

**GOVERNMENT OF ODISHA  
WORKS DEPARTMENT**

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No. 2375 /W., Bhubaneswar, Dated. 3-3-2022  
07556900152021

**OFFICE MEMORANDUM**

**Sub:- Standard Operating Procedure (SOP) for Processing of the Files relating to Payment of Public Contracts**

Whereas, various changes have been made by Government from time to time for ensuring timely execution of the works and to prevent time and cost overrun of the projects and one of the important requirements for timely execution of the public works, is to ensure timely cash flow to the contractors executing such public works.

And whereas, after careful consideration, Government of Odisha has decided to make a Standard Operating Procedure (SOP) for Processing of the files relating to payment to contractors executing Public Contracts and such payment of dues will relate to following categories :-

1. Running Account Bill / Interim Payment Certificate
2. Final Bill
3. Bonus / Incentive
4. Refund of Performance Security, Additional Performance Security (APS)

And whereas, the following Standard Operating Procedure (SOP) will be followed by all authorities dealing with such matters :-

**1. Running Account Bill / Interim Payment Certificate**

A. Running Account Bill / Interim Payment Certificate is to be released to the contractor on the basis of work executed during the previous months. Field

*K. S. S.*  
3/3/2022

officials supervising the work, are required to ensure submission of a Running Account Bill / Interim Payment periodically, preferably each month. The timeline for payment of Running Account Bills will be as under:

Sl. No	Process Flow	Disposal not later than
i	Contractor will submit a bill for works executed during the previous month/s to the Section Officer	He will submit on day "T"
ii	Section Officer will authenticate all measurements and submit the bill to the Sub-Divisional Officer.	T + 5 days*
iii	Checking to be carried out by the Sub-Divisional Officer and submit the bill (with findings, if any) to the Divisional Officer.	T + 10 days*
iv	After checking, the Divisional Officer will pass the bill and sanction the payment.	T + 20 days*

\* Only working days shall be counted, in the above timelines

- B. It is further provided that with respect to Running Account Bill / Interim Payment Certificate; under no circumstances, there will be withholding of any percentage of dues in the interim bill for want of approval of Extension of Time (EOT) and variation(s) to the contract.
- C. If there is any default on above mentioned SOP then the reasons for such delay shall be recorded in writing in the file and same shall be submitted to next higher authority for necessary approval.
- D. In order to ensure immediate cash flow for the project, if contractor applies, payment against the running account bill, to the tune of 80% of the claimed amount shall be paid in advance, within 5 working days.

## 2. Final Bill

A. All eligible payment due to the contractor for works done, services rendered and materials delivered should be promptly settled. In all cases, the payments must be settled within 60 days after satisfactory completion of the work, unless otherwise mentioned in any contract. The timeline for final billing and settlement of claim of the contractor shall be as under.

Sl. No	Process Flow	Disposal not later than
i	Contractor will submit the final bill along with the Discharge Certificate to the Section Officer.	He will submit on day "T"
ii	Section Officer will submit the final measurements along with the final bill for the work including the discharge certificate, to the Sub-Division Officer.	T + 20 days*
iii	Submission of final bill to the Division Office by Sub-Division Officer after due checking with all documents.	T + 30 days*
iv	Processing of mandatory additional documents like Extension of Time, Variation, Revised Administrative Approval etc. in the Division Office and approval by the competent authority, if required, before processing of the final bill along with provision of allotment and authorization for payment, processing for pass and payment in the Division Office.	T + 60 days

\* Only working days shall be counted, in the above timelines

B. It is further provided that if penalty is to be imposed on the contractor for delay, the same shall be realized from the admissible dues in the final bill or from the security deposits.

*K. L. Kishor*  
3/2/2022

### 3. Bonus / Incentive

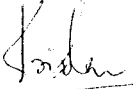
The amount of bonus, if payable, shall be paid along with the final bill after completion of the work for the Contracts, which provide for Bonus / Incentive for early completion of the original work before the original time schedule. As the time limit of 60 days has been prescribed for clearance of final bill, the incentive / bonus payable to the contractor shall be decided within the said time limit of 60 days. Bonus / incentive shall be considered after completion of the original work within the defined time period.

