

Mode of Payment to The Contractor.

Interim Payment And Its Necessity -

It is a partial payment to the contractor. Under the ~~the~~ terms of contract the contractor is to be paid monthly for works in progress or supply is in progress.

Interim payment not to be considered as final acceptance of the works up to that level.

Engineer to be given power to withhold the interim payments under special circumstances.

The interim payments are necessary because -

- ① When the ~~pro~~ project is large, the contractor has to invest large amount for a longer period, which may not be possible for him. This may affect the progress of work due to lack of funds with the contractor.
- ② The progress of the work should be in proportion to the duration of the project. If the bills are paid at intervals, we can check the progress of the work.
- ③ The interim payments also show the approximate value of work done.

Advance Payment -

It means payment made on a running account to a contractor for work done by him but not measured.

Advance Payment is not generally made to the contractor, but may be made under special cases when the work is sufficiently progressed but measurement cannot be taken for certain valid reasons on the certificate of Assistant Engineer in charge of work "the value of work done is more than the advance payment or ~~purpose~~ purposed to be made and detailed measurement will be taken as soon as possible."

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Secured Advance -

It means an advance payment made to a contractor, on the security of materials brought by the contractor to the site of work, when the contract is for finished work. The division officer has an authority to sanction secured advance up to an amount not exceeding 75% of the value of a materials as assessed by the engineer in charge or an amount not exceeding 75% of the material cost in the tendered rate of the finished item of work, whichever is lower.

Final Payment -

It is to be made within three months from the date of issue of certificate of final completion. After the works are completed in all respects, the engineer accurately prepares the final amount of works after deducting all previously payments.

The final bill is drawn in prescribed form no. 27 yellow paper after confirming the following things.

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- ① The work is complete as per the specification and the site has been left cleaned.
 - ② No damage has been caused to other properties and no defect is apparent.
 - ③ A certificate of physical completion has been recorded in the relevant M.B.
 - ④ The measurements recorded are in accordance with the method prescribed in the contract.
 - ⑤ The rates for item of work, actually done and measured are not in excess of those provided in the contract.

First and Final Payment

It is single payment, made for a job on its completion. This is usually applicable for small work, e.g. Sanitary block for school building compound wall, septic tank, grill work, demolishing existing structure etc.