

**NODAL CELL
FINANCE DEPARTMENT
NDMC : PALIKA KENDRA
NEW DELHI**

ADVISORY

Sub : Timely closure of work files and capitalization of assets

It has been observed that various old cases are being received in Finance for concurrence/finalization of 'deviation statements (Additional quantity, extra items, and substituted items)' and/or 'extension of time'. Such case files include works awarded quite long back, also.

2. Para 5.17 of CPWD Works Manual 2019 prescribes recording of Provisional as well as Final Completion Certificate. Para 5.17.1 stipulates, "On substantial Completion of any work which has been completed to such an extent that the intended purpose of the work is met and is ready for use, then a provisional Completion Certificate with a list of outstanding balance items of work that need to be completed in accordance with the provisions of the contract shall be recorded by the Executive Engineer and T/S Authority (in case both authorities are different)".

Further Para 5.17.2 stipulates, "Before the work is declared as completed in all respect for release of final payment, the work shall be inspected by the T/S Authority. In case of composite works, inspection shall also be carried out by the competent authority of the minor components of work. The Final Completion Certificate shall be recorded by both the Executive Engineer and T/S Authority (in case both authorities are different) under whose tenure the work is completed, or as decided by the Directorate from time to time.... The time schedule for issue of completion certificate shall be as per GCC provision".

Para 3.1.3(6) of the Manual ibid mentions the procedure in r/o Specialized works.

3. General Conditions of Contract (GCC) form part of all NITs/agreements entered into in r/o Maintenance as well as Construction works of Civil Engineering and Electricity Departments of NDMC. GCC clearly mentions the time schedule for payment of final bill which is based on amount of award. Further, instructions in this regard stand issued by Ministry of Finance, Department of Expenditure vide OM No. F.1/1.2021-PPD dated 29.10.2021 "General instructions on Procurement and Project Management".

4. Non compliance of agreement/codal provisions is major irregularity. The delay in recording 'Completion' may lead to payment of interest to the contractor besides litigation/arbitration with resultant enhanced cost of execution. Delay in closure of work files further delays capitalization of assets of NDMC.

5. Henceforth, payment of final bill shall be made strictly as per GCC/agreement provisions read with Government guidelines and timely closure of work files shall be ensured.

6. As regards, old pending cases, all cases completed up to 31.03.2021 and requiring concurrence/examination/advice of Finance Department shall be sent for examination/scrutiny latest by **31.03.2022**.

7. All associated finance offices are directed to keep a close watch on financial closure of completed projects through a list of completed projects where financial closure has not been ensured as per prescribed instructions, available in their offices.

This issues with the prior approval of Financial Advisor.

Jt. Financial Advisor (Nodal Cell)

Copy to :

1. C.E. (Civil)-I
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5. Director - Finance
6. Director - Accounts
7. All heads of Associated Finance offices
8. P.S. to Secretary - for information of Secretary
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