

Government of Orissa
Finance Department

OFFICE MEMORANDUM

No. 496/10 /F., dated Bhubaneswar the 18 December, 2010
WF-I-(W)-15/2010

Sub: Recovery of proportionate charges on percentage basis towards cost of establishment in respect of public works executed through Government Departments.

Currently proportionate charges are being levied broadly on the basis of principles enunciated in the Central Public Works Accounts Code. However, in the meanwhile, the CPWD in Office Memorandum No.DGW/MAN/134 dated 16th March, 2006 have done away with the levy of proportionate charges on works for which Central Government are providing funds. Keeping this development in view the State Government have decided that no proportionate charges shall be levied w.e.f. 1.4.2011 on all works for which funds are provided in the Budget. Accordingly, the estimates of ongoing work shall be revised in respect of the balance work to be executed on or after 1.4.2011 and no proportionate charges shall be levied thereon.

2. In respect of Contribution and Deposit Work to be executed on behalf of other Government, Non-Government bodies & individuals etc. on turnkey basis, proportionate charges shall be levied @ 10% towards establishment charges. This revised rate would be applicable to new works to be taken up on or after 1.4.2011. The estimate for all such works shall include the revised percentage rate of proportionate charges towards cost of establishment only.

3. In case the PSUs and other Agencies wish to entrust only some components of the Project execution to the State Government's Departments in charge of the Public Works, the percentage of proportionate charges will be levied as follows.

Components of work	Percentage rate of Establishment Charges
(1)	(2)
1. Preparation of Preliminary sketches	1/2 %
2. Preparation of detailed working drawings	1%
3. Preparation of preliminary estimates	1/2 %
4. Preparation of detailed estimates / scrutiny of estimates / scrutiny of bills/ approval of plan	1%
5. Preparation of Structural designs / technical sanction.	1%
6. Execution	6%
Total :	10 %

4. All previous orders in this regard including Works Department Letter No.7411/W dated 23.4.2003 would stand modified to this extent.

5. Administrative Departments, Controlling Officers and Divisional Officers entrusted with execution of works / projects are advised to ensure that the estimates are prepared / revised and proportionate charges are levied in accordance with the instructions contained in the previous paragraphs.

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01/12/12

Principal Secretary to Government