



GOVERNMENT OF KERALA

**Abstract**

FINANCE DEPARTMENT—EXECUTION OF WORKS OF GOVERNMENT THROUGH AGENCIES  
OTHER THAN PUBLIC WORKS DEPARTMENT—GUIDELINES—ISSUED

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FINANCE (IND & PW-B) DEPARTMENT

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**G. O. (P) No. 408/2007/Fin. Dated, Thiruvananthapuram, 7th September, 2007.**

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**ORDER**

A good number of Departments in Government are executing civil works through agencies other than the Public Works Department such as Kerala State Industrial and Technical Consultancy Organization Limited, Kerala Small Industries Development Corporation Limited, Kerala State Warehousing Corporation, Nirmithi Kendra, Kerala State Construction Corporation, Roads and Bridges Development Corporation of Kerala Limited, Kerala State Police Housing Construction Corporation, Kerala Agro Industries Corporation, Kerala Land Development Corporation, Kerala State Housing Board etc. However there are no clear guidelines on this issue and consequently, financially imprudent decisions and irregularities in entrusting such works are seen to be quite rampant. To remove such irregularities and to have a uniform pattern for works undertaken by agencies other than Public Works Department, Government have decided to have general guidelines in this regard.

Accordingly Government are pleased to issue the guidelines as detailed in the annexure to this Government Order for agencies other than Public Works Department which are executing civil works as well as for the Administrative Departments who are getting the works done through the said agencies for compliance in future.

By order of the Governor,

ASWINIKUMAR RAI,  
*Secretary (Finance Expenditure).*

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The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.

The Accountant General (A&E), Kerala, Thiruvananthapuram.

All Heads of Departments and Offices.

All Departments of Secretariat.

The Private Secretary to Chief Minister.

The Private Secretaries to Ministers.

The Private Secretary to the Leader of Opposition.

All Secretaries to Government.

The Secretary, Kerala Public Service Commission, Thiruvananthapuram  
(with C. L.).

The Registrar, University of Kerala/Kochi/Kozhikode/Kottayam (with C. L.).

The Registrar, Kerala Agricultural University, Thrissur (with C. L.).

The Registrar, High Court of Kerala, Ernakulam.

The Secretary, Kerala Human Rights Commission, Thiruvananthapuram.

The Advocate General, Kerala, Ernakulam (with C. L.).

The Managing Director, Kerala State Road Transport Corporation  
Thiruvananthapuram (with C. L.).

The Secretary, Kerala State Electricity Board, Thiruvananthapuram (with C. L.).

The Secretary to Governor.

## ANNEXURE

GUIDELINES TO BE FOLLOWED WHILE EXECUTING CIVIL WORKS  
THROUGH AGENCIES OTHER THAN THE P. W. D.

(i) If a civil work is to be done for the Government (including for any of the Government Department) it can be taken up only with the approval of the Government, communicated through a valid order (administrative sanction) by the competent authority (i. e. HoD), depending on the extent of delegated powers or the Government in all other cases). Constructions, if any, will have to be on Government land and the asset created will have to belong to Government. The executing agency shall not contribute to the cost of construction work, unless the Administrative Sanction specifically permits it.

(ii) If a work is being undertaken by the executing agency for any other Public Sector Undertaking, Co-operative body, autonomous institution, statutory undertaking, etc. there has to be a valid sanction by the PSU, etc. who will be meeting the cost. The funds will also have to be fully provided by such PSU, etc. Constructions, if any, will have to be on land belonging to PSU etc. Such constructions will not be undertaken on land belonging to or in the possession of the Government, unless there is a specific Government order permitting this. The asset created will belong to the PSU, etc. The executing agency shall not contribute to the cost of construction/work.

(iii) The executing agency shall not undertake constructions on their own, using their own funds or funds of others, on land that belongs to or is in the possession of the Government, including a Government Department, unless there is a valid Government sanction for this, issued in consultation with Finance Department.

(iv) The estimate for the construction for the Government must be based on the latest State Public Works Department Schedule of Rates (except in respect of Nirmithi Kendra in works where they do not follow PWD SOR). The PWD SOR will be revised hereafter with effect from April every year. Estimate shall not include any items such as "Tender excess", "Cost of land", etc.

(v) If the executing agency is not inviting tenders and are undertaking the work on their own without tenders, only the estimated amount will be payable to the executing agency. Tender excess, contractor's profit, etc. will not be payable.

(vi) The centage charges/consultancy charges, etc. payable to the executing agency shall not exceed 5% for works costing Rs. 5 crore or more, 6% for works costing Rs. 3 crore or more but below Rs. 5 crore, 7% for works costing Rs. 50 lakh or more but below Rs. 3 crore and 8% for works costing less than 50 lakh. The scope of work will include preparation of rough cost estimate, design/architectural fees, preparation of detailed estimate, tender documents and tender notices, evaluation of tenders, supervision of construction, passing of bills etc. The percentage as above shall apply to the estimate amount or the actual cost of construction, whichever is lower. This should be shown separately in the estimate while issuing Administrative Sanction. Service tax (currently 12.2%) on the charges/fees (and not on the project cost) can also be paid.

(vii) Technical Sanction for civil works for the Government can be issued by the executing agency, provided cost of the work (including centage/consultancy charges) does not exceed the Administrative Sanction amount by more than 15%. If the revised cost exceeds 15% before TS is issued by the executing agency, revised A. S. should be issued by the competent authority.

(viii) For giving tender excess, the power of executing agency will be that of Chief Engineer as ordered by Government from time to time (presently, 5% for works in excess of Rs. 1 crore). For approving tender excess over and above such limits, approval of the Tender Committee in Government must be taken. The Secretary to Government concerned (from whose budget the expenditure is being met) shall move PWD Secretary with the details as per pro forma prescribed by Public Works Department. The Secretary to Government concerned will also be a member of the Tender Committee, while considering such work.

(ix) These orders will apply to KITCO, SIDCO, Kerala State Warehousing Corporation, Nirmithi Kendra, Kerala State Construction Corporation, RBDCK, Kerala State Police Housing Construction Corporation, Kerala Agro Industries Corporation, Kerala Land Development Corporation and Kerala State Housing Board, where they execute work for the Government or other PSUs/autonomous bodies. This will not apply when such agencies undertake their own works utilizing their own funds or for works for agencies other than the State Government and State Government PSUs, autonomous bodies etc. It will also not apply in respect of works by PSUs (like KSCC) where the contract has been awarded after participating in a competitive tender.

(x) These instructions shall apply only in respect of Administrative Sanctions issued after 31-8-2007.