

**GOVERNMENT OF KERALA****Abstract**

Public Works Department - Realization of loss on account of termination of contract
- modifying the existing provision in Kerala PWD Manual - Sanction accorded -
Orders issued.

PUBLIC WORKS (H) DEPARTMENT

G.O.(Ms)No.45/2024/PWD Dated,Thiruvananthapuram, 06-09-2024

Read: 1. U.O.Note No.MP1/108/2022/WRD dated 28.07.2022 from the Water
Resources Department
2. Letter No.CEPWD/18548/2022/Admn/PLA dated 12.12.2022 of the
Chief Engineer (Administration), Planning,PWD

ORDER

The Chief Engineer (Administration), Planning, PWD as per the letter read as
2nd paper above had furnished clarification in connection with the realization of loss
on account of termination of Contract- Section 2116.2.2 of KPWD Manual.

(2) In view of above, Government are pleased to modify the existing Clause
2116.2.1 of Kerala PWD Manual as follows :

An amount equal to 30% of the cost of the remaining works at agreed rates of the
terminated contract shall be recovered from the defaulted contractor towards the risk
and cost. The contractor shall be directed to remit the risk and cost amount within
three months. There is no need to wait till the work is arranged alternatively through
another contractor and the total loss sustainable due to the default of the original
contractor is assessed. Such loss, if any, shall be realized after completion of the work.
If he fails to remit the amount within stipulated period as directed by the agreement
authority, (minimum one month and maximum three months, based on the amount to
be remitted) from date of order, following steps can be adopted for realization of loss.
The amount can be realized from the following.

- (i) EMD / Security
- (ii) Bill amount / retention if any due to the contract
- (iii) Any dues from department to the Contract
- (iv) Bank Guarantee/Performance Guarantee or By filing civil suit against the Contractor.

(3) The Chief Engineer(Admin), PWD shall modify the Kerala PWD Manual accordingly.

(By order of the Governor)
K BIJU I A S
SECRETARY

To:

All the Chief Engineers of PWD.

The Chief Executive Officer, KRFB

The Project Director, PMU-KRFB

The Managing Director, RBDCK Ltd./RICK Ltd.

The Principal Accountant General (A&E/Audit), Kerala,

Thiruvananthapuram.

The Finance Department (2344513/ I&PW-B2/25/2023-FIN)

The Water Resources Department.

The Local Self Government Department

The I&PR (Web & New Media) Department

Stock File/Office Copy (H3/144/2022-PWD)

Forwarded /By order,

Signed by

Priyanka T V

Date: 07-09-2024 11:31:56

Copy to: PS to Hon'ble M(PWD).

PA to Secretary, PWD