

Government of Orissa

Finance Department

No. 5592(CS) /F Dt. 11.09.2011
WF-II-22-2011

From: Shri J.K. Mohapatra, IAS.
Principal Secretary to Govt.

To

The Principal Secretary to Govt./
Commissioner-cum-Secretary to Govt./
EIC -cum-Secretary to Govt./
Industries Department/Tourism Department/Home Department/
Water Resources Department/Works Department.

Sub: Rationalization of Supervision/Overhead charges in respect of execution of construction works allotted to Departmental Undertakings/Public Sector Undertakings.

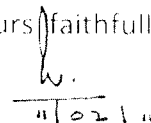
Sir,

State Government have already taken a decision that with effect from 1st April 2011 proportionate charges in respect of deposit works, to be executed on behalf of the State Government/Non-Government Bodies/Institutions on turnkey basis, shall be levied @ 10%. Necessary instructions in this regard have been indicated in Finance Department Office Memorandum No.WF-I-(W)-15/2010- 49660/F., dated 01.12.2010 (copy enclosed for reference).

02. Since the State Government have taken a decision in principle to levy supervision charges @ 10% in respect of the deposit works, it is desirable that the supervision/overhead charges being levied by the Departmental Undertakings/Public Sector Undertakings in respect of Government works allotted to them for execution by different Government Departments/Agencies is also aligned with the policy. Accordingly, overhead charges/ supervision charges in respect of State Government works allotted to the Departmental/Public Sector Undertakings under your administrative control i.e. Orissa Bridge & Construction Corporation, Orissa Bridge Housing & Welfare Corporation, Orissa Industrial Infrastructural Development Corporation, Orissa Construction Corporation and Orissa Tourism Development Corporation should be limited to 10%.

03. You are requested to issue necessary instructions to the Departmental Undertakings/PSEs to limit supervision/overhead charges within the prescribed ceiling of 10%. The reduced rate of supervision charges will, however, be applicable to the new works taken up by them on or after 1st April, 2011. In respect of ongoing works, supervision charges may be levied at the existing rates.

Yours faithfully,



Principal Secretary to Government

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Government of Orissa
Finance Department

OFFICE MEMORANDUM

No. 49640/F., dated
WF-I-(W)-15/2010

Bhubaneswar the 14 December, 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.

h.
01/12/15

Principal Secretary to Government

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19661 (230) 1/12/2010

Memo No. /F., dated

Copy to All Departments of Government / All Head of Department for information and necessary action.

49662 (4) 1/12/2010

Memo No. /F., dated

1/12/2010
Deputy Secretary to Government

Copy forwarded to Principal A.G. (CA), Orissa / A.G. (CWR&A), Orissa / Principal A.G. (A&E), Orissa / DAG, (Works), Puri for information and necessary action.

49663 (30) 1/12/2010

Memo No. /F., dated

1/12/2010
Deputy Secretary to Government

Copy forwarded to the all Chief Engineers, CCE of all Irrigation and Projects / M.D., OCC Ltd. / M.D., OBCC for information and necessary action.

49664 (4) 1/12/2010

Memo No. /F. dated

1/12/2010
Deputy Secretary to Government

Copy forwarded to the Director, MDRAFM / Director, Treasuries and Inspection, Orissa / Controller of Accounts / Examiner, LFA for information and necessary action.

49665 (120) 1/12/2010

Memo No. /F., dated

1/12/2010
Deputy Secretary to Government

Copy forwarded to all Officers and Branches of F.D. for information and necessary action.

1/12/2010
Deputy Secretary to Government