

(Through e-mail)

From

The Chief Administrator,
H.S.A.M. Board,
Panchkula.

To

All Superintending Engineers/Executive Engineers,
H.S.A.M. Board in the State.

Memo No. CEA-I-2010/15775-800 Dated:07/10/2010

Subject: Procurement of Cement, Steel & Bitumen by contractual agencies.

The Govt. has approved the proposal of the Board regarding procurement of Cement, Steel for Reinforcement and Bitumen in construction/repair of roads vide orders dated 02.07.2010 with the condition that there should be an appropriate mechanism for verification of quantities of cement, steel and bitumen to be brought at site through proper bills by the contractors. Accordingly, you are directed to ensure that cement, steel for reinforcement and bitumen in construction/repair of roads shall be procured by the agency at his own cost for all the works irrespective of cost.

In order to procure these materials from the contractor, the following instructions should be followed:-

A) **Bitumen:-**

- i) The receipt of every tanker of bitumen shall be e-mailed by the concerned Executive Engineer within two hours of unloading to S.E./C.E. concerned in the enclosed format as Annexure-I.
- ii) The unloading of bitumen at plant site will be done in the presence of representative of Board not less than the rank of Sub Divisional Engineer/Junior Engineer. The day-to-day receipt and issue account of bitumen shall be maintained by the agency and will be signed daily by both the S.D.O./J.E.-in-charge and contractor or his authorized representative.

- iii) The Executive Engineer will send the bitumen indents of refinery to the concerned refinery for verification before the final payment as many fake indents are also available in the market.
- iv) The details as mentioned in Annexure-I shall be circulated to the nearest divisions of PWD (B&R), HSAMB, HUDA and any other Govt. organization where such works are going on so that the agency may not get counted the same supply of bitumen tanker on both sides.
- v) No contractual agency should be allowed to work from the same hot mix plant against two different contracts at one time. If he wants to start work on new other project, he will have to take permission from the concerned Executive Engineer in writing, intimating the balance quantity of bitumen available at plant site. Similarly, he will intimate the quantity of bitumen at the time of restart. The Executive Engineer can give permission in writing only and same should be e-mailed to S.E./C.E. concerned. No verbal permission will be entertained.
- vi) An undertaking should be taken from the agency during the payment of every bill that:-
- He has actually purchased the material as per list enclosed as Annexure-I (the annexure should be part of undertaking).
 - He has used this bitumen on this work only.
 - He has not claimed its cost from any other division/office or from anywhere else.
 - The data submitted by him is totally correct.
 - He owns full responsibility for the quality & quantity of bitumen and submission of data.
- vii) For controlling the quantity of mixed material, the following procedure be adopted:-
- The Contractor shall arrange a weigh bridge of suitable capacity at site of the hot mix plant under the direction of Engineer-in-Charge or his representative.
 - Each truck before loading of the mix material shall be weighed on the Weigh Bridge and its weight shall be recorded in the measurement book under the signature of the Contractor or his

authorized representative and of the Engineer-in-Charge on behalf of Executive Engineer.

- The truck shall again be weighed on the weigh bridge after loading of the mixed material and its weight will be recorded as per prescribed performa.
- viii) The details of mixed material should be compiled as per following procedure:-
- A slip should be issued by JE at the plant site as per Annexure-II.
 - The slip book should be in triplicate form containing three colour vouchers i.e. Pink, Yellow and White.
 - White slip shall be retained at plant site, Yellow & Pink shall be sent to work site. Yellow slip shall be returned to J.E. at plant site duly signed by JE & SDE-in-Charge and Pink slip shall be retained by JE-in-Charge.
 - A register showing these details shall be maintained at site.
- ix) In corporation of escalation/de-escalation clauses regarding the rates of bitumen in the contract agreements:-

The frequent increase/decrease in the rates of bitumen can create uncertain conditions for the contractual agencies as well as for the department also. To overcome this problem, the rate of bitumen at the refinery on the date of receipt of tender shall be considered as base rate. If during the execution of the work, the rate of bitumen increases or decreases at the refinery, the difference in cost shall be paid/recouped from the contractor in the bills subject to the conditions mentioned below:-

