

NORTH DELHI MUNICIPAL CORPORATION  
OFFICE OF THE EX. ENGINEER(PLG.)-III  
10<sup>th</sup> FLOOR, DR.S.P. MUKHEERJI CIVIC CENTRE,  
JLN MARG, NEW DELHI-110002

No: D-49/EE(P)-III/North DMC/2021-22

Dated: 03/11/2021

CIRCULAR

Subject:- Regarding Re-introduction of Performance Guarantee Clause in Engineering Department of North DMC.

In supersession of circular No. D/4/EE(P)-III/06 dated 07.03.2006, the worthy Commissioner, North DMC vide orders dated 22.10.2021 has approved the Re-introduction of Performance Guarantee Clause in Engineering Department of North DMC as per CPWD General Conditions of Contract & the same is as under:-

- (i) The contractor shall submit an irrevocable Performance Guarantee of 5% (Five percent) of the tendered amount in addition to other deposits mentioned elsewhere in the contract for his proper performance of the contract agreement, (not withstanding and/or without prejudice to any other provisions in the contract) within period specified in Schedule 'F' from the date of issue of letter of acceptance. This period can be further extended by the Engineer-in-Charge up to a maximum period as specified in schedule 'F' on written request of the contractor stating the reason for delays in procuring the Performance Guarantee, to the satisfaction of the Engineer-in-Charge. This guarantee shall be in the form of Deposit at Call receipt of any scheduled bank/Banker's Cheque of any scheduled bank/Demand Draft of any scheduled bank/Pay Order of any scheduled bank (in case guarantee amount is less than Rs. 1,00,000/-) or Government Securities or Fixed Deposit Receipts or Guarantee Bonds of any Scheduled Bank or the State Bank of India in accordance with the form annexed hereto. In case a fixed deposit receipt of any Bank is furnished by the contractor to the Corporation as part of the performance guarantee and the Bank is unable to make payment against the said fixed deposit receipt, the loss caused thereby shall fall on the contractor and the contractor shall forthwith on demand furnish additional security to the Corporation to make good the deficit.
- (ii) The Performance Guarantee shall be initially valid up to the stipulated date of completion plus 60 days beyond that. In case the time for completion of work gets enlarged, the contractor shall get the validity of Performance Guarantee extended to cover such enlarged time for completion of work. After recording of the completion certificate for the work by the competent authority, the performance guarantee shall be returned to the contractor, without any interest. However, in case of contracts involving maintenance of building and services/any other work after construction of same building and Services/other work, then 2.5% of Performance Guarantee shall be retained as Security Deposit. The same shall be returned year wise proportionately.
- (i) The Engineer-in-Charge shall not make a claim under the performance guarantee except for amounts to which the Commissioner, NORTH DMC is entitled under the contract (not withstanding and/or without prejudice to any other provisions in the contract agreement) in the event of:
  - (a) Failure by the contractor to extend the validity of the Performance Guarantee as described herein above, in which event the Engineer-in-Charge may claim the full amount of the Performance Guarantee.
  - (b) Failure by the contractor to pay Commissioner, NORTH DMC any amount due, either as agreed by the contractor or determined under any of the Clauses/Conditions of the agreement, within 30 days of the service of notice to this effect by Engineer-in-Charge.
- (iii) In the event of the contract being determined or rescinded under provision of any of the Clause/Condition of the agreement, the performance guarantee shall stand forfeited in full and shall be absolutely at the disposal of the Commissioner, NORTH DMC.

Completion certificate shall be recorded by the Engineer-in-Charge. The provisional certificate shall have appended with a list of outstanding balance item of work that need to be completed in accordance with the provisions of the contract.

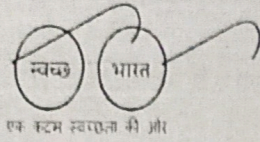
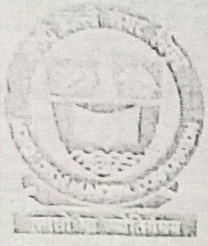
- (v) This provisional completion certificate shall be recorded by the concerned Engineer-in-Charge with the approval of Project Manager/ Chief Project Manager/ Superintending Engineer. After recording of the provisional Completion Certificate for the work by the competent authority, the 80% of performance guarantee shall be returned to the contractor, without any interest.

