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KARNATAKA POWER TRANSMISSION CORPORATION LIMITED
Corporate Identity Number (CIN): U40109KA1999SGC025521

Corporate Office,
Kaveri Bhavan,
Bangalore -560 009
Dated: 26.08.2017

B19/345/85-86

CIRCULAR

Sub: Refund of Retention Amount in the interest of works awarded as a package.

Ref: Proceedings of the Combined Central Purchases Committee Meeting of KPTCL held on 6th March 2017.

The Central Purchase Committee discussed issues relating to tenders consisting of two or more works as a package but subsequently awarded as individual works.

In the past, two or more works from the same Zone/two or more Zones have been combined to create a single bid document. Bids are invited for these works as a single package. By including smaller, difficult or less attractive works with other seemingly more desirable works, it was endeavoured to increase contractor participation in the tendering process. Subsequently, while issuing Detailed Work Award (DWA), these works are separated and individual DWAs are issued for each work. Each work is now treated as a separate work even though there was a common tender. All the issues relating to that work, such as refund of retention amount, penalties to be levied etc. are dealt with on a stand-alone basis.

Such a procedure can lead to a situation where a contractor/turn-key agency may complete only some of the works out of the entire package. Hence, in order to encourage the completion of all works in a package in time, it is desirable to follow tender conditions in totality for all works in the package. Currently, even if one of the works in a two-work package is not completed, retention amount for the completed work is refunded to the contractor/turn-key agency. Changing this procedure and refunding such money only on completion of all the works in a tender, will result in better administrative control on the projects and will help in prevention of cost and time over-runs.

Hence, the tendering authorities of KPTCL shall follow the below mentioned instructions as suggested in CPC meeting held on 06.03.2017 regarding the issue of Refund of Retention Amount in the interest of works awarded as a Package.

- a) In respect of Refund of Retention Money pertaining to an Enquiry consisting of different Works where separate DWA's are issued, CEE (T&P), KPTCL, Corporate Office shall act as the Co-coordinating officer.

- b) The respective Zonal CEEs, who have issued DWA in respect of their respective Zonal Work, shall not refund the Retention Amount till the same is cleared by CEE (T&P), KPTCL. Zonal CEEs shall accordingly issue necessary instructions to the respective Divisions under their Zone.
- c) The respective Zonal Chief Engineer shall send the details of the Retention Amount held against a Work (awarded under Combined Package) in respect of a particular Agency periodically to the CEE (T&P), KPTCL. Once the Work is commissioned and completed in all respects, concerned Zonal Chief Engineer shall certify to that effect and inform the CEE (T&P), KPTCL accordingly.
- d) The concerned Zonal Chief Engineer shall also forward the request of a concerned Agency (in respect of works awarded under combined packaged only) for refund of Retention Money after Completion in all respects of the Respective Work along with a Copy of his certification to that effect.
- e) After satisfying that all the Works (awarded under Combined Package) against a particular Enquiry whether pertaining to a Particular Zone or Different Zone is completed in all respects, the CEE (T&P), KPTCL shall authorize Refund of Retention money by concerned Divisions coming under the Respective Zones.

The above instructions shall be followed scrupulously.


26/8/17
Deputy General Manager (Tech)
KPTCL

Copy to:

- 1) All the Chief Engineers, Electricity, KPTCL.
- 2) All the Financial Advisors, KPTCL.
- 3) All the Superintending Engineers, Elecl., KPTCL.
- 4) All the Controllers of Accounts, KPTCL.
- 5) All the Executive Engineer, Ele., KPTCL.
- 6) All the Deputy Controllers of Accounts, KPTCL.

Copy for information to:

1. EA to MD/DT, KPTCL, Kaveri Bhavan, Bengaluru.
2. PS to MD/DT/DF/D(A&HR)/Director & Company Secretary, KPTCL, Kaveri Bhavan, Bengaluru.
3. The Superintending Engineer (Ele.), IT & MIS, with a request to arrange to upload this Order in KPTCL website.