

<b>REVISED ESTIMATES AND FINAL BILL PAYMENTS</b>
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## 1 Purpose

The purpose of this procedure is to define a system for planning and controls of activities relating to approval of revised estimate indicating the final cost of the work for payment to contractors as per execution and terms and conditions of agreement entered into with the contractors by the KSPHC.

### 1.1 Application

This procedure is applicable to cover all the construction works and other works as per agreement.

### 2.0 Responsibility

Overall Responsibility rest with the Executive Engineer, Superintendent Engineer, and Chief Engineer and Authority for various activities of project management is described in procedure part.

### 3.0 Terms and definitions

**1 Part bills or Running Account Bills:** Denotes the account with a contractor when payment for work or supplies is made to him at convenient intervals subject to final settlement of the accounts on the completion or determination of his contract.

**2 On Account payments or payment on Account:** Means a payment made on a running account, to a contractor in respect of work done or supplied made by him and duly measured. Such a payment may or may not be for the full value of work or supplied; if it is subject to the final settlement of running account on the completion of the contract for the work or supplies.

- 1 **Intermediate payments:** The term applied to a disbursement of any kind on a running account not being the final payment. It includes an "Advance payment", a "Secured advance" and an "on account payment" (other than the final payment on a running account) or a combination of these.
- 2 **Mobilisation Advance:** Financial Assistance made to the contractor at a percentage of total contract value at an agreed rate of interest as per conditions of agreements and recoverable with interest before/ on completion of 75% of total value of contract.
- 3 **Detailed measurement Book:** A permanent record to record the detailed measurement of quantity of work carried out for the purpose of making payment and for recording details of payment.
- 4 **Check measurement Book:** Check measurement book is a measurement book wherein the details of check measurements are taken by the AEE/EE as per codal provisions at certain percentage basis are recorded and forms important document for making payment.
- 5 **Abstract Measurement Book:** It is a Measurement Book maintained to record concisely the abstract of total quantities item wise (consolidated) from the Detailed Measurement Book for the Purpose of making payment.

<b>REVISED ESTIMATES AND FINAL BILL PAYMENTS</b>
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6 **Verification** - Confirmation, through the provision of objective evidence, that specified requirements have been fulfilled.

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#### 4.0 Procedures

This procedure is to establish a systematic procedure for effective processing preparation of Revised Estimates of works and other works for payment by the KSPHC. The procedure also ensures that financial aspects of the KSPHC are done as envisaged and there are no deviations and all deviations are properly explained. In addition the procedure ensures that the management is updated with the financial progress made at periodical intervals.

This procedure covers all the processes of Revision of Estimates of works. Wherever system procedures are established that provide detailed information about that process, relevant procedures have been referenced. In order to facilitate easy understanding of process sequence, project-management process is divided into convenient process.

Following abbreviations and terms are used in the table;

D	=	Document	R	=	Record
CMD	=	Chairman and Managing Director	ED	=	Executive Director
FA	=	Financial Advisor			
EE	=	Executive Engineer			
AS	=	Account Superintendent			

#### 4.1 preparation of Revised Estimates

Sl. No.	Responsibility	Activity description	D / R	D / R Reference
1	JE/AE	<b>Preparation of bill by field staff:</b> a) This shall be initiated immediately when it is anticipated during the execution that the estimated cost increases by more than 5% of the cost or on completion of the work in all respects and after the last check measurement by EE due to change in requirement, design, additional work etc.	D	Bills
		b) preparation of RE shall be initiated in the format specified by entering the quantity of measurements billable quantities, various charges payable to local bodies and details of all other expenditure chargeable to the work.		

