



**GOVERNMENT OF KERALA**

**Abstract**

Execution of Public works through Government Accredited Agencies - Guidelines for selection and procedures for execution – Consolidated orders issued.

**FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT**

**G.O.(P) No.67/2021/Fin.**

**Dated, Thiruvananthapuram, 28.04.2021**

Read :-

1. G.O.(P) No. 408/2007/Fin dated 07/09/2007
2. G.O.(P)No. 107/2016/Fin dated 27/07/2016
3. G.O.(P) No. 95/2017/Fin dated 25/07/2017
4. G.O.(P) No. 77/2019/Fin dated 04/07/2019
5. G.O.(P) No. 161/2019/Fin dated 25/11/2019

**ORDER**

It has come to the notice of the Government that there are many Government Orders and Circulars regarding Accreditation, Selection and Execution of Public works in the State. Having examined the matter in detail, Government are pleased to issue consolidated guidelines incorporating the relevant provisions of all existing Government Orders and Circulars, in order to avoid ambiguity.

2. This Government Order will supersede all earlier Government Orders issued on the subject except Government Order read as 2<sup>nd</sup> paper above issued on criteria & guidelines for empanelling of Accredited agencies and Government Orders on list of Accredited Agencies, which will be revised from time to time, and will have immediate effect.



3. For proper execution of public works, the following definitions are quoted:-

**3.1 Project Management Consultant (PMC) :** The scope of work for the Project Management Consultant includes detailed investigation, preparation of design, drawings and detailed estimate, issue of technical sanction as per delegation, invitation of tender, evaluation of tenders, execution of agreement, supervision, measurement and check measurement , preparation and scrutiny of contract bills, ensuring performance of work during the defect liability period, etc. The agencies accredited as PMC shall execute the works through Contractors selected through a transparent bidding process with intimation to client department.

**3.2 Non Project Management Consultant (Non PMC) :** Type of Agencies which have capability to execute works directly using their own in house infrastructure facilities, man power and or cost effective techniques,etc. like Government Accredited Registered Labour Contract Cooperative Societies, Kerala State Nirmithi Kendra, District Nirmithi Kendras, COSTFORD and HABITAT.

**3.3 Governmental Accredited Agencies:** Type of Agencies, the majority share of ownership in such agencies are held by Government of India / Government of Kerala / PSUs under Central or State Government.

**3.4 Non Governmental Accredited Agencies:** This type of Agencies include Registered Labour Contract Cooperative Societies and Non Governmental Charitable Organizations registered under Government of Kerala which are accredited by Finance Department.

4. The details of types of public works are listed under Annexure. Accreditation will be granted for taking up of works listed as per this Annexure.

**Accreditation process:**

4.1 Accreditation is necessary for taking up the public works in the State by Government departments and PSUs under Government of India & Government of Kerala beyond their designated sphere of activity / their respective area of operations as defined in the Bylaw.



4.2 Accreditation for taking up public works will be considered for Governmental Agencies and Non Governmental Agencies as defined above only.

4.3 Accreditation will be issued by the Selection Committee constituted by the Additional Chief Secretary (Finance), based on evaluation of applications submitted within the prescribed time and will be valid for the period specified therein.

#### **5. When to go in for Accredited Agency:**

5.1 Under normal circumstances, the public work may be executed through the designated Engineering Department or PSU since the establishment cost of the same is met by the Government or PSU concerned and there are no additional financial commitment on account of PMC charges.

5.2 However, if there are circumstances warranting the services of Accredited Agencies like specialized nature of work, time limits fixed by the funding agency, heavy work load of the designated agency, etc. the Administrative Department may seek the services of a competent Accredited agency for the work.

#### **6. Selection of Accredited Agency :**

6.1 For all PMC and Non PMC cases, selection shall be done among the qualified Accredited agencies through a fair and transparent bidding process according to the type of work, technical requirement, PMC charges, etc only. The Administrative Department shall clearly specify whether the work is entrusted as a **PMC** for execution through the Contractors selected through transparent bidding process or as **Non PMC** for direct execution by the Agency.

#### **7. PMC Charges :**

7.1 The maximum admissible PMC / Centage Charges on the estimated value or value of work done, whichever is lower, shall not exceed the upper limit as per the details given below:



- I. For all works costing Rs. 5 Crores and above @5% subject to a minimum of Rs. 30 Lakhs.
- ii. For all works costing below Rs. 5 Crores and upto Rs. 3 Crores @6% subject to a minimum of Rs. 21 lakhs.
- iii. For all works costing below Rs. 3 Crores and upto Rs. 1 Crore @7% subject to a minimum of Rs. 8 Lakhs.
- iv. For all works costing below Rs. 1 Crore @8%.

7.2 However, in the case of works being executed directly by the accredited agencies without any bidding process, a recovery @0.50% of the estimated value or value of work done, whichever is lower, shall be effected from the Project Management Consultancy (PMC) charges for avoiding the bidding process.

