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**GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT & HIGHWAYS**

Transport Bhawan
1, Parliament Street,
New Delhi- 110 001

No.NH-11011/1/2009-P&M (Pt.)

Dated the 25th March, 2010

To

1. The Chief Secretaries of all the States
2. The Principal Secretaries / Secretaries of States/Union Territories, Public Works Departments (Dealing with National Highways, other Centrally sponsored schemes and State Schemes)
3. The Engineers-in-Chief and Chief Engineers of Public Works Departments of State/Union Territories (Dealing with National Highways, other Centrally sponsored schemes and State Schemes)

Sub: Sanction of works under Central Road Fund (CRF) Scheme—reg.

Sir,

I am directed to refer to the circular issued vide this Ministry's letter of even no., dated 27.3.2009 regarding the Streamlining of the sanction and payment procedures in respect of the works financed from the Central Road Fund (CRF) and the provisions contained in Rule 4 (Procedure for identification and prioritization) & Rule 5 (Approval of schemes under State Roads) of the CRF (State Roads) Rules, 2007 and to say that these provisions have been reviewed keeping in view the difficulties encountered in achieving overall objective of effective development of the State Roads from available accrual / allocations under CRF without having to resort to thin spreading of available resources on a large no. of projects and in ensuring effective and timely utilization of available accruals / allocations. Accordingly, the following procedures shall, henceforth, be followed for sanctioning of works under CRF Scheme until further orders.

2. Procedure for identification, prioritization, preparation of detailed proposals: -

(i) The Central Government shall identify the projects, schemes or activities for funding under CRF in consultation with the State Governments or the Union territory Administrations, as the case may be. The State Governments shall decide the inter-se priority of CRF works proposed by them and propose only a single consolidated list of those projects which could be considered for approval by the Ministry. The proposals in respect of each State / Union Territory will be considered by the Standing Committee headed by Secretary (RT&H) as stipulated vide the Ministry's letter of even no., dated 27.3.2009.

(ii) The State Governments or the Union territory Administrations, as the case may be, shall furnish necessary details as per Sub-Rules (1) to (7) of Rule 5 of the CRF (State Roads) Rules 2007 for the projects, schemes or activities to the Central Government to facilitate identification and prioritization of the schemes.

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3. Approval of projects for development of State Roads under CRF Scheme: -

- (i) Upon prioritization of the schemes and finalization of the same by the Standing Committee headed by Secretary (RT&H), the State Government / Union Territory concerned shall submit the detailed estimates for the projects and thereafter the Central Government shall accord technical, financial sanction and administrative approval subject to the condition that the existing procedure and guidelines applicable for the National Highways projects with regard to framing and processing of the estimates shall be applicable to the projects sanctioned under this scheme.
- (ii) The executive agency shall render a certificate to the effect that land is available for road development and is in its possession and removing of utilities, if any, has been completed.
- (iii) The estimate for each work shall include provisions for contingencies at the rate of 3%, quality control at the rate of 1% and workcharged establishment at the rate of 1.5% subject to the condition that out of these provisions, funds to the extent of 3% of the cost of the work shall be placed at the disposal of the Regional Officer appointed by the Central Government or any other officer authorised for the State or Union territory for incurring expenditure on hiring manpower and execution of quality control of the works.
- (iv) No agency charges shall be payable for the execution of works under the scheme.
- (v) Permissible limit of excess expenditure beyond sanctioned cost on projects shall be the same as applicable to National Highway projects.
- (vi) No expenditure beyond permissible limits shall be allowable without obtaining the prior approval of the Central Government.
- (vii) The revised estimate for projects may be submitted to the Central Government for consideration, if the cost is likely to exceed beyond the permissible limits on the sanctioned cost.
- (viii) The existing instructions or guidelines in respect of tenders (pre-qualification and acceptance) and revised estimates as applicable to National Highway projects shall be applicable for projects funded through Accrual / Allocation under CRF.
- (ix) Future upkeep and maintenance of the roads or bridges after completion shall be the responsibility of the concerned executive agency.
- (x) The time limit for award of works sanctioned under the scheme shall be governed by the stipulations contained in the Ministry's letter No.NH-15015/29/2001-PL, dated 5.7.2001 regarding Guidelines for expeditious acceptance of tenders and award of work.
- (xi) Guidelines regarding procedures to be adopted for invitation of tenders and qualifications of contractors shall be governed by the provisions contained in Ministry's letter No.RW/NH-24035/4/2008-P&M/PIC, dated 27.11.2009.
- (xii) The period of completion of the projects sanctioned under this scheme shall be governed by the extant policy for the Road and Bridge Works on National Highways.

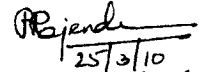
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4. The procedure for identification, prioritization, preparation of detailed proposals for development of State Roads under CRF Scheme and approval of projects stipulated above shall come into effect from 1st April, 2010.
5. Action to amend the concerned provision of CRF (State Roads) Rules, 2007 is being taken separately.
6. This issues with the approval of Hon'ble Minister (RT&H).

Yours faithfully



(Poornima Rajendran)

Under Secretary to the Government of India

Copy for information and necessary action to:-

1. The Accountant General All States / Union Territories
2. Pr. Chief Controller of Accounts, Ministry of Road Transport & Highways, Jamnagar House
3. The Secretary General, Indian Roads Congress, R.K. Puram, New Delhi
4. All CEs of the Ministry
5. All Technical Officers of the Ministry
6. All ROs / ELOs of the Ministry
7. PPS to Secretary (RT&H)
8. Sr. PPS to DG(RD)&SS
9. PS to AS&FA
10. PPS to ADG(SKP)
11. All Sections in the Ministry of Road Transport & Highways