



GOVERNMENT OF KERALA

Abstract

Finance Department- Discontinuing the payment of price difference of bitumen -
Orders Issued.

FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT

G.O.(P) No. 96/2022/Fin.

Dated, Thiruvananthapuram, 26.08.2022

Read :- 1 G.O.(Rt.)No. 9386/2018/FIN dated 13/11/2018.
2 G.O.(Rt.)No. 2816/2020/FIN dated 17/04/2020.
3 G.O.(Rt.)No. 5502/2020/FIN dated 25/09/2020.
4 G.O.(Rt.)No. 3815/2021/FIN dated 30/04/2021.

ORDER

In order to address the crisis situation in the road construction works in the State, due to steep hike in the market rates of bitumen, Government of Kerala had taken a policy decision to compensate the hike in the cost of bitumen for ongoing works.

As per Government Order read as 1st above, sanction was accorded to allow price difference of bitumen for on going works with effect from 01/11/2018 in which the price difference of bitumen as on the date of closing tender and the date of invoice(invoice date on or after 01/11/2018) will be paid to the contractor on production of original invoice for the actual quantity consumed for the works within original term of completion. Price difference was also allowed to all works with extended term of completion without fine extension based on the data of the Public Sector Oil Companies supplying the Bitumen for road works in the State.

As per Government Orders read 2nd to 4th above, clarifications were issued on the subject. Aggrieved by Government Order read as 4th above, ordering recovery of price reduction of bitumen, several petitions were filed in the Hon'ble High Court . It was also noted that many applications were submitted to Government on the same matter. It was also observed that certain contractors who are claiming the price difference of bitumen due to price hike are not willing for recovery on the

basis price reduction in market rates of bitumen, meaning that unilateral and one sided benefits are sought to be claimed by the contractors.

Further Comptroller & Auditor General has noted that as the contractors are bound to quote their rates after proper study of fluctuations in market rates of bitumen, allowing the price difference in bitumen subsequently does not seem advisable.

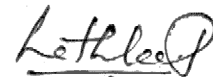
Government after having examined the issue in detail and are pleased to order the discontinuance of the provisions for allowing the price difference/recovery of the price reduction of bitumen ordered vide Government Orders read as 1st to 4th, with prospective effect, for all future tenders.

(By Order of the Governor)
RAJESH KUMAR SINGH IAS
Additional Chief Secretary (Finance)

To

The Accountant General (A&E) Kerala, Thiruvananthapuram
The Accountant General (Audit-1) Kerala, Thiruvananthapuram
The Accountant General (Audit-2) Kerala, Thiruvananthapuram
All Heads of Departments/Offices
The Secretary to Governor
Private Secretary to Hon'ble Chief Minister
All Private Secretaries to Hon'ble Ministers
Private Secretary to the Leader of Opposition
All Secretaries to Government
The Registrar, High Court of Kerala
All Commissions/Corporations/PSUs/Companies
The Registrar, all Universities
Chief Engineers PWD/WRD/LSGD/HED
The Chief Technical Examiner
All the applicants
The Nodal Officer, www.finance.kerala.gov.in
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Forwarded/By Order



Section Officer