

No.RW/G-20011/2/2001-WA. (Pl.)

Dated, the 5th December, 2001

To

All Secretaries of States/Union Territories, PWDs dealing with National Highways

Subject : Introduction of Direct Payment Procedure (DPP)-Clarifications thereof

The Direct Payment Procedure (DPP) introduced in some of the States is in vogue for quite sometime. However while following the guidelines of DPP as circulated vide Ministry's letter of even number dated 12th April 2001, some of the States as well as Ministry's Regional Officers have raised certain issues for decision/clarifications. Some of these issues concerning the limit of excess expenditure over sanctioned cost of works have already been taken care of by issue of circular vide Ministry's letter No.NH-11026/2/99-US(D.I) dated 29th Oct. 2001 and CCA's letter No.PAO/NH/DPP/2001-2002/1677-83 dated 30.10.2001. Many of other issues concerning changeable items to contingencies, work charge establishment and agency charges would be taken care of in the comprehensive circular proposed to be issued separately. Circular on items chargeable to quality control which includes purchase of computers has also been issued vide Ministry's letter No.RW/NH-11065/15/2001-P&M dated 15.11.2001. The clarifications to following issues which still remain unresolved, are as under:

#### 1.1. ROAD CUTTING CHARGES

The State PWD may utilize the road cutting charges received from other departments for making good the damages and deposit the balance amount, if any, in the Central Government's account. The estimate for making good the road cutting damages will, however, require the approval of Ministry's Regional Officer.

#### 1.2. ARBITRATOR'S FEE OR OTHER CHARGES ARBITRATION/COURT AWARDS

Such cases are to be referred to Ministry for deciding the 'Head' of payment and issue of sanction. Thereafter Regional Office can be authorized to make the payments.

#### 1.3. PAYMENT FOR MUSTER ROLL, ADVANCE PAYMENT FOR PURCHASE OF BITUMEN ETC.

Position with reference to specific cases of employment on Muster Roll may be brought out for consideration of Ministry. As regards advance payment of bitumen is concerned, a copy of letter of even No. dated 23rd July, 2001 addressed to R.O., Chandigarh giving such a clarifications and decision on some other issues which may also be of concern to you, is enclosed (see circular Code No. 121.6.21) herewith for your information.

#### 1.4. PAYMENT FOR NIT BILLS

As per Ministry's existing guidelines issued vide letter No.RW/NH-III/P/3/84 dated 11th July, 1984, the cost of printing of tender forms including cost of paper, printing and publicity etc. is to be met by the concerned State Govt. and the sale proceeds of tender forms may be appropriated by the State Govt. However, in case of mismatch between the sale proceeds and expenditure on NIT including publicity, the State Govts. are free to increase the sale price of tender forms to bridge this gap.

#### 1.5. TRANSPORTATION FOR SUPERVISORY STAFF AND EXPENDITURE ON TELEPHONE, FAX, COMPUTER STATIONERY AND PHOTOSTAT

Uttar Pradesh Govt. has represented that since the provision of 9 per cent agency charges is not enough to meet the expenses on salary and office of the PWD establishments engaged on NH works, the expenditure on their transportation from office to site of work, telephone, fax, computer stationery and photostat may be allowed to be met from contingencies and quality control provisions of the projects. This has been examined by the Ministry and since no such problem has been projected by any other state, the suggestion of Uttar Pradesh Govt. can not be agreed to. The State Govt. may review the deployment of PWD establishment, engaged on NH works in order to bring in rationality as per norms.

#### 1.6. FORM MOST 3, ANNEXURE-IV TO DPP SL.NO. 22 EXTENSION OF TIME

The word "MOST" may be deleted.