



**GOVERNMENT OF KERALA**

Abstract

Finance Department-Execution of Public Works through Government Accredited agencies- release of Performance Guarantee/Security Deposit - Orders Issued

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**FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT**  
**G.O(P) No. 25/2018/Fin. Dated, Thiruvananthapuram, 21.02.2018**  
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Read:- 1) GO(P) No. 295/2015/Fin dated, 15.07.2015  
2) GO(P) No. 107/2016/Fin dated, 27.07.2016  
3) GO(P) No. 95/2017/Fin dated, 25.07.2017  
4) Representation submitted by M/s HABITAT Technology Group before the Hon'ble Finance Minister on 28/06/2017.

ORDER

As per the Government order read as 1<sup>st</sup> paper above, Government have issued clarification regarding Performance Guarantee/Security Deposit in the case of public works. M/s Habitat Technology Group as per paper read 4<sup>th</sup> above has submitted a representation seeking further amendments on the existing rules regarding the execution of public works through accredited agencies.

Government have examined the matter in detail and are pleased to order the following modifications to the Government Order read as 1<sup>st</sup> above.

(i) The Performance Guarantee/Security Deposit in the case of public works being executed through Accredited Agencies directly without any contractor's profit can be released at the time of passing final bill subject to the condition that an unconditional undertaking in the Kerala Government Stamp paper worth Rs. 200/- shall be furnished by the Accredited Agency to the effect that " the defects/shortcoming in the works done, as pointed out by the Engineer-in-charge/Client during the defects liability period



(5 years), shall be rectified within the prescribed time demanded by agreement authority, without any extra cost and any failure on the above will result in recovery of expenditure incurred by the Government for defect liability from future payment or through revenue recovery and cancellation of accreditation.

(ii) Accredited Agencies, which have been undertaking cost effective building works such as Centre for Science and Technology for Rural Development (COSTFORD), Habitat, District Nirmithi Kendras can issue Technical Sanction subject to the conditions that estimated cost of such works shall not exceed the estimated amount based on prevailing SoR. For issuing Technical Sanction, the qualified accredited agencies should constitute a Technical Sanction Committee including not less than three highly reputed experts in Civil Works who retired from State/Central Government/PSU not below the rank of Executive Engineer. The norms for issuing Technical Sanction in Kerala PWD Manual should invariably be followed by the Committee. This relaxation is applicable only to the cost effective works undertaken by these agencies. Accredited agencies will be held responsible for any discrepancies in Technical Sanction. If any discrepancy is found in Technical Sanction, the Accreditation of such agency will be revoked.

Para 3(7) of Government Order read as 3<sup>rd</sup> paper modified to the above extent.

**By Order of the Governor  
Dr. SHARMILA MARY JOSEPH IAS  
Secretary (Finance-Expenditure)**

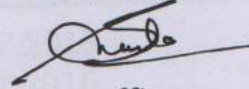
To

The Principal Accountant General (A&E) Kerala, Thiruvananthapuram  
The Principal Accountant General (G&SSA) Kerala,  
Thiruvananthapuram  
The Principal Accountant General (E&RSA) Kerala,  
Thiruvananthapuram  
All Heads of Departments and Offices  
The Secretary to Governor  
All Departments of Secretariat



All Private Secretaries to Ministers  
Private Secretary to Chief Minister  
Private Secretary to the Leader of Opposition  
All Secretaries to Government  
The Registrar, High Court of Kerala  
The Secretary, Kerala Human Rights Commission,  
Thiruvananthapuram  
The Election Commissioner, State Election Commission,  
Thiruvananthapuram  
The Registrar, University of Kerala/Cochin/Kozhikkode/Kottayam  
The Nodal Officer, [www.finance.kerala.gov.in](http://www.finance.kerala.gov.in)  
Stock file/Office Copy (e-573000)

Forwarded/By Order



Section Officer

#### ORDER

As per the Government order read as 1<sup>st</sup> page above, Government have issued clarification regarding Performance Guaranteed Security Deposit in the case of public works. M/s Habitat Technology Group as per paper read 4<sup>th</sup> above has submitted a representation seeking further amendments on the existing rules regarding the execution of public works through accredited agencies. Government have examined the matter in detail and are pleased to issue the following modifications to the Government Order read as 1<sup>st</sup> above:

(3) The Performance Guaranteed Security Deposit in the case of public works being executed through Accredited Agencies directly without any contractor's profit can be released at the time of paying final bill subject to the condition that an unconditional undertaking in the form of Government Stamp paper worth Rs. 300/- shall be furnished by the Accredited Agency to the effect that "the defects/shortcomings in the works done, as pointed out by the Engineer in-charge/Client during the defects liability period