

**Government of West Bengal  
Finance Department  
Audit Branch**

No.8182-F(Y).

Kolkata, the 26<sup>th</sup> September, 2012.

**MEMORANDUM**

<b>Subject:</b>	<b>Modification of Clause relating to Settlement of Disputes under Conditions of Contract</b>
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The Dispute Redressal mechanism as contained in the general conditions of contract for Works has been engaging the attention of the Government for some time past. The present system of dispute redressal contained in Clause 25 of the General Conditions of Contract of the State Public Works Department reads as -

“Clause 25 - Except where otherwise provided in the contract all questions and disputes relating to the meaning of the specifications, designs, drawings and instructions herein before mentioned and as to the quality of workmanship or materials used on the work or as to any other question, claim, right, matter or thing whatsoever, in any way arising out of relating to the contracts designs, drawings specifications, estimates, instructions, orders or these conditions or otherwise concerning the works, or the executions or failure to execute the same, whether arising during the progress of the work, or after the completion or abandonment thereof shall be referred to the sole arbitration of the Chief Engineer of the Deptt. Should the Chief Engineer be for any reason unwilling or unable to act as such arbitrator, such questions and disputes shall be referred to an arbitrator to be appointed by the Chief Engineer. The award of the arbitrator shall be final conclusive and binding on all parties to this contract.

The award shall be a speaking one, i.e., the arbitrator shall recite facts and reasons arising in support of the award after discussing fully the claims and conditions of the parties.

*[This Clause (viz no 25) shall not be applicable and shall be treated to be deleted for contract upto Rs.100 lakhs (Rupees one hundred lakhs) in case of P.W.D. vide G.O. no. PWD.1(7)-Adt/1M-10/81 pt. Dt. 6.1.95 and Rs. 100 lakh in case of I & W Deptt (vide G.O. no. 1626 (8)-IA dt.23.11.2001)]”*

2. Existing Clause 25 as quoted above needed to be reviewed to protect the interest of the Government and the contractors. Accordingly, the Governor is pleased to replace the existing Clause 25 with the following:

"Clause 25 - Except where otherwise provided in the contract all questions and disputes relating to the meaning of the specifications, designs, drawings and instructions herein before mentioned and as to the quality of workmanship or materials used on the work or as to any other question, claim, right, matter or thing whatsoever, in any way arising out of relating to the contracts designs, drawings specifications, estimates, instructions, orders or these conditions or otherwise concerning the works, or the executions or failure to execute the same, whether arising during the progress of the work, or after the completion or abandonment thereof shall be dealt with as mentioned hereinafter:

If the contractor considers any work demanded of him to be outside the requirements of the contract, or disputes any drawings, record or decision given in writing by the Engineer-in-Charge on any matter in connection with or arising out of the contract or carrying out of the work, to be unacceptable, he shall promptly within 15 days request the Chairman of the Dispute Redressal Committee in writing for written instruction or decision. Thereupon, the Dispute Redressal Committee shall give its written instructions or decision within a period of three months from the date of receipt of the contractor's letter.

The Dispute Redressal Committee in each of the Works Departments shall be constituted with the following officials as members -

1	Additional Chief Secretary/ Principal Secretary/ Secretary of the Department concerned	Chairman
2	Engineer-in-Chief/Chief Engineer or any officer of equivalent rank of the Department.	Member
3	One Designated Chief Engineer/ Engineer of the Department to be nominated by the Department concerned.	Member Secretary and Convenor
4	One representative of Finance Department of the Government not below the rank of Joint Secretary or Financial Adviser in case of the works Department where FA system has been introduced	Member

This provision will be applicable irrespective of the value of the works to which the dispute may relate."

This order will take immediate effect and be applicable to all the State Government Departments.

Sd/-

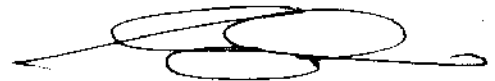
**[H. K. Dwivedi]**  
Secretary to the  
Government of West Bengal.

No.8182/1 (100)-F(Y).

Kolkata, the 26<sup>th</sup> September, 2012.

Copy forwarded for information and necessary action to:-

1. The Principal Accountant General (A&E), West Bengal, Treasury Buildings, 2, Govt. Place (West), Kolkata-700 001.
2. The Principal Accountant General (Audit), West Bengal, Treasury Buildings, 2, Govt. Place (West), Kolkata-700 001.
3. The Accountant General (R.W. & L.B. Audit), West Bengal, C.G.O. Complex, 'C' East Wing, 5<sup>th</sup> Floor, Salt Lake, Sector-I, Kolkata-700 064.
4. The Additional Chief Secretary/Principal Secretary/Secretary ,  
..... Department.
5. The Director of Treasuries & Accounts, West Bengal, The New India Assurance Building, 4, Lyons Range, Kolkata - 700 001.
6. The Commissioner, \_\_\_\_\_
7. The District Magistrate, \_\_\_\_\_
8. The Sub-Divisional Officer, \_\_\_\_\_
9. The Pay & Accounts Officer, Kolkata Pay & Accounts Office - I, 81/2/2, Phears Lane, Kolkata - 700 012.
10. The Pay & Accounts Officer, Kolkata Pay & Accounts Office - II, P-1, Hyde Lane, Kolkata - 700 012.
11. The Pay & Accounts Officer, Kolkata Pay & Accounts Office - III, IB Market, 1<sup>st</sup> Floor, Salt Lake, Sector -III, Kolkata - 700 106.
12. The Treasury Officer, \_\_\_\_\_.
13. \_\_\_\_\_
14. The Principal Accounts Officer & Ex-Officio Deputy Secretary, Finance (Budget) Department, for uploading this Notification in the Finance Department website.



(Swapan Kumar Paul)  
Special Secretary to the  
Government of West Bengal.  
Finance Department.