This is for strict compliance by all concerned.

*[Signature]* / CE-I

*[Signature]*  
03/11/21  
Ex. Engineer (Plg.)-III

All CEs/SEs/EEs through concerned CEs  
Addl. Director (IT) with the request to include this  
clause in the General Conditions of Contract



NORTH DELHI MUNICIPAL CORPORATION  
Office of the Ex. Engineer Planning -III  
10<sup>th</sup> Floor, Dr. SPM Civic Center  
Minto Road, Delhi-110002

No.EE(P)III/NDMC/2021-22/D- 5 3

Dated: 02 / 12 / 21

**Sub :- Standard Operating Procedure (SOP) to execute the Engineering Works and Policy of Payment**

In supersession of all previous circulars/orders/instructions, as regards execution of the Engineering Works and the policy of payment, the department shall follow the following guidelines:-

1. Along with the work order, all the Clauses of the General Conditions of Contract/NIT should be attached.
2. On award of the Work order, periodic inspections of the work being carried out should be done by the Engineer-in-Charge.
3. Photographs of the work at different stages should be taken and maintained on the record and should be duly certified by the Engineer-in-Charge.
4. Interim bills/Final bill along with measurements and requisite documents should be submitted by the Contractor duly certifying the work which has been carried out along with photographs at different stages of work. For execution of hidden items, the Contractor will submit prior information to the Engineer-in-Charge one working day in advance, before its covering. The work is also required to be inspected by Third party agency for quality assurance/auditing as per standing instructions/circulars and payment to bills will be made accordingly.
5. The bill/measurement submitted by the contractor should be scrutinized by the Engineer-in-Charge and be recorded in the measurement book and thereafter, the bill should be passed.
6. Before passing the bill it should be ensured that all formalities including 3<sup>rd</sup> party checking by external agency or quality control are complied with.
7. The procedure for obtaining labour clearance certificate from the Labour Officer shall be followed by the Contractor.
8. For refund of Security Deposit/Earnest Money, the Contractor should unscrupulously comply with the conditions in Clause 17 (Contractor Liable for Damages, defects during maintenance period) and Clause 45 (Release of Security Deposit after labour Clearance). For refund of security/earnest money to be made, payment of final bill need not be awaited. Once the conditions of Clause 17 and Clause 45 are complied with and the final bill is passed, refunds ought to be made without waiting for release of payment of final bill passed.
9. In suits relating to recovery of Contractor's dues/related matters, all the evidence including the NIT, General Conditions of Contract, Periodic inspection reports, Final bill as submitted, Final bill as passed, Measurements carried out, Photographs etc. should be produced and duly exhibited.

10. Engineer-in-Charge should digitally maintain at the division level, the record of all the work orders, all running/final bills, actual inspections and measurements, photographs of the work etc..

The above SOP will be the part of the terms & conditions of the contract.

### Policy with regard to release of Payment

As on date there is queue system in place which is being followed for release of payment of the contractors. In order to facilitate smooth and early clearance/release of contractor bills in queue system, out of total revenue generated, an amount of Rs. 3.00 crores per month including priority payment shall be utilized for making the payment to contractors. It will be reviewed monthly as per financial condition of the North DMC.

The payments shall be made on first in first out basis on strict seniority (strictly on queue basis) including priority payment of not more than 25 Lakhs per month, under approval of Commissioner. The priority will be considered in case of:-

- i) Due to illness of contractor or his family members
- ii) Due to marriage of any family member of the contractor
- iii) Any other reason as deemed fit by Commissioner, North DMC

However, payment on priority should be released in pursuance of orders of Hon'ble Courts over and above the payments mentioned above.

This shall be incorporated in the General Conditions of Contract.

This issues with the prior approval of competent authority for strict compliance by all concerned.

— S1 —  
Ex. Engineer (P)-III/North DMC

All CEs/SEs/EEs/DCA(Engg.)/DCA(Plan)

### **Copy for kind information to:-**

1. PS to Commissioner for kind information of Commissioner
2. PS to Addl. Commissioner (Engg.)
3. PS to Addl. Commissioner (Finance)
4. Engineer-in-Chief
5. C.L.O
6. Director (IT) : For uploading on the official website of North DMC.

