

Subject:- Letter of Confirmation (LOC) from Contractors.

Keywords: Contractors, letter of confirmation, LOC.

For all works whose value is more than Rs. 2 lakhs or for works where the total payment exceeds Rs. 2 lakhs per annum a letter of confirmation is required from the contractor. This is to ensure that we have documentary evidence of understanding with contractors for statutory authorities and for purposes of audit.

The letters shall be as per the formats given below.

Annexure -A: LOC for contractors working on approved rates where POs/WOs are not issued. Eg.: Painting works, earth works, labour works for civil and centering, plumbers, electricians, etc.

Annexure -B: LOC for turnkey works where rate has been finalized, quantities estimated, however payment shall be made on actual measurement.

Annexure -C: LOC for turnkey works where rate has been finalized, quantities estimated, however payment shall be made on lumpsum amounts irrespective of actual measurement.

These LOCs must be signed before start of work. Original copy to be maintained at site.

Attach circulars, internal memos, estimates, etc., to such LOCs and get them signed along with the LOC.

This shall be applicable for all projects from immediate effect. However, existing contractors where more than 50% work is completed are exempted from signing the LOC

Soham Modi.

Annexure -A
(For ongoing works as per circular / agreed rates)
Letter of Confirmation

From		To	
Contractor name		Project Manager name	
Contractor address		Project name	
Contractor mobile		Company name	
Contractor email		Address	
This is to confirm the following: 1. I/we agree to take up the work, details of which are given herein, on the terms and conditions given herein 2. I shall ensure that the work taken up by me is as per the standards, quality and schedule given to me from time to time by the company and the project manager. 3. Payment shall be made to me on weekly basis based on the progress of work as determined by your company. Final payment shall be made after completing the work to the satisfaction of the project manager and on raising appropriate bills. GST bills will be raised, if applicable. 4. I undertake to follow proper procedures to ensure safety of my workers and that of other workers on site. I shall ensure that my workers shall wear helmet, safety jacket, safety shoes and body harness at all times. . 5. I shall ensure that the children of my workers all attend the creche provided at site during working hours. They will not move out of the creche during working hours. 6. I shall ensure good conduct of my workers during and after working hours and shall be entirely responsible for their conduct within or outside the site.			
Details of work:			
Nature of work	Eg.: Civil work/carpentry work/electrical work.		
Rate	As per circular no. _____ or internal memo no. _____. Or Mention details of rates.		
Estimated quantity of work	Mention approximate details of quantity.		
Estimated duration of work	Mention approximate duration of work.		
GST invoice/bill	Not applicable or GST invoice to be raised @ 18% on the above mentioned rates or rate includes GST and GST invoice to be raised.		
	Name	Sign	Date
Contractor			
Project Manager			

Note:1. Attach this LOC – circular/internal memo OR guideline rate form OR measurement + estimate sheet. 2. Contractor and Project manager to sign on all pages

Annexure -B
(For works as per agreed rates based on measurement)
Letter of Confirmation

From		To	
Contractor name		Project Manager name	
Contractor address		Project name	
Contractor mobile		Company name	
Contractor email		Address	
This is to confirm the following: 1. I/we agree to take up the work, details of which are given herein, on the terms and conditions given herein 2. I shall ensure that the work taken up by me is as per the standards, quality and schedule given to me from time to time by the company and the project manager. 3. Payment shall be made to me on weekly basis based on the progress of work as determined by your company. Final payment shall be made after completing the work to the satisfaction of the project manager and on raising appropriate bills. GST bills will be raised, if applicable. 4. I undertake to follow proper procedures to ensure safety of my workers and that of other workers on site. I shall ensure that my workers shall wear helmet, safety jacket, safety shoes and body harness at all times. . 5. I shall ensure that the children of my workers all attend the creche provided at site during working hours. They will not move out of the creche during working hours. 6. I shall ensure good conduct of my workers during and after working hours and shall be entirely responsible for their conduct within or outside the site.			
Details of work:			
Nature of work	Eg.: Civil work/carpentry work/electrical work.		
Rate	As per circular no. _____ or internal memo no. _____. Or Mention details of rates.		
Estimated quantity of work	Mention approximate details of quantity.		
Estimated duration of work	Mention approximate duration of work.		
Total amount to be paid	As per above rates based on actual measurement at site after completion of work.		
GST invoice/bill	Not applicable or GST invoice to be raised @ 18% on the above mentioned rates or rate includes GST and GST invoice to be raised.		
	Name	Sign	Date
Contractor			
Project Manager			

Note:1. Attach this LOC – circular/internal memo OR guideline rate form OR measurement + estimate sheet. 2. Contractor and Project manager to sign on all pages.

Annexure -C
(For works at fixed lumpsum rates)
Letter of Confirmation

From		To	
Contractor name		Project Manager name	
Contractor address		Project name	
Contractor mobile		Company name	
Contractor email		Address	
This is to confirm the following: 1. I/we agree to take up the work, details of which are given herein, on the terms and conditions given herein 2. I shall ensure that the work taken up by me is as per the standards, quality and schedule given to me from time to time by the company and the project manager. 3. Payment shall be made to me on weekly basis based on the progress of work as determined by your company. Final payment shall be made after completing the work to the satisfaction of the project manager and on raising appropriate bills. GST bills will be raised, if applicable. 4. I undertake to follow proper procedures to ensure safety of my workers and that of other workers on site. I shall ensure that my workers shall wear helmet, safety jacket, safety shoes and body harness at all times. . 5. I shall ensure that the children of my workers all attend the creche provided at site during working hours. They will not move out of the creche during working hours. 6. I shall ensure good conduct of my workers during and after working hours and shall be entirely responsible for their conduct within or outside the site.			
Details of work:			
Nature of work	Eg.: Civil work/carpentry work/electrical work.		
Rate	As per circular no. _____ or internal memo no. _____. Or Mention details of rates.		
Estimated quantity of work	Mention approximate details of quantity.		
Estimated duration of work	Mention approximate duration of work.		
Total amount to be paid	Lumpsum amount of Rs. _____/-		
GST invoice/bill	Not applicable or GST invoice to be raised @ 18% on the above mentioned rates or rate includes GST and GST invoice to be raised.		
	Name	Sign	Date
Contractor			
Project Manager			

Note:1. Attach this LOC – circular/internal memo OR guideline rate form OR measurement + estimate sheet. 2. Contractor and Project manager to sign on all pages