

No. NH-11023/1/87-DOI

Dated the 27th September, 1989.

Subject: Admissibility of agency charges to the State PWDs in respect of ROB/RUBs.

Sometime back Chief Engineer (NHs), Tamil Nadu PWD had requested that the State PWDs are entitled to agency charges for the RUBs/ROBs projects constructed by the Railways on account of the following exercises undertaken by the State PWDs.

- (i) Detailed investigation, selection of suitable alignment, location of the project, fixing up of road levels are all attended to by the State PWDs;
- (ii) Proposals are initiated by the State PWDs and they are also fully involved in the payment to the Railways as well.
- (iii) Work of execution of ROB/RUBs is not dealt with directly by Ministry of Surface Transport with the Railways, but through the State PWD.
- (iv) Frequent inspection of ROB/RUBs, monitoring progress, contacting Railway officials on related matters, scrutiny of estimates, modifications of estimates is all done by the officers of the State PWD.
- (v) Officers of the State PWDs accompany the officers of the Ministry for inspection of the works.
- (vi) The Railways are engaged only in construction as any other contractor.

2. This matter was discussed in a meeting by DG(RD) & Additional Secretary with the ADGs and all the Chief Engineers at Headquarters on 11th April this year. After discussing all aspects of the matter, it was observed as under:

- (a) Where the Government of India is making direct payment to the Railways for carrying out any works, no departmental charges are admissible to the State Government.
- (b) Where the State Government obtains proposals and estimates from Railways and furnish the same to the Ministry for sanction and actual payment is incurred through the State Government, normal agency charges are admissible to the State Government.

3. This issue was taken up with the Internal Finance. Finance Wing did not agree to the proposal quoted in paras 2(a) & (b) above. They categorically pointed out that whenever the job is required to be done by the Railways for which departmental charges are paid to them, the State PWDs are not entitled to the agency charges. All the technical officers in the Roads Wing, are, therefore, requested to ensure that no agency charges are allowed to the State PWDs in respect of ROB/RUBs constructed by the Railways where departmental charges are paid to the Railways.