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02/12/21  
Ex. Engineer(P)-III/North DMC



No. Addl. Comr (Engg)/MCD/D-41

Date: 17/02/2023

**CIRCULAR**

In supersession of all previous orders / circulars regarding 3<sup>rd</sup> Party Quality Assurance / Audit of Engineering Works of MCD, the following conditions shall be incorporated in all NIT/Tender Documents being issued for different works as below:-

Contractual cost of work	Mandatory sampling	Third Party Quality Audit/Assurance (TPQAA)
More than Rs. 50.00 lacs	As specified in CPWD /IRC specification / manual by the concerned division. Testing of samples will be in the Municipal Lab	1. Rail India Technical and Economic Service Limited (RITES) 2. Certification Engineers International Limited (CEIL) 3. Delhi Technological University (DTU) Testing of samples will be in the designated lab* or in house lab of the party conducting quality audit. The Third Party Quality Audit (TPQA) charges are as per <b>Annexure 'A'</b> .
Above Rs. 10.00 lacs & upto Rs. 50.00 lacs	As specified in CPWD /IRC specification / manual by the concerned division. Testing of samples will be in the Municipal Lab.	a) 10% of the works will be decided by Addl. Comm. (Engg.) to be checked by team comprising of SE(QC) and respective SE(Zone). Testing of samples shall be either in the designated Lab or as decided by Addl. Commissioner (Engg.) while short listing the works. b) 65% of the works by Quality Control Cell. Testing of samples will be in the designated lab*. c) 25% of the works by the concerned Chief Engineer. Testing of samples will be in the designated lab.*
Above Rs. 02.00 lacs & upto Rs. 10.00 lacs (However, this will include the ALR cases upto Rs. 5.00 lacs)	As specified in CPWD /IRC specification / manual by the concerned division. Testing of samples will be in the Municipal Lab.	25% of works by the concerned SE (Zone). Testing of samples will be in the designated lab.*

**\*Designated labs**

- a. Sri Ram Institute for Industrial Research (SRI), Delhi
- b. Ministry of Micro, Small & Medium Enterprises (MSME), Okhla
- c. National Test House (NTH), Ghaziabad

1. All low rated cases below 25% of the justification (formerly known as ALR works) above Rs. 5.00 lacs and upto Rs. 50.00 lacs shall be checked by the Quality Control Cell of MCD.
2. In case of works more than Rs. 50 lacs, the selection of the Third Party Quality Assurance Agency will be done on rotational basis randomly by QC Cell. Information regarding issuance of work order will be sent to QC Cell within 5 working days of issue of work order by the concerned Ex. Engineer of the

Division. The formalities related to issue of award letter / agreement with the TPQAA / Payment to the third party etc. shall be completed by the EE of the concerned Division.

3. If the TPQAA mentioned above are not willing to carry out the 3<sup>rd</sup> party quality assurance/ audit then the following agencies can be considered as TPQAA.

1. IIT Delhi / Roorkee
2. CRRI (In case of road work)
3. NCCBM, Ballabgarh
4. CBRI, Roorkee
5. National Institute of Technology, Delhi
6. Jamia Millia Islamia, Delhi

The 3<sup>rd</sup> party quality audit charges in such cases shall be borne by the contractor/agency as intimated by the 3<sup>rd</sup> party.

4. In case the above mentioned TPQAAs are not willing to take up the 3<sup>rd</sup> party quality assurance / audit, then matter will be placed before Addl. Commissioner (Engg.) for deciding the checking of work by QC / CE.
5. The following modalities shall be followed strictly for inspection of work through Quality Control cell:-
  - i. Testing charges for the samples lifted during the checking are to be borne by the contractor. Samples of materials lifted by QC Cell will be got tested from the designated labs.
  - ii. The list of works awarded in the preceding 15 days (from 1<sup>st</sup> day of the month to 15<sup>th</sup> day of the month and from 16<sup>th</sup> day of the month to last day of the month) shall be placed before the Chief Engineer (QC), who shall decide, through lottery system, the 10% cases where sampling will be carried out in the presence of EE (QC) and EE of the concerned division and in such cases while checking of works relating to design mix concrete / nominal mix concrete, at least one sample shall be compulsorily lifted through core cutting. The lifting of core cutting sample will be done in the presence of SE (QC), SE (Zone) concerned and SE (Lab.). The core cutting and testing of samples shall be got done through designated lab and charges shall be borne by the contractor.
6. For all ALR works of CC/RMC pavement costing more than Rs. 10 lacs and upto Rs. 50 lacs, one sample through core cutting shall be mandatory. Work costing more than Rs. 50 lacs, one additional core cutting sample will be lifted for every Rs. 50 lacs or part their off.
7. The work of Third Party Quality Assurance/Auditing (TPQAA) shall be in the form of random inspection/lifting of samples at various stages. For works costing more than Rs. 10 lacs the inspection will be carried out as mentioned below for different type of works:-

