

121.5.28

No. NH-11026/2/99-US(D.I)

Dated, the 29th October, 2001

To

The Secretaries, PWD of all States and Union Territories (Dealing with National Highways)

Subject : Permissible excess of expenditure over estimates sanctioned (original works) after 13th January, 2000

I am directed to state that the instructions issued by Ministry's Circular No.PL-30(193)/71 dated 18.10.1976 and RW/NH-11026/2/99-US(D.1) dated 13.1.2000 regarding permissible excess of expenditure over sanctioned estimate have been reviewed keeping in view the feedback received from the State PWDs seeking clarifications in this regard. In supersession of the instructions contained in the afore mentioned Ministry's circulars or other existing circulars on this subject, the following revised guidelines are hereby issued:

- 1.1. In respect of the works sanctioned before 13.1.2000, separate instruction will follow.
- 1.2. In respect of the works sanctioned after 13.1.2000, the permissible excess of the expenditure over the sanctioned cost will be 5 per cent. It would be ensured while accepting the tenders that the overall cost at tender rates including contingencies, work charge establishment and agency charges does not exceed by more than 5 per cent of the sanctioned cost.
- 1.3. While allowing the permissible excess of expenditure as per para 1.2 above, it would be ensured that the excess of the expenditure is caused only by routine factors, such as, increase in the cost of labour or materials.

1-Supersedes circular dated 13.01.2000

1.4. However, excess due to revision of scope or enlargement/reduction of work or the specifications as already approved in the sanctioned estimate would require prior approval of the Ministry.

1.5. It is further clarified that in case where the excess of expenditure is less than 5 per cent, it is not necessary to obtain technical approval and financial sanction of the Central Govt. for the revised estimate provided that the condition stipulated in para 1.3 above has been complied with. However, in all other cases, sanction of the Central Govt. for the revised estimate where the cost exceeds 5 per cent of the sanctioned cost would continue to be obtained.

2. The orders have been issued in consultation with Finance Wing of this Ministry.

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