

**CLAUSE 10 CA**

If after submission of the tender, the price of materials specified in Schedule F increases/decreases beyond the base price(s) as indicated in Schedule F for the work, then the amount of the contract shall accordingly be varied and provided further that any such variations shall be effected for stipulated period of Contract including the justified period extended under the provisions of Clause 5 of the Contract without any action under Clause 2.

However for work done/during the justified period extended as above, it will be limited to indices prevailing at the time of stipulated date of completion.

The increase/decrease in prices of cement, steel reinforcement, structural steel and POL shall be determined by the Price indices issued by the Director General, CPWD. For other items provided in the Schedule 'F', this shall be determined by the All India Wholesale Price Indices of materials as published by Economic Advisor to Government of India, Ministry of Commerce and Industry. Base price for cement, steel reinforcement, structural steel and POL shall be as issued under the authority of Director General CPWD applicable for Delhi including Noida, Gurgaon, Faridabad & Ghaziabad.

The amount of the contract shall accordingly be varied for all such materials and will be worked out as per the formula given below for individual material:-

Adjustment for component of individual material

$$V = P \times Q \times \frac{CI - C_{10}}{C_{10}}$$

where,

V = Variation in material cost i.e. increase or decrease in the amount of rupees to be paid or recovered.

P = Base Price of material as issued under authority of DG, CPWD and as indicated in schedule "F"

For Projects and Original Works

Q = Quantity of material brought at site for bonafide use in the works since previous bill excluding any such quantity consumed in the deviated quantity of items beyond deviation limit and extra /substituted item, paid/to be paid at rates derived on the basis of market rate under clause 12.2.

For Maintenance Works

Q = Quantity of material brought at site for bonafide use in the works since previous bill including any such quantity consumed in the deviated quantity of items beyond deviation limit paid at agreement rate and extra /substituted item being scheduled items, but excluding non-scheduled extra /substituted item paid/to be paid at market rate under clause 12.2.

Clo = Price index for cement, steel reinforcement bars structural steel and POL as issued by the DG, CPWD and corresponding to the time of base price of respective material indicated in Schedule 'F'. For other items, if any, provided in Schedule 'F', All India Wholesale Price Index for the material as published by the Economic Advisor to Government of India, Ministry of Industry and Commerce and corresponding to the time of base price of respective material indicated in Schedule 'F'.

CI = Price index for cement, steel reinforcement bars, structural steel and POL as issued under the authority of DG, CPWD for period under consideration. For other items, if any, provided in Schedule 'F', All India Wholesale Price Index for the material for period under consideration as published by Economic Advisor to Government of India, Ministry of Industry and Commerce.

Note: (i) In respect of the justified period extended under the provisions of clause 5 of the contract without any action under clause 2, the index prevailing at the time of stipulated date of completion. Provided always that provisions of the preceding Clause 10 C shall not be applicable in respect of Materials covered in this Clause.

(ii) If during progress of work or at the time of completion of work, it is noticed that any material brought at site is in excess of requirement, then amount of escalation if paid earlier on such excess quantity of material shall be recovered on the basis of cost indices as applied at the time of payment of escalation or as prevailing at the time of effecting recovery, whichever is higher.

(iii) Cement mentioned wherever in this clause includes Cement component used in RMC brought at site from outside approved RMC plants, if any.

(iv) The date wise record of ready mix concrete shall be kept in a register and the cement consumption for the same shall be calculated accordingly.

(v) If built-up steel items are brought at site from workshop, then the variation shall be paid for the structural steel up to the period when the built up item/finished product is brought at site.

## **CLAUSE 10 CC**

If the prices of materials (not being materials supplied or services rendered at fixed prices by the department in accordance with clause 10 & 34 thereof) and/or wages of labour required for execution of the work increase, the contractor shall be compensated for such increase as per provisions detailed below and the amount of the contract shall accordingly be varied, subject to the condition that that such compensation for escalation in prices and wages shall be available only for the work done during the stipulated period of the contract including the justified period extended under the provisions of clause 5 of the contract without any action under clause 2. However, for the work done during the justified period extended as above, the compensation as detailed below will be limited to prices/wages prevailing at the time of stipulated date of completion. No such compensation shall be payable for a work for which the stipulated period of completion is equal to or less than the time as specified in Schedule F. Such compensation for

escalation in the prices of materials and labour, when due, shall be worked out based on the following provisions:-

(i) The base date for working out such escalation shall be the last stipulated date of receipt of tenders including extension, if any.

(ii) The cost of work on which escalation will be payable shall be reckoned as below :

- (a) Gross value of work done up to this quarter : (A)
- (b) Gross value of work done up to the last quarter : (B)
- (c) Gross value of work done since previous quarter (A-B) (C)
- (d) Full assessed value of Secured Advance (excluding materials Covered under Clause 10 CA) fresh paid in this quarter : (D)
- (e) Full assessed value of Secured Advance (excluding materials Covered under Clause 10 CA) recovered in this quarter : (E)
- (f) Full assessed value of Secured Advance for which escalation Payable in this quarter (D-E): (F)
- (g) Advance payment made during this quarter: (G)
- (h) Advance payment recovered during this quarter: (H)
- (i) Advance payment for which escalation is payable in this Quarter(G-H): (I)
- (j) Extra items/deviated quantities of items paid as per Clause 12

Based on prevailing market rates during this quarter: (J)

Then,  $M = C + F + I - J$

$N = 0.85 M$

(k) Less cost of material supplied by the department as per Clause 10 and recovered during the quarter

(l) Less cost of services rendered at fixed charges as per Clause 34 and recovered during the quarter

**Cost of work for which escalation is applicable:**

**$W = N - (K + L)$**

(iii) Components for materials (except cement, reinforcement bars, structural steel, POL or other materials covered under clause 10 CA) labour, etc. shall be pre-determined for every work and incorporated in the conditions of contract attached to the tender papers included in Schedule 'F'. The decision of the Engineer-in-Charge in working out such percentage shall be binding on the contractors.

