

**NODAL CELL
FINANCE DEPARTMENT
PALIKA KENDRA : NEW DELHI**

Sub : Inclusion of standard clause w.r.t. 'Penalty'/ 'compensation' in the NITs

It has been observed that Standard GCC including Penalty Clause is not being followed in various NITs. The issue of variance of 'Penalty clause' was also raised in the recent SCAN meeting held on 31st January, 2023. Due to non inclusion of standard clause w.r.t. Penalty, the contracts have varied and sometimes diluted provisions w.r.t. 'penalty/compensation' etc. The provisions are otherwise necessary to run the contract/execute the specified scope of work and enforce the relevant clause in case of default.

2. Head of Departments have been delegated full powers in r/o 'approval of NIT/Technical Sanction' besides restricted delegation to subordinate officers in Civil, Electricity and Horticulture Departments. This implies that conditions of all NITs are finalized and approved within respective department. It needs to be ensured that the NIT conditions are not at variance with the fundamentals of GCC.

3. In case, any condition is required to be inserted/deviated in the interest of work/NDMC, the same shall be considered only after approval of the authority competent to approve the standard NIT/RfP. The minor deviations or work specific requirements may however, be covered in 'Special Conditions' of the NIT.

4. Head of Departments to ensure standardization of NIT clauses including Penalty/Compensation clause within department as well as within organization i.e. NDMC

This issues with the approval of the Chairperson, NDMC

Signed by **Ram Singh**
Director (Finance)

Date: 01-03-2023 11:31:21

Head of Departments

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|------------------------|--|
| 1. P.S. to Chairperson | - for information of Chairperson, NDMC |
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| 3. P.S. to F.A. | - for information of F.A., NDMC |
| 4. Copy in E 88879 | |