

**GOVERNMENT OF TELANGANA  
ABSTRACT**

RWS&S – TDWSP (Mission Bhagiratha) – Tenders pertaining to Telangana Drinking Water Supply Project (TDWSP) segments – certain tender conditions – Amendment – Orders – Issued.

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**PANCHAYAT RAJ AND RURAL DEVELOPMENT (RWS.IV) DEPARTMENT**

**G.O.MS.No. 128**

**Dated: 27-10-2016**

**Read the following**

1. G.O.Ms.No.57, PR&RD(RWS.IV)Dept., Dated.17.7.2015
2. From the ENC, RWS&S, Hyd Lr.No. AEE-II/DEE(Plg) /TDWSP/CE's Committee Dt.20.6.2016 & 16.9.2016.

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**ORDER:-**

In the reference 1<sup>st</sup> read above, orders were issued for inviting tenders for TDWSP works duly imposing certain conditions and guidelines.

2. In the reference 2<sup>nd</sup> read above, the ENC, RWS&S, Hyderabad has submitted proposal requesting to issue amendment and additional condition to the tender conditions with regard to payments of the following Mission Bhagiratha works;

- A. Supply of bare pipes (MS pipes),
- B. Supply of Pipes in spells,
- C. Supply of Valves.

3. The Engineer-in-Chief, Rural Water Supply & Sanitation, Hyderabad has stated that, during the review meeting held on 29.04.2016, Hon'ble Chief Minister of Telangana instructed to complete the work of laying and jointing of pipelines, especially those passing through agriculture fields, by June 2016, for the habitations to be covered by April 2017, so that agricultural activities of ryots are not hampered.

4. He has stated that in view of the projected heavy rain fall in the monsoon period and as per the instructions of the Government, action was taken to complete the laying and jointing of the pipelines, passing through concerned agriculture fields by June 2016, for habitations to be covered by April 2017, so that agriculture activities are not hampered in those agricultural fields and to complete the entire Mission Bhagiratha Project by December, 2017. Therefore, pipes are being procured at various reaches of primary and secondary lines at a time. Further due to prevailing drought condition the hydraulic test for pipeline could not be taken up simultaneously. Further during execution, problems such as, encountering hard rock in shallow depth, crossing of nalas, canals, railways etc., were encountered causing delay in laying and jointing of pipes. Therefore, though contractors have been requested to procure the pipes ahead of the schedule, payment for supply of pipes at various reaches could not be recommended, due to the existing payment conditions. As such the relaxation is necessary and recommended.

**A. Payment for supply of bare pipes (MS Pipes):**

5. The Engineer-in-Chief, Rural Water Supply & Sanitation, Hyderabad has stated that, it is a general practice that, M.S bare pipes will be procured by the agencies from manufacturers and then inner lining with cement mortar and outer coating with cement will be done at the site.

6. He has also stated that, as the major investment for supply of the finished pipes is to be made on procurement of bare pipes by the agencies, they have been requesting to consider payment for bare pipes also to facilitate cash flows. Cost of M.S bare pipe will be about 69 to 80% of the cost of finished pipe and the cost of finishing will be around 20 to 31% of cost. Therefore, cost of M.S Bare pipe is a major component in the finished pipe rate.

7. He has further informed that, keeping in view the compressed schedule of completion of the project by 2017, and the request of agencies to modify the payment conditions, to improve cash flows for meeting advanced timelines, the Chief Engineers committee deliberated and recommended to modify the agreement condition of payment, for supply of finished pipes.

8. He has also stated that, as per GO.Ms.No.94 of I&CAD(PW-COD) Dept. dated 01.07.2003, contractors have the facility to obtain mobilization advance up to 10% of the contract value of works costing more than Rs.1.00 crore against bank guarantee. Whereas in the Mission Bhagiratha works, there is no provision for mobilization advance.

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9. He has further informed that, there is a precedence in sister-department like HMWSSB to pay for MS bare pipes as follows:

- a. 70% of the agreement rate after manufacturing the pipes and testing at the factory.
- b. 15% of the agreement rate after in lining and out coating and conveyance to site of work.
- c. 10% of the agreement rate after laying, jointing.
- d. Balance 5% of the agreement rate after hydraulic field testing and refilling the line.

