

Government of India  
(Ministry of Road Transport & Highways)

Transport Bhavan,  
No. 1 Parliament Street,  
New Delhi

No RW/G-20011/8/98-WA

Dated /6 Aug. 2002

To

All Secretaries of States/Union Territories, PWDs dealing with National Highways.

**Subject:- Project Contingencies, Quality Control, W.C. Establishment, and Agency Charges – Admissible Expenditure.**

Sir,

This Ministry has been receiving representations from many State Governments seeking clarifications on items admissible for payment under Contingencies, Quality Control, W.C. Establishment provisions made in the sanctioned estimates. Some of the States have also been raising bills for payment/reimbursement for expenditure on items which should legitimately be charged to 9% Agency Charges being paid to them. After examining all the issues and the views/comments of the State Governments and other concerned, the Ministry in consultation with the Integrated Finance Wing has decided to issue the following guidelines in suppression of all previous guidelines in respect of above mentioned centages:

**1.1 Contingencies:**

The contingencies provided for in the estimates are meant to cover unanticipated items related to the work but not provided for in the Bill of Quantities of the sanctioned estimate/accepted contract. Though it may not be possible to identify these unaccounted items as the same would vary from site to site and project-to-project, some of the identified/other items relating to relevant job are as follows:-

- 1.1.1 Printing of tender forms including cost of papers & stationery and publicity by advertisement in the newspapers *subject to the condition that sale proceeds of tender forms are credited to the Central Government Account.*
- 1.1.2 Construction and maintenance of diversion roads.
- 1.1.3 Removal of unsuitable soil/tree trunks etc.
- 1.1.4 Provision of traffic regulatory/caution signboards.
- 1.1.5 Road safety and traffic regulatory measures in the nature of force majeure in emergent situations, if not provided for in contract.

- 1.1.6 Documentation charges including photographs and video filming of the construction activities (no asset will be created).
- 1.1.7 Establishment of temporary site office, store shed, watchman shed and parking places for vehicles including lighting, if required upto 15% of contingencies.
- 1.1.8 Any other item with the approval of the Ministry.

The estimates for carrying out, the above activities will be approved by the Ministry's Regional Officer on assurance/certificate by PWD that the amount provided against contingencies is available and has not been indirectly utilized by accepting higher tender rates. The State PWD will also certify that approval of estimates by RO to be charged to contingencies will not cause revision of the sanctioned estimate.

## 1.2 Quality Control:

1.2.1 The list of items covered under quality control are as under:-

### (i) Staff:

The main supervisory staff shall be from the organization set up. The quality control field staff specifically recruited/hired/transferred/shared for the specific job of the project for assisting in collection/preparation of samples, conduct of tests, movement of materials/implements/equipments, etc. depending upon the size and magnitude of the work, can be charged to this provision.

### (ii) Field Laboratory:

Cost of the new equipment/implements or the book value if transferred from other works(s) or hire charges and maintenance charges including the cost of setting up the field laboratory.

### (iii) Consumables:

Cost of the consumables like oil, chemicals, reagents, filter papers and others used for testing the samples and running the laboratory.

### (iv) Testing Charges:

The specialised testing which cannot be done by field laboratory as far as possible, shall be got done through the State, Central or other authorized and approved laboratories. The actual payments made in this regard can be charged.

### (v) Transportation:

Transportation and movement charges for the samples, equipments, staff, etc in respect of the quality control of the work/project

- (vi) Credit for the salvage/book value of the equipment, materials/implement etc.:

The credit for the residual value of the usable equipments, implements, materials, etc. which were originally charged to a particular book, determined as per prevailing practice shall be given to the work estimates on completion of the work.

- (vii) Expenditure Incurred on training of field level staff.

The objective of the training being

- (a) Familiarization with the specifications.
- (b) Knowledge of correct sampling procedure
- (c) Learning testing methodology.

- (viii) Expenditure on experiment work

For effective location specific improvements in materials and techniques.

- (ix) Purchase of computers:

The expenditure on purchase of computers up to a limit, not exceeding 20% of the amount provided for quality control under a project can be allowed. However, this amount would be subject to ceiling of Rs.5 lacs.

#### 1.2.2. Accounting:

The details of the account under this account head shall be maintained separately as is being done in case of the main work, contingencies and work charged establishment and the expenditure shall be debitabe on actual basis.

#### 1.3 Work Charged Establishment.

This provision is meant to cover expenditure on non-supervisory staff (whether regular on casual) employed specifically for execution of work such as personnel engaged on traffic regulation, road diversion, maintenance, watch & ward of stores and field office, collection and handling of samples of materials and survey work etc.

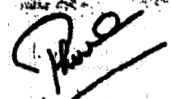
#### 1.4 Agency Charges:

The agency charges are meant to cover the following items broadly:

- 1.4.1 Pay and allowances of supervisory staff engaged in construction including TA/DA.
- 1.4.2 Office expenses of the PWD establishment including cost of stationery, Photostat, telephone bills, electric bills, rentals and fax charges etc.

- 1.4.3 Purchase and repair of vehicles required for supervisory staff and transport of materials.
- 1.4.4 Purchase of petrol/diesel/gas, oils and lubricants for cars/jeeps and other transport/inspection vehicles for supervisory staff.
- 1.4.5 Expenditure on *regular staff* required for *Preliminary Investigator* work viz. sub-soil/bearing capacity investigation and topographic/hydraulic survey etc. in preparation of project designs/estimates.
2. The above guidelines may be brought to the notice of all concerned and they be asked to follow the same in letter and spirit. In order to have efficient supervision and monitoring of projects under execution, *the field establishments may be provided with sufficient and adequate funds from Agency Charges to run their offices, and to meet expenses of petrol/diesel to run their cars/jeeps for project related works.*
3. This issues with the concurrence of the Integrated Finance wing.

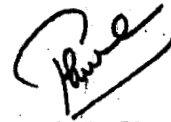
Yours faithfully,



(FAQIR CHAND)  
Superintending Engineer (Planning)  
for Director General (Road Development) & AS

Copy:-

- 1) Additional Secretary & Financial Advisor, Ministry of Road Transport & Highways, Transport Bhavan, New Delhi.
- 2) CCA, Jamnagar House, New Delhi.
- 3) All Technical Officers of the Ministry.
- 4) All State PWD C.Es dealing with NHs.
- 5) All RO's of the Ministry.
- 6) All RPAOs of the Ministry.
- 7) PPS to DG (RD) & AS.
- 8) PS to Secretary (RT&H).
- 9) All DS/US/Sections in the Roads Wing



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