7.3 In the case of entrusting part of assignments envisaged in the scope of Project Management Consultancy works, the split up of maximum consultancy charges payable shall be regulated as per the details given below:

Sl. No.	Particulars of split up	PMC @7%	PMC @6%	PMC @5%
1.	Investigation, planning, design, preparation of drawings, detailed estimates and DPR.	@2.00% subject to a minimum of Rs. 2.00 lakhs	@1.50% subject to a minimum of Rs. 6.00 lakhs	@1.50% subject to a minimum of Rs. 7.50 lakhs
2.	Preparation of tender documents, issue of tender notification including advertisement charges, evaluation of tenders, award of work and execution of contract.	@0.50% subject to a minimum of Rs. 0.50 lakhs	@0.50% subject to a minimum of Rs. 1.50 lakhs	@0.50% subject to a minimum of Rs. 2.50 lakhs
3.	Supervision, Quality Control, Measurement, Check measurement, preparation and passing of contract bills.	@4.50% subject to a minimum of Rs. 5.50 lakhs	@4.00% subject to a minimum of Rs. 13.50 lakhs	@3.00% subject to a minimum of Rs. 20 lakhs



Note: Splitting up of the PMC charges @8% in respect of works costing less than Rs.1 Crores is not admissible. Such works shall be entrusted with full scope of work envisaged for the PMC works only.

### **8. Investigation, Planning, Design & Preparation of estimates:**

8.1 Detailed investigation, design of structures and preparation of drawings are to be done before preparation of detailed estimates. The designs done through private firms shall be proof checked by competent Government agency and approved by the competent Design Wing / TS authority.

8.2 Detailed estimates shall be prepared in PRICE Software based on CPWD / MoRTH / MoRD specifications & Data, as the case may be, and prevailing DSR with applicable cost index.

8.3 The contractors profit is not admissible in the estimate rate in case the work is entrusted as a Non PMC for direct execution by the Accredited Agency.

8.4 In case any work is entrusted to any Non PMC agency for direct execution and the agency is not a Government agency, Technical sanction shall be issued by a competent Government authority, measurement & check measurement shall be done by Engineers appointed by Client department. In such cases, PMC charges payable to Non PMC agencies shall be reduced by 10% of eligible charges prescribed vide para 7.3 above.

However, no reduction in PMC charges shall be effected in the case of public works executed through the Governmental PMC Accredited Agencies for the joint check measurement by the client engineer (as client engineer is proposed in the interest of client department).

### **9. Technical Sanction:**

9.1 Technical Sanction (TS) for public works except cost effective building works undertaken by Non Governmental Agencies (NGOs) shall be issued by the competent authority of concerned Engineering Department, if available.



9.2 The Chief Engineer of Accredited Governmental Agencies shall have powers to issue Technical Sanction for public works costing up to Rs.5 Crores.

9.3 In case, if the client department is not having the adequate technical personnel competent to issue Technical Sanction (for Non Governmental Agencies) or if the cost of works costs more than Rs. 5 Crores (for Governmental Agencies), Technical Sanction shall be issued by the Government Technical Sanction Committee chaired by the Secretary of Administrative Department and comprising two serving Engineers not below the rank of Executive Engineer from Government Departments/Government PSU and Chief Engineer / General Manager of the Accredited agency as Convenor. (The above stipulation can be relaxed to the extent that in case of non availability of two serving engineers , one serving engineer can be substituted with retired engineer not below the rank of Executive Engineer).

9.4 For Departments that do not have Engineering Wing, services of retired Engineers of concerned discipline could be engaged for helping the Government Technical Sanction Committee in scrutinizing the estimate and liasoning with the Accredited agency. The remuneration to be paid for such Engineers shall be @ Rs. 35,000/- for each work or 0.10% of the Project cost, whichever is lower.

9.5 For Cost effective works, Technical Sanction shall be issued by the committee chaired by head of client department and comprising of two serving / retired engineers not below the rank of Executive Engineer and competent authority of the Accredited Agency. However, such agencies shall ensure that the construction works are completed using the cost effective techniques as per the original proposal only.

#### **10. Call of tenders and tender acceptance :**

10.1 In cases, where the work is entrusted to an Accredited agency as PMC, once the Technical Sanction is accorded by competent authority, the PMC shall tender the works on item rate through e-tender portal of Government with wide news paper publicity as per Government norms.



10.2 The PMC, after having negotiations with the LI to explore the possibility of reducing the high quoted items, as per rules is authorised to approve the tender of lowest bidder(L1) up to the least of

(i) estimated PAC or

(ii) LMR

10.3 The PMC can approve the tender of lowest bidder (L1) within DSR +10% tolerance limit or LMR, whichever is lower after obtaining prior approval of Government Secretary of Client Administrative Department. Sanction of Government shall be obtained for allowing tender excess or approval of contract PAC in excess of estimated PAC with justifications based on comparison of quoted amount with respect to the estimate amounts based on prevailing DSR and PWD local market rates.

