixed genuinely as per nature / quantum of work.

4.

Permission/issue/accountal of cement and other materials:-

The permission/accountal of material like cement, Tor steel, Bitumen, CGI/PGI Sheets etc. shall be regulated as per guidelines given below:-

i) The cement shall be procured by the contractor at his own from the nearby godowns of civil supplies against the approval/permit issued by the concerned Executive Engineer against the requirement of particular work as per storage capacity of store of contractor at site.

ii) The contractor ledger has to be maintained simultaneously along with issue of permit of cement. The permit if any, remained unused by the contractor, that has to be returned to the concerned Executive Engineer for deduction from contractor ledger.

iii) In case the contractor obtain permit for excess quantity of cement from the permissible limits of consumption as contrary to clause 33 of contract agreement, the recovery for such excess quantity of cement taken by the contractor shall be made on the market rate (HPSCSC rate as applicable on the days of issue of last permits for such quantity) from the final bill of the contractor, however it is the responsibility of the concerned Executive Engineer to issue permit as per consumption and progress of the ongoing work.

iv) The contractor has to submit one copy of original bill of all such material like cement, Tor steel, CGI/PGI Sheets and Bitumen etc. to have check on consumption of material. It may be ensured that neither any bill of contractor shall be processed

without having copy of original bill of supply of material nor photocopy of bill shall be accepted in any case.

v) The material register viz. cement and steel etc. shall continue to be maintained as per prevailing practice by giving reference of invoice of purchase of material and material received at site of work alongwith day to day issue/consumption of material.

5. **Justification of Rates:-** The justification of rates for various items of contract agreement shall be prepared as per norms/guidelines given at Annexure-(घ) as given below:-

i) All rates of material, labour, sundries, POL and TP etc. to be taken / applied in the justification shall be "Bare rates" i.e. without any tax etc.

ii) The gross total in the formula taken from CPWD may be read as (Y+A+B) "instead of (W+X+Y+A+B) for preparing the justification of rate of any item.

You are therefore, requested to circulate these guidelines to all the field offices under your control to adhere the same in letter and spirit for all work contracts.

Engineer-in-Chief
HP.PWD., Shimla-2.

Copy forwarded for information to:-

1. The Additional Chief Secretary (PW) to the Govt. of Himachal Pradesh.
2. The Additional Chief Secretary (Finance) to the Govt. of Himachal Pradesh.
3. The Registrar HP.PWD. in this office
4. All the Superintending Engineers in HP.PWD. They may get the copy of above amendments from the Department website and ensure its immediate implementation.
5. All the Executive Engineers in HP.PWD. for necessary action.
6. The Executive Engineer, IT Cell in this office to ensure the uploading of the same on the department website immediately.
7. All the Branch Officers in this office.
8. Guard File.

Engineer-in-Chief
HP.PWD., Shimla-2