**REVISED ESTIMATES AND FINAL BILL PAYMENTS**

		<p>c) The quantities and rates for supplemental items, if any, shall be proposed in accordance with the terms and conditions of agreement with the following enclosures:</p> <p>i) quantities along with approved comparative statement for non –SR items</p> <p>ii) Floorwise completed building plans, layout plan (with road net work) architectural, water supply ,sanitary and electrical services separately.</p> <p>iii) Specifications for all deviations</p> <p>iv) Certificates by the JE/AE/AEE that the all the quantities entered in the RE as per the MB</p>		
2	JE/AE	<p>Verification of RE and forwarding: The RE shall be forwarded to AEE who shall do the verification RE, as per the prescribed check list. RE shall, thereafter be forwarded to division office, duly rectifying the deficiencies and errors.</p>	D	Supply bills
3	JE/AE	<p>Checking of the RE and for warding:</p> <p>a) The RE shall be checked in the Division office duly verifying the rates for all supplemental and non- SR items by the Technical Assistant/project officer and submitted to EE for approval.</p> <p>b) The RE shall, then be approved by the EE following the procedure at ---- below, or submitted to Head Office for approval, depending on the estimated amount of the work as per delegation of financial powers.</p>	D	Supply bills
4	JE/AE	<p>Approval of RE: The RE submitted to HO are verified by the AE/ Technical Assistant of HO with reference to the following: and submitted to Superintending Engineer designs for approval:</p> <p>a) The RE shall be checked for all necessary formats/ documents/ plans/drawings/comparative statements and all relevant enclosures as per check list.</p> <p>b) The RE shall be checked for proper approvals in respect of all deviations, and genuineness of reasons explained therein.</p> <p>c) Obtaining all missing information or returning the RE for re-submission</p>		

**REVISED ESTIMATES AND FINAL BILL PAYMENTS**

		<p>depending upon the degree of deficiency.</p> <p>d) Scrutiny of RE for corrections after receiving missing information of any.</p> <p>e)The excess amount of RE to be approved shall be cross-checked with the amount of administrative sanction of the work by the concerned Technical wing in HO/Division office.</p> <p>f) In case of RE amount exceeding the amount of administration sanction approval of the same shall be obtained from the CMD.</p> <p>g) The SE shall then approve the RE if it is correct in all respect as above and submit s to the approval of CE.</p> <p>h) The CE shall Approve the RE after satisfying himself with the above.</p>		
5	AEE	<p>Communication of approved RE: The copy of approval shall then be communicated to the EE under the signature of SE Designs</p>	D	Supply bill, PO/ Agreement
6		<p>Preparation and payment of final bill: a)procedure for payment of final bill shall be as per P/----. However the following additional certificate/details shall be furnished.</p> <p>i) Certificate that the work has been completed in all respects, as per the plans and drawings and specifications adopted in the agreement.</p> <p>ii)Certificate that the contractor has appointed Sri----- qualification as his technical agent to supervise the work and the technical agent has been present at the work site during execution and has supervised the work.</p> <p>iii)Certificate that all recoveries as applicable , have been effected.</p> <p>iv)Information about the total number of quarters as proposed block wise and floor wise and as constructed, block wise and floor wise.</p> <p>v) Last date of check measurement and the date up to the date which extension of time was granted by the Head Office. It shall be ensured that EOT is granted up to the date of last check measurement .</p>		

**REVISED ESTIMATES AND FINAL BILL PAYMENTS**

		<p>vi)Certificate that the defects pointed out by the field engineers and quality control cell during the course of execution, have been attended to by the contractor, at his own cost and no further items remain to be attended to.</p> <p>c) upon approval of RE and receipt of the same form the competent authority, the final bill shall be paid following the procedure under P/-----</p> <p>The above procedure shall normally take not more than 90 days.</p>		
7	E-BILLING	<p>The Corporation has pioneered the launch of web-based on line billing in MS project 2002 package in respect of contractor's bills for construction activities. For the time being both manual bill and e-bills are run parallelly however the payments are made based on manual bill till stabilization of e-bill. On total switch over from manual bill to e-bill the above procedure shall also apply to e-bill mutatis mutandis.</p>		
		<p>Documents:</p> <ol style="list-style-type: none"> <li>1 Measurement Book of the work</li> <li>2)Format of Revised Estimate.</li> <li>3)Original Estimate.</li> <li>4)original agreement and supplemental agreement.</li> <li>5)check list of verification of RE</li> <li>6)Delegation of Powers</li> <li>7)procedure for payment of contractors bills</li> <li>8)Approved Revised Estimate</li> </ol>		