

**PROCEEDINGS OF THE CHIEF EXECUTIVE OFFICER,
KERALA INFRASTRUCTURE INVESTMENT FUND BOARD,
THIRUVANANTHAPURAM
(Present: Dr. K. M. Abraham CFA)**

ORDER NO. CPE/2421/2018/KIIFB Dated 29.10.2018

Sub: - Deviations and variations in contract agreements of KIIFB projects

Read: -G. O. (Ms) No.69/2018/Fin Dated 24.02.2018

ORDER

KIIFB has accorded approval for various projects to be executed through several Special Purpose Vehicles (SPVs) and most of the projects are at its starting stage. Based on the initial scrutiny and inspections conducted on the projects, it has been observed that in most of the cases deviations and variations in items of works in the contract agreement are likely to occur. KIIFB has scrutinized the issue in detail and formulated a process for dealing with such deviations and variations.

The analysis of anticipated deviations will help to conduct the scrutiny at an initial stage and necessary corrective action, if required can be initiated accordingly. This will restrict the chances of undue benefits to the contractor. SPVs shall anticipate the deviations in advance, prior to achievement of 10 % of physical progress of the work based on the soil investigation, GFC drawings, design variations, etc. and the revised estimate has to be prepared at that stage itself and approved by the TS committee. The SPVs need not to wait for the approval from KIIFB if there is no scope / cost variation and may continue the work after intimation, however, the same shall be subject to intensive examination by the Inspection Authority. In the scenario of any anticipated scope / cost variations from the agreed amount, SPV shall submit the revised estimate with the concurrence of Technical Sanction Authority to KIIFB as per the standard format annexed and may continue the work. However, the deviated /substituted items of work shall be executed only after getting an in - principle approval from KIIFB. Formal approval for revised estimate will be issued in due course subject to the fulfilment of technical and contractual requirements.

**Dr. K. M. ABRAHAM CFA
CHIEF EXECUTIVE OFFICER**

To,

1. All Heads of Special Purpose Vehicles
2. Deputy Managing Director, KIIFB
3. The Chief Project Examiner, Inspection Authority, KIIFB
4. The General Manager - 1&2, Project Appraisal Division, KIIFB
5. Additional Secretary, Inspection Authority, KIIFB
6. Joint Fund Manager, Finance & Administration, KIIFB
7. The Stock file/ Office Copy

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Section Officer