- The bitumen will be arranged by the contractor from approved refinery only.
- The contractor shall submit original bill/voucher of the refinery while claiming the payment for the work done. The bill/voucher should pertain to the period of original contractual time limit and should correspond with progress of work. No extra payment due to increase in the rate of bitumen will be paid if the original bill/voucher are not submitted by the agencies. No increase in prices of bitumen shall be reimbursed to the contractor beyond the original time period allowed for construction as per contract agreement.

- After the approval of tender, the contractor shall submit the work programme for execution of work and get it approved from the Engineer-in-Charge in the time limit prescribed in the tender document. The increase in the rates of bitumen shall only be paid if the bituminous work is carried out within the prescribed period as per the approved work programme.

The department should further ensure that:-

- a. The agency will be responsible for proper consumption, upkeep and safe custody of material supplied.
- b. The consumption of bitumen shall be governed by the relevant chapter of HSR/MORTH specifications 2001 alongwith subsequent amendments.
- c. Sufficient storage capacity i.e. minimum 100 MT with heating arrangements shall be arranged by the agency.
- d. Bitumen to be used on the work shall be heated in boilers only and not in open area. Spray of bitumen shall only be done with mechanical sprayer. The premixing of bitumen and stone aggregates shall be done by hot mix plants of approved make.
- e. The loaded tanker of bitumen will be weighed and unloaded in the presence of S.D.O./J.E. incharge and necessary entries will be made in the register for maintaining proper daily account of consumption.
- f. In the case of actual consumption of bitumen is less than upto 5% to the specified quantity as per specifications, recovery for less consumption shall be made at current rate of bitumen while in the case of consumption is lesser by more than 5% of the specified quantity, the matter shall be referred to the S.E. for decision as to whether the work can be accepted or not, if the S.E. decides that the work can be accepted, then recovery of less consumed quantity shall be made at double the current rate of bitumen.
- g. If the actual consumption of bitumen is more than the specified quantity as per specifications, no additional payment shall be made to the contractor.
- h. The bulk bitumen shall be kept in the fenced enclosures to avoid any incident of theft/mishap. The consequences, if any, shall be of the agency.
- i. Various quality control operations will be maintained as per PWD specifications 1990, where Haryana PWD specifications is silent, MORTH specifications will be followed.

- j. The agency shall arrange suitable measuring instruments at plant site.
- k. No extra payment on account of quality control shall be made to agency.
- l. In order to check the consumption of bitumen, the following norms/sample of checking shall be conducted:
 - Bituminous Work - One test for 50 MT quantity and not less than two tests per day.

B) Steel for Reinforcement and Cement:-

The Steel of EQRFe-500 grade conforming to ISI 1786, of reputed firms such as SAIL/RINL/TISCO/IISCO only for the use in reinforcement shall be arranged by the agency itself for the use in the work with escalation and de-escalation within the scheduled time. In case of non availability of steel from these companies, the Engineer-in-Charge may allow steel of other reputed firms as approved by him and in such cases, recovery as provided in HSR shall be made.

The steel so arranged by the agency shall be weighed at Weigh Bridge. The weightment slip will be produced while delivery of steel at site. The payments shall be regulated as per theoretical weight or actual weight of steel whichever is less. The Engineer-in-Charge will maintain proper account of store regarding supply & consumption of steel supplied by the agency. The bill of the agency shall be entertained after the production of original bill of the firm from which the material has been purchased.

Ordinary Portland Cement of 43 grade conforming to ISI standards and of reputed firm as approved by the Engineer-in-Charge shall be arranged by the agency himself for the use on the work at his own cost. The Contractor shall offer three makes of cement BIS marked to the Engineer-in-Charge, who inturn, shall approve one make of cement to be used at site. If PPC is allowed to be used by the Engineer-in-Charge, then recovery as provided in HSR shall be made. The cement manufactured by mini cement plants shall not be allowed to use at any cost. The agency shall submit sample test report of the lot of cement arranged for use in the work. The original vouchers/bills of cement procured by the agency shall be submitted to the

Sub-Divisional Engineer before the use of cement on the work. The S.D.E./J.E. of the work shall be held fully responsible for the quality of the cement used in the work.

