



GOVERNMENT OF KERALA

Abstract

Water Resources Department - Proposal for River Rejuvenation and Debris Removal Works in Punnapuzha River in Meppadi Grama Panchayath in Wayanad district-Modifying the EPC agreement and approval for Bill of Quantities (BOQ)-Sanction accorded- Orders issued

WATER RESOURCES(IR) DEPARTMENT

G.O.(Rt)No.207/2026/WRD Dated,Thiruvananthapuram, 26-02-2026

- Read 1 G.O(Ms)No.2/2025/DMD dated 15.01.2025
2 G.O(Rt) No. 268/2025/WRD dated 18.03.2025.
3 G.O(Rt) No. 290/2025/WRD dated 25.03.2025
- 4 Letter No. CEIA/6452/2024-PL 3 dated 16.02.2026 and 24.02.2026 from the Chief Engineer, Irrigation and Administration

ORDER

1. As per the G.O read as 2nd paper above, Administrative Sanction was accorded for Debris removal and River Rejuvenation works in the landslide affected site & river bed at Punnapuzha in Meppadi Grama Panchayath in Wayanad District for an amount of ₹1,95,55,00,000/- (Including GST). An amount of ₹ 140.70 Crores (including GST) was provided for in the Administrative Sanction amount for "River Training works of Punnapuzha river". As per the G.O read as 3rd paper above, Government has awarded the works of debris removal and river rejuvenation, Investigations and river training works to Uralungal Labour Contract Co-operative Society (ULCCS) on nomination basis for executing the works on same parameters as for Wayanad township project as EPC contract. The design for river training works was

prepared by ULCCS and was vetted by NIT, Calicut.

2. As per the approved drawing items along with Bill of quantities (BOQ) was quantified for those items appearing in SOR of DSR - 2021, and for items not available in SOR (DSR-20121, a market based rate analysis was carried out taking BOQ into consideration. The items in the Bill of Quantities submitted by ULCCS - EPC Contractor having existing rates of DSR are 1.001, 2.001, 2.002, 2.005, 3.001, 3.002, 4.001, 4.002, 4.003, 4.004, 4.005, 4.006 & 5.001. The items which has market rate are 1.002, 1.003, 2.003 & 2.004. The rates submitted for market rate items by ULCCS are subject to fluctuation in the exchange rates of dollar depending in the International Market, steel price variation in the domestic market etc.

3. The ULCCS has submitted the BOQ for the final estimate for an amount of ₹ 159.82 crore after negotiation done by the Department. Since the rate quoted by the ULCCS was too high, negotiation was again done with ULCCS and the final reduced quoted amount is to ₹ 140,65,51,033/.

4. The reduction in their negotiated rate is subject to inclusion of the following clauses as demanded by ULCCS.

A. Economic Exposure & Price Variation: The high fluctuations in the cost of specialized materials transfer disproportionate risk to the contractor under the initial provisions. Per agreement today, a price variation clause will be added to the contract conditions to mitigate cost fluctuations for Gabion materials specifically arising from changes in steel rates in international tariffs and import/export policies during 18 months project duration provided the variation is more than 5% of the awarded rate.

B. Financial Terms & Payment Milestones: The absence of payment milestones for the delivery of high-value, long-lead items, coupled with the omission of design and supervision fees for specialized items in the BoQ, initially required to front-load certain costs. As ULCC has reduced this front-loaded amount in the revised final offer, it is agreed that a payment term will be amended stipulating that 90% of the invoiced material cost will be disbursed within seven (7) days of the delivery and 'certified satisfactory' by the department for the specialized items like Gabion boxes and mattresses to the site.

C. Excavation Scope and Billing: Because this project involves a high

volume of boulders and hard rock, applying the reduced excavation rates commonly would result in severe commercial losses. As agreed, revised excavation rates are strictly limited to soil and small boulders. The excavation of large boulders and rock requiring blasting will be billed as an additional item as per actual and ULCCS will submit separate bill for this work. Department will specially examine the request and allow the local market rate / DSR 2021 rate.

5. The Chief Engineer has forwarded the documents such as Bill of Quantities with negotiated Quoted Rates of ULCCS and above three clauses for inclusion in the EPC agreement and requested Government for issuing necessary direction for modifying EPC contract and also for approving the BoQ received from ULCCS.

6. Government have examined the matter in detail and found that the special provisions as aforesaid are necessitated because the estimate involves many items which has no DSR rate. Besides these materials are of high cost and subject to severe fluctuation in international exchange rate because of its foreign procurement market effects. The above circumstances warrant a prioritized consideration and special analysis in this case. Hence Government are pleased to approve the negotiated Bill of Quantities received from Uralungal Labour Contract Co-operative Society amounting to ₹ 140,65,51,033/-.

7. Government are pleased to direct Chief Engineer, Irrigation and Administration to modify the contract Agreement (EPC) as per the amendments and other conditions as detailed in Para 4 above and to take further necessary action.

(By order of the Governor)
BISHWANATH SINHA
ADDITIONAL CHIEF SECRETARY

To:

The Chief Engineer, Irrigation & Administration, Thiruvananthapuram

The Chief Engineer, Project I, Kozhikode

The Accountant General(Audit/A&E) Kerala, Thiruvananthapuram

The Managing Director, Uralungal Labour Contract Cooperative Society Ltd, P.O Madapally College, Vatakara, Kozhikode, Kerala-673102

The Commissioner, Land Revenue, Thiruvananthapuram

The Commissioner, Disaster Management

The District Collector, Wayanad

The Member Secretary, Kerala State Disaster Management Authority

The Director of Treasuries, Thiruvananthapuram

The Revenue (DMD) Department

The Information Officer, Web&New Media, I&PRD

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Section Officer