#### **11. Execution of agreement:**

11.1 The work order to the selected contractor shall be issued by the Accredited agency. A tripartite Agreement should be executed between the Client Department, PMC and Contractor specifying the roles, duties and obligations of each party and the terms of payment for the work.

#### **12. Supervision, Measurement, Check measurement, Preparation and Passing of Contract Bills:**

12.1 Selected PMC shall ensure that the relevant stipulations in Kerala PWD Manual 2012 for supervision, measurement, check measurement, preparation and passing of contract bills, etc. in respect of public works are complied scrupulously.

12.2 While entrusting the works to Accredited Non Governmental Agencies, adequate number of competent Engineers shall be appointed by the client department for supervision, measurement and joint check measurement of works in the following order of preference:



(i) Serving Engineer of Engineering Department not below the rank of Assistant Executive Engineer /equivalent cadre of Government Departments, for works costing up to Rs. 250 lakhs and Executive Engineer/ equivalent cadre of Government Departments for above Rs. 250 lakhs only shall be eligible for performing check measurement.

(ii) Serving Engineer of PSU not below the rank of Assistant Executive Engineer/equivalent cadre of Government PSU, for works costing up to Rs. 250 lakhs and Executive Engineer / equivalent cadre of Government PSU for above Rs. 250 lakhs only shall be eligible for performing check measurement.

(iii) Retired Engineer of Central or State Engineering Departments / PSUs not below the rank of Assistant Executive Engineer/equivalent cadre of Government Departments /PSU for works costing up to Rs. 250 lakhs and Executive Engineer of Government Departments /equivalent cadre of Government Departments /Government PSU for above Rs. 250 lakhs shall be eligible for performing check measurement.

### **13. Payments to the Contractor / Release of PMC charges:**

13.1 All payments to the Contractor shall be released directly by the client department based on the recommendation of PMC.

13.2 If the Accredited agency is executing the works directly as Non PMC, payments for the work executed shall be released directly to the accredited agency based on the recommendations of the competent Engineer appointed by Client Department.

13.3 If the Accredited agency is permitted to execute the works directly (Non PMC), advance payments up to @20% value of work may be released(as advance payment). which should be adjusted in the subsequent part bills on pro-rata basis.

13.4 The PMC / Centage charges shall be released directly to the Accredited Agencies. @50% of the PMC charges may be paid at the time of issue of Technical Sanction and



the balance in two installments; (first installment after completion of 50% value of work and second installment after payment of final contracts bill of the subject work).

#### **14 General**

##### **14.1 Execution of Public works:**

All Accredited agencies executing the public works (PMC & Non PMC) shall follow provisions of KPWD / CPWD Manual, relevant Government Orders and Circulars in letter and spirit for the projects undertaken .

All procurement of goods, if any, shall be complying with the provisions in Kerala Stores Purchase Manual.

##### **14.2 Sub letting of work:**

The Accredited agency shall not sublet the work or part of the work to another Accredited agency as a Contractor/PMC. However, for specialized works like soil investigation requiring physical infrastructure may be exempted from the above condition with prior approval of Client Department.

##### **14.3 Defect Liability Period :**

The minimum defect liability period of all types of Public works entrusted to the Accredited agencies i.e. Civil, Electrical, Mechanical and Electronics works, will be regulated as per the stipulations in Government Order read as 5<sup>th</sup> paper above.

##### **14.4 Inspection Authority and Submission of reports to CTE:**

- The Chief Technical Examiner, Finance (Inspection Wing – Technical) Department, Government Secretariat, Thiruvananthapuram shall be the designated authority to conduct inspections, inquiry and offer advise on all technical and contractual matters pertaining to the Public works entrusted to the Accredited agencies.

- Government Accredited agencies shall submit the pre- measurements of prescribed items of work to the Chief Technical Examiner through the designated check measuring official within the stipulated time as per rules in force.



- In the case of Non Governmental Accredited Agencies, reporting to Chief Technical Examiner shall be done through the competent Engineer appointed by the client department, as per prevailing rules.
- All Heads of Accredited agencies shall submit the Quarterly progress report of public works costing more than Rs. 5 Crores to the Chief Technical Examiner, Finance (Inspection Wing – Technical) Department, Bank Employees Union Buildings, Pulimoodu, Thiruvananthapuram – 695001, within 10<sup>th</sup> of subsequent month, through Email id: [cte.fin@kerala.gov.in](mailto:cte.fin@kerala.gov.in) positively.

(By Order of the Governor)

**RAJESH KUMAR SINGH IAS**  
Additional Chief Secretary (FINANCE)

To

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The Accountant General (Audit-II) Kerala, Thiruvananthapuram  
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All Departments of Secretariat  
All Private Secretaries to Ministers  
Private Secretary to Chief Minister  
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The Secretary, Kerala Human Rights Commission, Thiruvananthapuram  
The Election Commissioner, State Election Commission, Thiruvananthapuram  
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