### 4. Refund of Security Deposit & Additional Performance Security (APS)

- A. Initial Security Deposit (ISD), Performance Security and Retention Money constitutes Security Deposit. The Security Deposit where final bill has been settled, is refundable after completion of Defect Liability Period (DLP) unless any other period is specifically mentioned in the contract. If however, there is delay in payment of final bill of the contractor, the Performance Security will be refunded after completion of the Defect Liability Period (DLP) after an assessment has been made of the recoveries that may arise against the contractor.
- B. The Retention Money deducted from running account bills towards security may be allowed to be replaced with bank guarantee(s) of equal amount, on request of contractors within seven (7) days of such request made.
- C. Additional Performance Security (APS) shall be refunded immediately on successful completion of the work within seven (7) days of issuance of Completion Certificate/ Provisional Completion Certificate.

These instructions shall be deemed to be a part of OPWD Code and Rules made there under and will amend any other provision in the OPWD Code, which is contrary to above.

**By order of the Governor,**

  
3/3/2022

**(Dr. Krishan Kumar)**

**Commissioner-cum-Secretary to Government**

Memo No. 2376 W., Dated. 3-3-2022

Copy forwarded to Private Secretary to Hon'ble Chief Minister, Odisha/Private Secretary to Hon'ble Minister, Works, Steel & Mines, Odisha for kind information of Hon'ble Chief Minister, Odisha & Hon'ble Minister, Works, Steel & Mines, Odisha.

*Sival*  
FA-cum-Additional Secretary to Government 3/3/2022

Memo No. 2377 W., Dated. 3-3-2022

Copy forwarded to OSD to Chief Secretary, Odisha/Sr. Private Secretary to Development Commissioner-cum-Additional Chief Secretary to Govt. / Sr. Private Secretary to Principal Secretary to Govt., Finance Department for kind information of Chief Secretary/Development Commissioner-cum-Additional Chief Secretary to Govt. /Principal Secretary to Govt., Finance Department.

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FA-cum-Additional Secretary to Government 3/3/2022

Memo No. 2378 W., Dated. 3-3-2022

Copy forwarded to the Principal Accountant General (A&E), Odisha, Bhubaneswar/Principal Accountant General (E&RSA), Odisha, Puri Branch, Puri for information and necessary action.

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FA-cum-Additional Secretary to Government 3/3/2022

Memo No. 2379 W., Dated. 3-3-2022

Copy forwarded to All Departments of Government/ EIC-cum-Managing Director, OB&CC Ltd., Bhubaneswar/Managing Director, OCC Ltd. Bhubaneswar/Managing Director, OSPH&WC, Bhubaneswar for information and necessary action.

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FA-cum-Additional Secretary to Government 3/3/2022

Memo No. 2380 W., Dated. 3-3-2022

Copy forwarded to EIC (Civil), Odisha/EIC, Water Resources, Odisha/EIC (Rural Works), Odisha/All Chief Engineers, under the Administrative Control of Works Department, R.D. Department, Water Resources Department and H&UD Department/All Superintending Engineers (under Works Department)/All Executive Engineers (under Works Department) for information.

*Sival*  
FA-cum-Additional Secretary to Government 3/3/2022

(P.T.O)

Memo No. 2381 W., Dated. 3-3-2022

Copy forwarded to OSWAS Control Room with a request to upload in the web-site of Works Department.

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3/3/2022  
FA-cum-Additional Secretary to Government

Memo No. 2382 W., Dated. 3-3-2022

Copy forwarded to the Director, Printing, Stationery & Publication, Odisha, Cuttack by e-mail ([deputydirectorpp@redifmail.com](mailto:deputydirectorpp@redifmail.com)) for publication of this Office Memorandum in the next issue of Odisha Gazette and supply 20 (Twenty) copies to this Department for official use.

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3/3/2022  
FA-cum-Additional Secretary to Government

Memo No. 2383 W., Dated. 3-3-2022

Copy forwarded to Accounts-I Section / Accounts-II Section/ Road Section / Plan Section / Building Section/ Budget Section / NHs Section/ FC & AA Section/ EAP Section for information and necessary action.

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3/3/2022  
FA-cum-Additional Secretary to Government