Sub: Enhancement of original contract value.

Ref: Railway Board's letter No.94/CE.I/CT/37 dated 5.5.95.

Instructions regarding enhancement of contract value have been issued vide Railway Board's letter referred above. The procedure, as brought out in Annexure attached to this letter, should be followed for introducing new items for while approving variation in quantities. The following clarifications/modifications in regard to the Annexure of this letter are issued:

(1) As per para (C) (ii) of the Annexure, it is indicated that "for decrease in items beyond 25% of individual items or 25% of contract agreement, the contracting authority can do so after obtaining "No claim Certificate" from the contractor and with Finance concurrence giving detailed reasons for such decrease in the quantities.

Though Clause No.42(1) of General Conditions of Contract entitles the Engineer for such decrease in the quantities and the contractor is not entitled to any compensation for such decrease, it is still considered desirable to obtain "No Claim Certificate" from the Contractor.

(2) In Para 2 of the Annexure "CE(C)" appearing should be read as "CE/CE(C)".

(3) In the last sentence of the Annexure (para (C) (v), the word "variation" appearing should be read as "vitiating".

This issues with the concurrence to Finance Directorate of Board's office.

Sd/-

(Ved Parkash)

Exec. Director, Civil Engry. (G)

Railway Board.