Note:- The test certificate from Shree Ram Test House or any other reputed Govt. approved test house shall be supplied by the agency for each lot of cement and steel. The department shall also get the cement and steel tested frequently from any of the following institutions for which charges shall be borne by the agency.

- (a) Central Road and Research Institute (CRRI)
- (b) National Council for Cement & Building materials (NCCBM)
- (c) Indian Institute of Technology Delhi (IITD)
- (d) Shriram Institute of Industrial Research, New Delhi (SIIR)

The original vouchers/bills of steel and cement shall be supplied to the department for verification and payment.

When the department is giving responsibility of procurement of cement and steel to the contractors then there is a need to have clauses to compensate for increase/decrease in market prices. To settle this issue, the mechanism described as under should be followed:-

- If after submission of the tender, the price of cement/steel reinforcement bars incorporated in the works increases beyond the prices prevailing at the time of the last stipulated date for receipt of tenders (including extensions, if any) for the work, then the amount of contract shall accordingly be varied and provided further that any such increase shall not be payable if such increase has become operative after the stipulated date of completion of work in question.
- If after the submission of the tender, the prices of cement/steel incorporated in the works decrease, the Board shall in respect of these materials incorporated in the works be entitled to deduct from the dues of the contractor such amount as shall be equivalent to the difference between the prices of cement/steel as prevailed at the time of last stipulated date for receipt of tenders including extensions if any for the work and the prices of the materials on the coming into force of such base price of cement/steel issued under authority of the Board.
- It is further clarified that the decrease in the price of cement and steel shall be deducted from the dues of the contractor if such decrease has become operative after the stipulated date of completion of work in question and increase shall not be

payable if such increase has become operative after the stipulated date of completion of work in question.

- The increase/decrease in prices shall be determined by the All India Whole Sale Price Indices for cement and steel as published by the Economic Advisor to G.O.I, Ministry of Commerce and Industry and base price for cement and steel as issued under authority of the Engineer-in-Charge as valid on the last stipulated date of receipt of tender including extensions if any and for the period under consideration.
- In the case of actual consumption of cement/steel is less than upto 5% to the specified quantity as per specifications, recovery for less consumption shall be made at current rate of cement/steel while in the case of consumption is lesser by more than 5% of the specified quantity, the matter shall be referred to the S.E. for decision as to whether the work can be accepted or not, if the S.E. decides that the work can be accepted, then recovery of less consumed quantity shall be made at double the current rate of cement/steel.
- If during the currency of contract agreement, there is decrease in Govt. Duties/Levies/Taxes, the Board shall pay to the Contractor on reduced rates of Duties/Levies/Taxes etc. If, however, there is increase in rates of Duties/Levies/Taxes during the original term of agreement the same shall be allowed to the Contractor. Provided further that the agencies shall provide documentary proof of payment of such increase Duties/Levies/Taxes to the Board.
- The amount of the contract shall accordingly be carried out for cement or steel reinforcement bars and will be worked out as per the formula given below:-

a. **Adjustment for component of "Cement"**

$$V_c = P_c \times Q_c \times \frac{C_1 - C_{10}}{C_{10}}$$

Where,

V_c = Variation in cement cost i.e. increase or decrease in the amount in Rs. to be paid or recovered.

P_c = Base price of cement as issued under authority of Engineer-in-Charge valid at the time of the last stipulated date of receipt of tender including extensions if any.

Q_c = Quantity of cement used in the works since previous bill.

C₁₀ = All India Wholesale Price Index for cement as published by the Economic Advisor to G.O.I., Ministry of Industry and Commerce as valid on the

last stipulated date of receipt of tenders including extensions, if any.

