

CE (Dist.)/D-IV/Centages/DDF Works/ **24007**

Date: **29 JUL 2016**

CIRCULAR

Sub: Recovery of Centages for DDF Scheme Works

Ref: 1) Board Resolution No.705 Dtd. 23/06/2016

The work of Shifting of DTC, HT line, LT line and such other infrastructure works is carried out under DDF. The applicant either pays 100% estimated cost (called 100% DDF) and MSEDCL carries out the work by full turnkey basis by tenderization **OR** applicant pays supervision charges (called DDF 1.3% supervision) and after getting permission from MSEDCL applicant carries out the work through licensed electrical Contractor (LEC). The guidelines for the normative charges under DDF 1.3% supervision were issued vide Circular No. CE(Dist)/DIII/MERC/SOC/39938, Dt. 03/11/2007.

In order to have uniformity in loading of centages for DDF works estimates and clarity about recovery of amount thereof from DDF applicant, the following guidelines are approved vide Board Resolution No.705 Dtd. 23/06/2016.

1) For DDF Scheme 1.3% Supervision, where applicant has made 1.3% supervision Charges to MSEDCL executed the works through Licensed Electrical Contrator:

Sr. No.	Particulars	Percentage	Estimate Amount (Rs.)
1	Cost of material		100.00
2	Erection on material	10.00%	10.00
Sub-Total -I			110.00
Supervision charges @ 1.3% on Sub-Total -I		1.3%	1.43

2) For 100% DDF, where applicant has made 100% payment to MSEDCL for execution of work by MSEDCL on "Full Turn-Key Basis":

Sr. No.	Particulars	100% DDF centages		
		%age	Estimate Amount (Rs.)	Tender Amount (Rs.)
Cost of material		-	100.00	100.00
1	Erection on material	10.00%	10.00	10.00
2	Transportation on material	5.00%	5.00	5.00
3	Insurance on material	1.00%	1.00	1.00
4	Contingencies on material	3.00%	3.00	3.00
5	T & P on material	1.50%	1.50	1.50
6	Contractor supervision on charges on material	5.00%	5.00	5.00
Sub-Total -I		-	125.50	125.50
7	Contractor profit on Total Project Cost i.e. on Sub-Total-I	4.00%	5.00	5.00
Sub-Total -II		-	130.50	130.50
8	Price Escalation on Material Cost	0.00%	0.00	0.00
Sub-Total -III		-	130.50	130.50

9	H. O. Supervision charges @ 1.3% on cost of material and erection on material)	1.30%	1.43	0.00
Sub-Total -IV		-	131.93	130.50
10	Interest during Construction Period (on total project cost) i.e. on Sub-Total-IV	0.00%	0.00	0.00
Sub-Total -V		-	131.93	130.50
11	MVAT @ 5% on material	5.00%	5.00	0.00
12	Service Tax @ (14.5% On 30.5 % service portion 1,2,3,4,5,6 &7)	14.50%	4.43	0.00
Grand Total		-	141.36	130.50

Summarizing the above, the centages to be loaded for works under DDF are as under:

Sr. No.	DDF Proposal	Material Cost	DPR Estimate		Tender Estimate	
			Centages (% on Material Cost)	Total estimate d Amount (Rs.)	Centages (% on Material Cost)	Total Tender estimate d Amount (Rs.)
1	100% DDF	100.00	41.36	141.36	30.50	130.50
2	DDF 1.3% supervision	100.00	10.00	110.00	-	-

The amount to be recovered from DDF applicant:

Sr. NO.	Particulars	Material Cost (Rs.)	Centages (% on Material Cost)	Estimated Amount (Rs.)	Amount to be recovered (considering Material Cost Rs. 100) (Rs.)
1	100% DDF	100.00	41.36	141.36	141.36
2	DDF 1.3% supervision	100.00	10.00	110.00	01.43

Note:

- 1) In this circular, Service Tax is considered @14.5% and MVAT @5.0% while arriving at the amount to be recovered. The corresponding changes in the taxes & duties if applicable shall be incorporated by concerned authorities at the time of actual execution of work and difference in amount if any shall be recovered from DDF applicant.
- 2) The additional expenditure incurred while executing the works, the difference in amount paid and actual expenditure in addition to supervision charges shall be recovered from applicant.
- 3) Latest Cost data & centages of Infra scheme shall be taken for preparation of DDF DPR/ Tender Estimates.
- 4) The consent from applicant shall be taken for payment of difference in amount after final billing & previously paid amount.

This circular comes into force from immediate effect.



Chief Engineer (Distribution)

Copy: as per mailing list