10. He has also informed that, the proposed modified payment for M.S. Bare pipes is less than the provisions made in agreement document of HMWS&SB.

11. He has further informed that, as per the tender or agreement condition, payment for supply of finished pipes is at the rate of 65%, in view of the reasons stated above, the Engineer-in-Chief, now, proposed to make 45% payment on supply of bare pipes and the balance 20% on completion of lining limiting the payment to the quantity approved by the concerned Chief Engineer on the basis of progress of work from time to time.

Sl.No.	Description	Diameter above 400 mm
1	Manufacture and supply of MS bare pipes and stacked at site after QC inspection by the Department.	45% of approved estimate pipe cost duly operating tender premium, limited to the quantity recommended by concerned Chief Engineer on the basis of progress of work from time to time.
2	After completion of lining and stacked at the site after inspection by the Department.	20% of approved estimate pipe cost duly operating tender premium, limited to the quantity recommended by concerned Chief Engineer on the basis of progress of work from time to time.

**B. Payment condition for supply of pipes in spells:**

12. The Engineer-in-Chief, Rural Water Supply & Sanitation, Hyderabad has submitted that as per item No 11 of GO MS No 57, and clause 45.1 of the agreement for payment of pipelines, the pipes supplied in the 1<sup>st</sup> spell shall be paid for as per the percentages stipulated. By the time the second spell of pipes arrive 50% of pipes supplied in the 1<sup>st</sup> spell will have to be laid and jointed, for being eligible for payment. By the time the 3<sup>rd</sup> spell of pipes arrive, 100% of pipes received in the 1<sup>st</sup> spell will have to be laid, jointed and hydraulically tested and 50% of pipes received in the 2<sup>nd</sup> spell will have to be laid and jointed for being eligible for payment.

13. He has also stated that, the tender condition has been incorporated with an intention to ensure simultaneous laying, jointing and testing of pipes. However, for any reason if the pipes for which payment has been made is not laid at least by 50% then the contractor is not eligible for any further payment on pipes procured further. In the process, contractors further procurement plans are getting disturbed. Therefore, keeping in view the existing tender condition, difficulties being faced during execution, compressed schedule of completion of the project by December 2017, request of agencies and to improve cash flows for meeting advanced timelines, the Chief Engineer’s committee deliberated and recommended to modify the agreement condition of payment for supply of finished pipes in spells.

14. The Chief Engineer’s committee recommended, intermediate payments to all spells of pipes supplied as per the site conditions, withholding 10% on cost of pipes, for the pipes not lowered/ laid /jointed and additional 5% on pipe cost, for not completing hydraulic test, as per the clause 45.1 of agreement condition as on billing date, limited to the quantity approved by the concerned Chief Engineer on the basis of progress of works from time to time and site conditions.

**C. Payment on Valves:-**

15. The Engineer-in-Chief, Rural Water Supply & Sanitation, Hyderabad has stated that there is no separate clause in G.O M.S. No 57 stipulating payment condition for supply of Valves. However as per Bill of Quantities (BOQ) in the agreement, this item of work is treated as single unit and payment is proposed on turnkey basis i.e cost of valves, specials and construction of chambers.

16. He has also stated that, huge number of valves like Sluice valves, Scour valves, Air valves etc are to be procured and erected in the pipelines along with laying of pipeline.

17. He has further stated that, the Committee of Chief Engineer's after deliberations, recommended for breakup payment for valves as follows:

“On supply of valves at site after inspection by the Dept., 50% payment up to 400mm dia valves and 65% payment for the valves of above 400mm dia on the cost of valve only, will be allowed with technically sanctioned estimate on supply at site, after inspection by the department excluding cost of specials, chambers and fixing charges, limited to the quantity recommended by the concerned Chief Engineer on the basis of progress of works from time to time.”

