

**PLANNING & DESIGNS SECTION**  
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DGM (F)

DGMM (RSC)

Project Directors

**Recovery of Mobilization Advance & Deduction of Retention**  
**In Works Contracts Based On ICTAD Condition of Contract**  
**(Referring to ICTAD – SBD 1 as an Example)**

As there are misunderstandings of the recovery of Advance payment and deduction of retention money of works contractors following procedure, as stated in the ICTAD SBDs to be adopted for works contracts based on the ICTAD condition of contract.

- a) Initial Contract Price means amount stated in the letter of acceptance.
- b) Clause 51.1 (SBD 1) Mobilization Advance Amount is equal to 20% of initial Contract Price excluding provisions sums and contingencies.
- c) Clause 51.3 (SBD 1) Recovery of Mobilization Advance to be commenced, from first bill onwards and the advance payment shall be recovered in full when the total certified value of work done reaches 90% of Initial Contract Price.

Recovery of Mobilization Advance shall not include Variation, Price Adjustments, Compensation Events, Bonuses, or Liquidated Damages

- d) Clause 48.1 (Contract Data) – The retention from each payment shall be 10% of the certified work done and limit of retention shall be 5% of the Initial Contract Price.
- e) Clause 5.4.6 (Procurement Guideline) Retention money shall be deducted from net work done (including material at site), before making any adjustment to Price Escalation, VAT, Advance Payment Recovery. No retention money shall be deducted from Advance Payment.

In addition to the above, you are advised to refer Contract Data / Particular Conditions of Contract of the Contract Document for any changes done to above clauses.  
(If any)



**General Manager**

CC – All Addl.GMM

DGM (P&D) / AGM (T&C)