CI= All India Wholesale Price Index for cement for period under consideration as published by Economic Advisor to G.O.I., Ministry of Industry and Commerce.

b. Adjustment for component of "Steel"

$$V_s = P_s \times Q_s \times \frac{(S_1 - S_{10})}{S_{10}}$$

Where,

V_s = Variation in cost of steel reinforcement bars i.e. increase or decrease in the amount in rupees to be paid or recovered.

P_s = Base price of steel reinforcement bars, as issued under

authority of Engineer-in-Charge at the time of the last stipulated date of receipt of tender including extensions, if any.

Q_s = Quantity of steel paid either by way of secured advance or used in the works since previous bill (whichever is earlier)

S_{10} = All India Wholesale Price Index for steel (Bars and Rods) for the period under consideration as published by Economic Advisor to G.O.I. Ministry of Industry and Commerce as valid on the last stipulated date of receipt of tenders including extensions, if any.

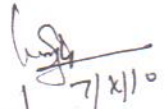
S_1 = All India Wholesale Price Index for Steel for the period under consideration as published by Economic Advisor to G.O.I., Ministry of Industry and Commerce.

All India Wholesale Price Indices for cement and steel (bars and rods) as published by the Economic Advisor to G.O.I., Ministry of Commerce and Industry, which is available on **Website <http://eaindustry.nic.in>**.

The above mentioned clause to be incorporated in the DNIT. The base price of cement and steel for operation of above clause for the month of Sep. 2010 onwards till it is further notified by the competent authority is as under:-

Sr. No.	ITEM	BASE PRICE (IN RS.)
1.	Cement OPC	3600 per M.T.
2.	Cement PPC	3400 per M.T.
3.	T.M.T. Steel Reinforcement Bars	35500 per M.T.

It should be ensured that the above clause for (cement and steel only) should be invariably incorporated in the DNITs.

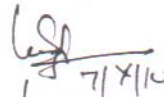

7/10/10
Executive Engineer (R)
for Chief Administrator

Endst. No. CEA-I/2010/15775-800

Dated:07/10/2010

A copy of the above is forwarded to the following for information and necessary action to:-

- 1) P.S. to C.A./E.I.C., H.S.A.M. Board, Panchkula
- 2) P.S. to C.E.(Road)/P.A. to C.E. (Mandi), H.S.A.M. Board, Panchkula.
- 3) P.A. to C.F.A., H.S.A.M. Board, Panchkula
- 3) S.D.O. (Road)/Mandi, H.S.A.M. Board, Panchkula
- 4) C.H.D. (Road)/Mandi, H.S.A.M. Board, Panchkula.


7/10/10
Executive Engineer (R)
for Chief Administrator

(Performa for Receipt of Bitumen)

Annexure-I

Sr. No.	Name of Agency	Name of Plant Site	Tanker No.	Refinery Indent No.	Date of Indent	Date of Receipt	Loaded Weight of Tanker	Empty Weight of Tanker	Weight of Bitumen	Unloaded in whom Presence SDO/JE
1.	2.	3.	4.	5.	6.	7.	8.	9.	10	11.

Photographs of tanker alongwith persons in whose presence, it was unloaded (The Registration No. of the Tanker should also be visible in the photographs).



HARYANA STATE AGRICULTURAL MARKETING BOARD

No.....

Dated:.....

1. Division.....
2. Name of Work.....
3. Name of Agency.....
4. Location of Plant.....
5. Type of Mix.....Temp. of Mix.....
6. %age of Bitumen contents.....
7. Tipper No.....Time.....
8. Gross Weight.....
9. Tare Weight.....
10. Net Weight.....
11. Length of the road where
Mix material has been used.

Left side/ Right side	Start R.D.	Finished R.D.

12. Temp. of Mix while laying.....
13. Comments of E.E./S.E.....

Signature of
ContractorSign. & Name
of J.E. (Plant)Sign. & Name
of J.E. (Site)Sign. & Name
of S.D.E.