Type of work	1st Stage	2nd Stage	3rd Stage	4th Stage
Building work	Foundation level i/c CC & steel	Plinth level/ lintel level	At the time of casting of slabs	Finishing i.e. flooring/doors / tiles
Road work	Earth work/ subgrade	Completion of WBM/Wet Mix	After premix/BM	After AC/mix seal/seal coat/mastic
Drain work	At the time of fixing of levels.	During construction stage	Final stage	
RMC Pavement	At the time of preparation of base	During laying of RMC/level/ camber	Final stage	
Footpath/Central Verge i/c kerb stones/ interlocking pavers etc.	A the time of preparation of base	During fixing of kerb stones	During laying of interlocking pavers etc.	Finishing

Bridges and culverts	Foundation level	Pier level	Steel/deck up slab	Finishing
Parks	Foundation level of B/walls	During execution of B/wall walkway	Fixing of tiles/grit wash	Steel railing

For works costing upto Rs. 10 lacs at least two inspections are mandatory preferably at 10 – 30 % progress and 70-90 % progress.

8. For the works costing between Rs. 2 and Rs. 10 lacs (including the ALR cases upto Rs. 5.00 lacs), the concerned EE of the divisions will send a consolidated list of such works every week to Quality Control Cell, who in turn will select the work for 3<sup>rd</sup> party checking. The Quality Control Cell will select randomly on fortnightly basis the 25% of the works to be checked by SE concerned of the zone and the designated lab as per the web based module.
9. Concerned EE of the division shall supply the documents i.e. work order / schedule / estimates, sketch of the work or any other documents as desired by the CE/Quality Control Cell/SE concerned of the zone acting as 3<sup>rd</sup> party, as soon as the work is initiated in order to avoid delay.
10. In case of CC Cubes, the cubes shall be casted at site and duly signed by all concerned officers present at the time of lifting & sealing of samples.
11. EE Concerned of the divisions shall ensure the compliance of the report of CE/Quality Control/SE concerned of the zone acting as 3<sup>rd</sup> party agency. On receipt of compliance report from concerned EE, QC cell will issue satisfactory work report and thereafter only EE concerned of the division shall be authorized to pass the bill.
12. If the designated labs discontinue the work, MCD shall be at liberty to terminate the contract.
13. The E-in-C or his authorized representative shall be at liberty to watch the process of sampling/testing in the lab as and when required. In case of any dispute, the decision of the E-in-C, MCD will be final and binding.
14. In all low rated cases below 25% of the justification (formerly known as ALR works), the performance security @ 10% of the amount put to tender shall be deducted / withheld from the first running bill of the agency. It will be in addition to the security deposited / deducted as per general conditions of contract. The additional performance security shall be released at the time of final bill on receipt of satisfactory work report from Quality Control / TPQAA. This performance security shall be in addition to the performance guarantee already being deposited for all works irrespective of their rates.

*Sause*

Addl. Commissioner (Engg.)

