



GO (R) / JPD (Fin)
2/5

GOVERNMENT OF KERALA
Abstract

Local Self Government Department- construction of underpass at Chinnakkada, Kollam - Variations over and above the original contract value - Approved- Orders issued.

LOCAL SELF GOVERNMENT (DC) DEPARTMENT

G.O (Rt) No. 1592 /2016/LSGD.

Dated, Thiruvananthapuram, 02/05/2016

- Read :-
1. GO(Rt) No.1870/08/LSGD dated. 01.07.2008.
 2. Government Letter No.5356/DC2/2013/LSGD dated.31.03.2014
 3. Letter No. 681-2/URT-KLM/2012-15/KSUDP dated. 05.05.2015 from the Project Director ,KSUDP

ORDER

The construction of Chinnakkada Underpass (KLM-RT-01C), is an ADB funded project. Administrative Sanction was accorded for the Kerala Sustainable Urban Development Project (KSUDP) for the work and technical sanction for the project was accorded by the State Level Technical Committee. As per the Government Order read as 1st paper above, the work was awarded to L.Satheek, K. Lakshmanan & Co. for an amount of Rs. 4,50,16,703/-, which is at 58% above the estimate rate based on SOR 2007.

2. The contracts included the construction of 4.5 m high Underpass, dismantling and construction of approach road from Chinnakkada to the top of underpass, construction of underpass road to beach road and associated works. After the award, the structure was redesigned with a vertical clearance of 5.5 m instead of 4.5 m.

3. Due to nonavailability of land from the Indian Railways, 5 ½ years had elapsed in handing over of the land to the contractor for the work. The work started only on May 2014 and therefore the contractor requested for enhancement in the contract rates. The request was



favourably considered by Government and allowed an increase in contract rates to the tune of Rs. 1,35,05,010/-, as per the letter read as 2nd paper above. This was subject to the condition that the additional expenditure due to price escalation shall be borne by the Kollam Corporation. Accordingly, the revised contract value after enhancement of rate was fixed at Rs. 5,85,21,713/-.

4. Later on, certain variations were found necessary for substantial completion of the package and reopening the diverted traffic at the earliest possible time. The administrative approval for all the above works were accorded by Project Director, KSUDP from time to time. The net impact of the above variation is an increase of Rs. 4,23,19,000/- above the original contract value of Rs. 4,50,16,703/-. Thus the revised contract price comes to Rs. 8,73,35,703/- . The variation order amounting to Rs. 2.06 crore had been approved by the ADB.

5. In accordance with the delegation of powers assigned as per Project Administration Memorandum (PAM) of KSUDP, approved by the Empowered Committee, the Project Director has powers for approval of excess in quantity of Bill of quantities, extra items at BSR and non BSR rates. However, since the value of the package has increased substantially due to redesign, the matter was placed before the Empowered Committee to ratify the action of the Project Director having issued instructions to the contractor for carrying out the variations. The Empowered Committee (EC) meeting held on 28.04.2015, decided to approach Govt. for an appropriate decision and ratification of action taken by Project Director.

6. Government have examined the matter in detail and find that the variations over and above the original contract value in respect of the construction of underpass at Chinnakkada is disputed. Therefore Government deduct the amount that is disputed viz. the difference between LMR and SOR 2012 and other inadmissible expenses. In the circumstances sanction is accorded for an amount of Rs.8,58,37,531.35/- as the final gross amount including additional work in the following manner.

Net revised contract value	10,74,79,421.10
Deduct miscellaneous provision (as this amount is inadmissible)	15,00,000
Corrected revised contract value	10,59,79,421.51
Deduct claim on rate enhancement (difference between LMR and SoR 2012)	2,01,41,890.16
Final Gross amount to be considered including additional work for payment now.	<u>8,58,37,531.35</u>

The Secretary, Municipal Corporation, Kollam shall make the payment for the additional work as detailed above.

By order of the Governor,

A.P.M. MUHAMMED HANISH
Secretary to Government

To

✓ The Project Director, Kerala Sustainable Urban Development Project.
The Chief Engineer, Local Self Government Department.
The Secretary, Municipal Corporation of Kollam.
Stock file/Office Copy

Forwarded/By Order

M. Hanish

Section Officer

Copy To: The PS to the Minister (Urban Affairs)
The PA to Principal Secretary (Local Self Government Department)
The PA to Secretary (Urban Affairs)
The Finance Department (vide UO No. Dev-3/279/15/Fin. Dated.
03.12.2015 and 29/4/2016)

Stock File/OC.