



Defining the Future

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

(A Statutory Body under Finance Department, Government of Kerala)

Finance and Administration Division

website: www.kiifb.kerala.gov.in

JFM/2673/2018/KIIFB

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CIRCULAR

Sub : KIIFB (Finance & Administration) - Recovery procedure of Mobilization Advance with respect to KIIFB Funded Projects - Instruction for strict compliance – reg

The following instructions are issued for strict compliance by the Special Purpose Vehicles (SPVs) implementing KIIFB funded projects:-

1. Mobilization Advance upto 10% of the tendered value may be sanctioned by the SPV concerned, strictly based on the assessment of the need thereof, if applied for by the contractor within one month from the date of award of contract. This advance is for facilitating the contractor to mobilize the work at site by deployment of machinery and various resources. Advance can be released in two or more installments as considered appropriate and installments subsequent to the first installment shall be released after obtaining proof of utilization of the advance already released.
2. Request for Mobilization advance shall be considered only if it is included in the Notice Inviting Tender (NIT) as per CPWD stipulations. The request for Mobilization Advance after the stipulated time period of one month will be considered on furnishing proper clarifications for the delay and by delegating the power of engineer-in-charge as mentioned in clause 10 B (v) of the Central Public Works Department General Conditions of Contract (CPWD-GCC).
3. Bank Guarantees not exceeding 6 numbers from any nationalised/scheduled bank for 110% of the value of advance amount considered for release and valid till recovery of the advance shall be obtained prior to the release of each instalment of mobilization advance. The available Bank Guarantee shall not be less than 110% of the outstanding mobilisation advance for recovery at any stage.

4. Clarification regarding the renewal of Bank Guarantee must be included if the initial guarantee is for the full amount.
5. The interest rate in effect as per the CPWD General Conditions of Contract as on the date of release of the Mobilization Advance shall be charged on the Mobilization Advance and levied along with each installment of recovery of the advance.
6. Recovery of advance shall be made on pro-rata basis to the gross value of work and interest shall be effected from the contractor's bills after the first 10% of the gross value of work has been executed and paid for. The entire advance is to be recovered by the time 80% of the gross value of the contract is executed and paid for.

Dr. K. M. Abraham CFA
Chief Executive Officer

To,
All SPVs
The Secretaries of Administrative Departments
All Divisions/Officers, KIIFB

Forwarded/By Order



Section Officer