

No. NH1-37 (9)/70

Dated the 1st January, 1971

To,

The All State Governments
(dealing with Roads)

Subject : Provision of funds for Investigatory works pertaining to National Highways

I am directed to say that serious problems of delays in execution rise in costs and disputes with contractors have come up in regard to National Highway Projects. These problems are mainly due to the fact that the projects are not being prepared after proper investigations, detailed surveys and design which results not only in the preparation of unrealistic estimates but also causes considerable delay in the finalization of projects. The essentiality of paying proper attention to this important aspect has been brought repeatedly to the notice of the State Governments and the State Chief Engineers concerned and with a view to ensuring that the projects are prepared properly, adequately, correctly and in time as planned, items of works included in the Fourth Five Year Plan pertaining to National Highways have also been intimated to the State Chief Engineer from time to time for necessary advance action. It is, however noticed that there has not been very appreciable improvement and several projects are still being delayed, are being submitted in an incomplete way or without proper investigation and detailed survey and design leading to delays in sanctions also.

2. The State Chief Engineers, during discussions from time to time, have been indicating difficulties in getting sanction for the staff required for this specific purpose of undertaking investigatory works. It has accordingly been emphasised by them that it is absolutely essential for them to have exclusively earmarked adequate staff for this particular purpose if the projects are to be properly investigated and sent with complete material to provide for a realistic estimate of the cost with proper designs and other details required according to the schedules laid down for the purpose.
3. The expenditure on the regular staff required for investigatory work is covered by the agency charges which are 7½%. In order, however, to assist the State Governments to expedite the investigatory work and to facilitate preparation of the projects quickly. It has been decided to place at the disposal of the State Government for employing exclusive earmarked staff for investigatory work a sum upto 1¼% of the project cost as *initial* payment towards the 7½% agency charges to be adjusted against those charges as and when a project is technically approved and financially sanctioned. This is in addition to the field costs, covering work charged establishment Khalasies, field equipment, stationery for project work, transport cost for surveys, etc. which is already normally sanctionable under a regular field survey estimate. The amount for such field costs for National Highway works has been assessed to be upto about 1 per cent of the estimated cost of project.
4. I am to request that in order to enable the Government of India to accord necessary financial sanction to the provision of funds for this *initial* payment for investigatory works pertaining to 4th plan National Highway works @ 1¼% of the project cost to be adjusted subsequently against approved agency charges, detailed estimate (s), as may be necessary, may kindly be submitted to this Ministry indicating the works to be investigated and the cost of staff to be employed for that purpose.