(iv) The compensation for escalation for other materials (excluding cement, reinforcement bars, structural steel, POL or other materials covered under clause 10 CA) shall be worked as per the formula given below:-

(a) Adjustment for civil component (except cement, structural steel, reinforcement bars, POL and other materials covered under clause 10 CA) / electrical component of construction 'Materials'

$V_m = W \times X_m / 100 \times M_i - M_{i0} / M_{i0}$

Vm = Variation in material cost i.e. increase or decrease in the amount in rupees to be paid or recovered.

W = Cost of Work done worked out as indicated in sub-para (ii) of Clause 10CC.

Xm = Component of 'materials' (except cement, structural steel, reinforcement bars POL and other materials covered under clause 10CA) expressed as percent of the total value of work.

MI = All India Wholesale Price Index for civil component/electrical component\* of construction material as worked out on the basis of All India Wholesale Price Index for Individual Commodities/ Group Items for the period under consideration as published by Economic Advisor to Govt. of India, Ministry of Industry & Commerce and applying weightages to the Individual Commodities/Group Items. (In respect of the justified period extended under the provisions of clause 5 of the contract without any action under clause 2, the index prevailing at the time of stipulated date of completion.

Mlo = All India Wholesale Price Index for civil component/electrical component\* of construction material as worked out on the basis of All India Wholesale Price Index for Individual Commodities/Group Items valid on the last stipulated date of receipt of tender including extension, if any, as published by the Economic Advisor to Govt. of India, Ministry of Industry & Commerce and applying weightages to the Individual Commodities/Group items.

\*Note: relevant component only will be applicable.

(v) The following principles shall be followed while working out the indices mentioned in para (iv) above.

(a) The compensation for escalation shall be worked out at quarterly intervals and shall be with respect to the cost of work done as per bills paid during the three calendar months of the said quarter. The dates of preparation of bills as finally entered in the Measurement Book by the Assistant Engineer/ date of submission of bill finally by the contractor to the department in case of computerized measurement books shall be the guiding factor to decide the bills relevant to the quarterly interval. The first such payment shall be made at the end of three months after the month (excluding the month in which tender was accepted) and thereafter at three months' interval. At the time of completion of the work, the last period for payment might become less than 3 months, depending on the actual date of completion.

(b) The index (MI/FI etc.) relevant to any quarter/period for which such compensation is paid shall be the arithmetical average of the indices relevant to the three calendar months. If the period up to date of completion after the quarter covered by the last such installment of payment, is less than three months, the index MI and FI shall be the average of the indices for the months falling within that period.

(vi) The compensation for escalation for labour shall be worked out as per the formula given

below:-

$$VL = W \times Y/100 \times LI - Llo/Llo$$

VL : Variation in labour cost i.e. amount of increase or decrease in rupees to be paid or recovered.

W : Value of work done, worked out as indicated in sub-para (ii) above.

Y : Component of labour expressed as a percentage of the total value of the work.

LI : Minimum wage in rupees of an unskilled adult male mazdoor, fixed under any law, statutory rule or order as applicable on the last date of the quarter previous to the one under consideration. (In respect of the justified period extended under the provisions of clause 5 of the contract without any action under clause 2, the minimum wage prevailing on the last date of quarter previous to the quarter pertaining to stipulated date of completion.

Llo : Minimum daily wage in rupees of an unskilled adult male mazdoor, fixed under any law, statutory rule or order as on the last stipulated date of receipt of tender including extension, if any

(vii) The following principles will be followed while working out the compensation as per sub-para (vi) above.

(a) The minimum wage of an unskilled male mazdoor mentioned in sub-para (vi) above shall be the higher of the wage notified by Government of India, Ministry of Labour and that notified by the local administration both relevant to the place of work and the period of reckoning.

b) The escalation for labour also shall be paid at the same quarterly intervals when escalation due to increase in cost of materials is paid under this clause. If such revision of minimum wages takes place during any such quarterly intervals, the escalation compensation shall be payable at revised rates only for work done in subsequent quarters;

(c) Irrespective of variations in minimum wages of any category of labour, for the purpose of this clause, the variation in the rate for an unskilled adult male mazdoor alone shall form the basis for working out the escalation compensation payable on the labour component.

(viii) In the event the price of materials and/or wages of labour required for execution of the work decrease/s, there shall be a downward adjustment of the cost of work so that such price of materials and/or wages of labour shall be deductible from the cost of work under this contract and in this regard the formula herein before stated under this Clause 10CC shall mutatis mutandis apply, provided that:

(a) no such adjustment for the decrease in the price of materials and/or wages of labour as mentioned would be made in case of contracts in which the stipulated period of completion of the work is equal to or less than the time as specified in Schedule 'F'.

(b) the Engineer-in-Charge shall otherwise be entitled to lay down the procedure by which the provision of this sub-clause shall be implemented from time to time and the decision of the Engineer-in-Charge in this behalf shall be final and binding on the contractor.

(ix) Provided always that:-

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

(b) Where provisions of clause 10CC are not applicable, provisions of clause 10C and 10CA will become applicable.