Distribution:-

1. All E-in-C
2. All CEs/SEs & EEs

Contractual Cost of work	Mandatory Sampling	Third Party quality audit charges		
		RITES	CEIL	DTU
More than Rs. 50 lacs	As specified in CPWD/IRC specification by the concerned division. Testing of samples will be in the Municipal Lab. In addition to the mandatory sampling done by the concerned division, minimum 10% of the mandatory sampling shall be done by the TPQAA agency and testing of these samples will be in the designated lab# or in house lab of the party conducting quality audit.	All works	All works	All works
		1.50%+GST, but excluding Testing charges (Testing shall be conducted at MCD designated labs and testing charge shall be borne by concerned agency for works upto Rs. 300 lacs	1.5% of the contractual cost for works above Rs. 25 lacs and upto Rs. 5.00 Crores	1.5% of the contractual cost for the works above Rs. 25 lacs and upto Rs. 40 Crores
		1.5%+GST, including Testing Charges (Testing shall be conducted at MCD designated labs and testing charges shall be borne by RITES LIMITED) for works above Rs. 300 lacs (single Work Order)	1.25% of the contractual cost for works above Rs. 5.00 Crores	1.25% of the contractual cost for works above Rs. 40 crore and upto Rs. 80 Crores
				1.10 % of the contractual cost for works above Rs. 80 Crores
	Sample Testing Charges i/c NDT/ core testing	For works upto Rs. 300 lacs testing charges excluding from the above rates. For works above Rs. 300 lacs testing charges including in the above rates.	Including in the above rates	Including in the above rates
Rs.10 lacs-50 lacs	As specified in CPWD/IRC specification by the concerned division. Testing of samples will be in the Municipal Lab	a) 65% of the works by Quality Control Cell Testing of samples will be in the designated lab*. b) 25% of the works by the concerned Chief Engineer. Testing of samples will be in the designated lab.* c) 10% of the works by Team comprising of SE(QC), SE(Zone) & ADOV (Vig.). Testing of samples shall be either in the designated Lab or as decided by Addl. Commissioner (Engg.) while short listing the works.		
Rs.2 lacs-10 lacs	As specified in CPWD/IRC specification by the concerned division. Testing of samples will be in the Municipal Lab	25% of works by the concerned SE. Testing of samples will be in the designated lab.		

## # Designated labs

- a. Sri Ram Institute for Industrial Research (SRI), Delhi
- b. Ministry of Micro, Small & Medium Enterprises (MSME), Okhla
- c. National Test House (NTH), Ghaziabad

MUNICIPAL CORPORATION OF DELHI  
OFFICE OF CA-cum-FA  
Finance & General Branch, 23<sup>rd</sup> Floor  
Dr. S.P.M. Civic Centre, J.L. Marg, New Delhi

Date: 24/4/25

No.:- CA-cum-FA/DCA(F&G)-II/MCD/2025/D- 41

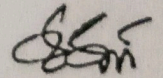
Circular

As per Section 31 of CGST Act & Rule 46, a GST invoice has to be provided by the Contractor/Supplier/Service Provider giving details such as Invoice number and date, customer name, shipping and billing address, customer's and taxpayer's GSTIN, place of supply, HSN Code, item details, Taxable Value and discounts, rate and amount of CGST/SGST/IGST, whether GST is payable on reverse charge basis, signatures. If the taxpayer is not registered and the value is more than Rs.50,000/- then invoice should carry name and address of the recipient, address of delivery, state name and state code.

Recently, in hearing of District Court in Delhi, It was highlighted that guidelines issued vide Circular No. 41/DCA/FMB/EDMC/2018 dated 23.10.2018 (copy attached) are not being followed by various departments of MCD i.e. Bills were passed without tax invoice. Non submission of GST invoice by the contractor as well as non seeking of same by both the contract issuing authority & the Bill passing authority of MCD in works and services contracts where the running bills are prepared and passed shows serious negligence on the part of contractors as well as bill passing authority of MCD. This lapse (from contractor & deptt.) was noticed in all works and services contract .

Henceforth, all Contract issuing & Bill passing authorities are hereby directed to mandatory collect the GST tax invoice from Contractors both in works and services contract in terms of Section 31 & Rule 46 of CSGT Act, 2017. Further no payment shall be released against bill of contractor by bill passing authority of MCD, without submission of tax invoice by the contractor. If the contractor has failed to submit GST tax invoice alongwith running and final bills then concerned JE or equivalent authority as per contract has to seek the copy of tax invoice from contractor. Any deviation will attract disciplinary action against all concerned. A sample format of GST Invoice is also enclosed herewith for reference.

This issues with the approval of Competent Authority.



B&FO-I

Encl: As above

Distribution:-

1. All HODs
2. All Chief Engineers/SE concerned for issuing necessary directions to offices/divisions under their jurisdictions
3. All DCAs Concerned.