18. He has also informed that, there is a precedence in the sister-department of HMWS&SB to split payment for valves, as follows:

- a. 80% of the agreement rate for the supply, delivery, at work site.
- b. 10% of the agreement rate after lowering, fixing and jointing.
- c. Balance 10% of the agreement rate will be paid after successful hydraulic field testing and refilling of pipeline.

19. He has further informed that, the proposed modification of payment is less than the provisions made in agreement document of HMWS&SB.

20. Government after careful examination of the proposal of the Engineer-in-Chief, Rural Water Supply & Sanitation, Hyderabad hereby issue the following amendment to the orders issued in the G.O.1<sup>st</sup> read above as shown in the Annexure appended to this G.O. at Sl.No.11 regarding;

**a) Payment for MS pipes:**

FOR				READ AS		
Payment for Pipe lines				Further break up for MS Pipe Payment of 65%		
S . N O	Description	Diameter up to 400 mm	Diameter above 400 mm	S . N O	Description	Diameter above 400 mm
1	Manufacture and supply of pipes and stacked at the site after inspection by the department	50%	65%	1	Manufacture and supply of MS bare pipes and stacked at site after QC inspection by the department.	45% of approved estimated pipe cost duly operating tender premium, limited to the quantity recommended by concerned Chief Engineer on the basis of progress of work from time to time.
	The payment on supply of pipes will be on pipe rate as per percentage stipulated in tender documents.			2	After completion of lining and stacked at the site after inspection by the Department.	20% of approved estimated pipe cost duly operating tender premium, limited to the quantity recommended by concerned Chief Engineer on the basis of progress of work from time to time.

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**B. Payment conditions for supply of pipes in spells:**

FOR	READ AS
For the pipes supplied in the 1st spell, the agency shall be paid as per the percentage stipulated above in the tender document. By the time 2nd spell of pipes arrive, 50% quantity of pipes supplied in 1st spell shall have been laid and jointed and then only payment for pipes supplied in the 2nd spell shall be released. By the time third spell of pipes arrive, 100% of the first spell pipes shall have been laid, jointed and hydraulically tested for field test pressure and 50% quantity of pipes supplied in the 2nd spell pipes shall have been laid and jointed and then only payment for pipes supplied for third spell be released. Similar payment cycle shall be followed for other spells.	Intermediate payments shall be made for pipes, supplied in all spells, as per the site conditions, withholding 10% on cost of pipes, for the pipes not lowered/laid/jointed and additional 5% on pipe cost for not completing hydraulic test, as per the clause 45.1 of agreement condition as on billing date, limited to the quantity approved by the concerned Chief Engineer on the basis of progress of works from time to time and site conditions.

21. The following condition shall be added after 11<sup>th</sup> tender condition in the Annexure appended to the G.O.1<sup>st</sup> read above occurring at 12<sup>th</sup> tender condition:

**C. Payment on Valves:-**

“Intermediate payment shall be made for supply of valves at site after inspection by the Dept., at 50% for valves up to 400mm dia and at 65% for the valves of above 400mm dia, on the cost of valve only, that is allowed with technically, sanctioned estimate excluding cost of specials, chambers and fixing charges, limited to the quantity recommended by the concerned Chief Engineer on the basis of progress of works from time to time”.

22. The Engineer-in-Chief, Rural Water Supply & Sanitation, Hyderabad shall take necessary action to ensure and satisfy that, there is no room for ambiguity, misconstruction and without involvement of uncertainty or indefinite liability on the part of Government due to said modifications of the payment conditions.

23. This order issues with the concurrence of the Fin (EBS.VIII) Dept vide their U.O.No.1262/218/2016, dt.2.8.2016.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

S.P. SINGH  
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To  
The Engineer-in-Chief,  
Rural Water Supply & Sanitation, Hyderabad.  
The Chief Engineers, TDWSP, Hyderabad.

**Copy to:**

The PS to Chief Secretary to Government.  
The PS to Spl.C.S. (PR&RD) Dept.  
The PS to Addl. Secy. to CM  
The Finance (EBS.VIII) Dept  
The Law Department  
The Advisor to Govt., RWS&S.  
SC/SF.

// FORWARDED:: BY ORDER //

SECTION OFFICER