

121.6.13

No. NHIII/P/25/84

Dated the 4th August, 1984

To

All State Governments/Union Territories,
(dealing with National Highways and Centrally sponsored Works)

Subject : Splitting up of National Highway Works—regarding

I am to refer to this Ministry's letter of even number dated 5th January 1984 vide which recommendations of Vohra Committee were forwarded to you for taking necessary action at your end. The recommendation No. 10 reads as under :

"The present system of letting out contracts for National Highway works by splitting up the work horizontally favours small contractors who do not possess requisite expertise, finance or equipment to carry out the works of the desired quality. Deliberate steps need to be taken to encourage the emergence of well qualified contracting firms or cooperatives of small contractors who have the capacity for carrying out quality work on the requisite scale".

The National Highway Works sanctioned by the Ministry are executed by the Public Works Departments either departmentally or by letting out the work to the contractors. It has been observed that most of the Public Works Departments at the time of letting out the work, split the works horizontally or vertically. This favours the small contractors who do not possess requisite expertise and resources to carry out the works of desired quality. Since the National Highway Projects are required to be executed with stringent quality control so that the serviceability is maintained for the design period, the work done by the small contractors is not likely to be of good quality besides it would not be possible to fix the clear cut responsibility in case of sub-standard work if the subletting has been done horizontally. Moreover, the number of small independent agencies working on a particular job could cause the loss of control over the work and lead to time and cost over-run.

2. If a single contractor or agency is involved for the execution of work, the entire project could be scheduled properly and executed according to specifications. It is, therefore, necessary that deliberate steps are taken by the authorities to encourage the emergence of well-qualified contracting firms or cooperatives of small contractors, who have the capacity to carry out the work on the required scales.
3. It is, therefore, requested that immediate action in this regard may please be taken and henceforth splitting of the works if at all should be resorted to with prior permission of this Ministry.