

Government of India
Ministry of Road Transport & Highways
(EAP Zone)

Transport Bhawan
1, Parliament Street
New Delhi-110 001

No.RW/NH-37010/4/2010/PIC-EAP (Printing)

Dated: 4th January, 2016

To

1. The Principal Secretaries/Secretaries of all States/UTs Public Works Department dealing with National Highways, other Centrally Sponsored Schemes & State Schemes.
2. The Engineers-in-Chief and Chief Engineers of all States/UTs Public Works Department dealing with National Highways, other Centrally Sponsored Schemes & State Schemes.
3. Director General (Border Roads), Seema Sadak Bhawan, Ring Road, New Delhi-110010
4. The Chairman, National Highways Authority of India (NHAI), G-5&6, Sector-10, Dwarka, New Delhi-110 075.
5. The Managing Director, National Highway Infrastructure Development Corporation Ltd., 3rd floor, PTI Building, Parliament Street, New Delhi-110 001

Subject: Amendment to EPC Model agreement document-reg.

Sir,

With reference to 'Request for Qualification' (RFQ) issued with the circular dated 10.07.2014 and 'Request for Proposal' (RFP-Single stage two part bidding) issued vide circular 27.5.14 for Road & Bridge works to be implemented on Engineering, Procurement & Construction (EPC) mode, following are further amendments (which also supersedes the amendments issued w.r.to clause 19.2.1, 19.2.3 to 19.2.7 vide circular of even number dated 5th December, 2015:)

(I) Amendment to EPC (Engineering Procurement Construction) Agreement


Sl. No	Ref Clause No.	Original formulation	Existing formulation (vide circular dated 5.10.2015)	Proposed Formulation
1	Cl. 19.2.1 (pg-83)	The Authority shall make an interest –free advance payment (the “Advance Payment”) equal in amount to 10 (ten) percent of the contract price, for mobilisation expenses and for acquisition of equipment. The Advance Payment shall be made in three instalments The first	The Authority shall make an interest-bearing advance payment (the “ Advance Payment ”) equal in amount to 10 (ten) percent of the contract price, for mobilisation expenses and for acquisition of equipment. The Advance payment shall	The Authority shall make an interest-bearing advance payment (the “ Advance Payment ”) equal in amount to 10 (ten) percent of the contract price, for mobilisation expenses and for acquisition of equipment. The Advance payment shall be made in two instalments each equal

		instalment shall be an amount equal to 2% (two percent) of the Contract Price, the second instalment shall be equal to 3% (three percent) of the Contract Price, and the third instalment shall be equal to 5% (five percent) of the Contract Price.	be made in two instalments each equal to 5% (five percent) of the Contract Price.	to 5% (five percent) of the Contract Price. The advance payment would be deemed as interest bearing advance at an interest rate of 10% (ten) per annum, to be compounded quarterly. The interest would be recovered along with the recovery of advance payment.
2	Cl. 19.2.3 (pg-84)	At any time after 30 (thirty) days from the Appointed Date, the Contractor may apply for the second instalment of the Advance Payment along with an irrevocable and unconditional guarantee from a Bank for an amount equivalent to 110% (one hundred and ten per cent) of such instalment, substantially in the form provided at Annex-III of Schedule-G, to remain effective till the complete and full repayment thereof.	Deleted.	Deleted.
3	Cl. 19.2.4 (pg-84)	At any time, after 60 (sixty) days from the Appointed Date, the Contractor may apply to the Authority for the third instalment of the Advance Payment along with an irrevocable and unconditional guarantee from a Bank for an amount equivalent to 110% (one hundred and ten per cent) of such instalment, substantially in the form provided at Annex-III of Schedule-G, to remain effective till the complete and full repayment thereof.	At any time, after 60 (sixty) days from the Appointed Date, the Contractor may apply to the Authority for the second instalment of the Advance Payment along with an irrevocable and unconditional guarantee from a Bank for an amount equivalent to 110% (one hundred and ten per cent) of such instalment, substantially in the form provided at Annex-III of Schedule-G, to remain effective till the complete and full repayment thereof.	At any time, after 60 (sixty) days from the Appointed Date, the Contractor may apply to the Authority for the second instalment of the Advance Payment along with an irrevocable and unconditional guarantee from a Bank for an amount equivalent to 110% (one hundred and ten per cent) of such instalment, substantially in the form provided at Annex-III of Schedule-G, to remain effective till the complete and full repayment thereof.
4	Cl. 19.2.5 (pg-84)	The first, second and the third instalments shall be paid by the Authority to the Contractor within 15 (fifteen) days of the receipt of its respective requests in accordance with the provisions of this Clause 19.2.	The first and the second instalments shall be paid by the Authority to the Contractor within 15 (fifteen) days of the receipt of its respective requests in accordance with the provisions of this Clause 19.2.	The first and the second instalments shall be paid by the Authority to the Contractor within 15 (fifteen) days of the receipt of its respective requests in accordance with the provisions of this Clause 19.2.

5	Cl. 19.2.6 (pg-84)	Each instalment of Advance Payment shall be repaid by the Contractor to the Authority no later than 365 (three hundred and sixty five) days from the respective date of Advance Payment.	Deleted.	Deleted
6	Cl. 19.2.7 (pg-84)	The Contractor shall repay each instalment of the Advance Payment on or before the due date of repayment. In the event of the Contractor's failure to make the repayment on time, the Authority shall be entitled to encash the Bank guarantee for Advance Payment. The Parties expressly agree that for any delay in repayment of the Advance Payment, the Contractor shall pay interest to the Authority for each day of delay, such interest to be calculated at the rate of 18% (eighteen per cent) per annum.	The advance payment shall be repaid through percentage deductions from the stage payments determined by the Authority's Engineer in accordance with Sub-Clause 19.5, as follows: (a) deductions shall commence in the next Stage Payment Statement following that in which the total of all certified stage payments (excluding the advance payment and deductions of retention) exceeds 20% (twenty percent) of the Contract Price; and (b) Deductions shall be made at the rate of 15% (fifteen percent) of each Stage Payment Statement until such time as the advance payment has been repaid; provided that the advance payment shall be completely repaid prior to the time when 80% (80 percent) of the Contract Price has been certified for payment.	The advance payment shall be repaid through percentage deductions from the stage payments determined by the Authority's Engineer in accordance with Sub-Clause 19.5, as follows: (a) deductions shall commence in the next Stage Payment Statement following that in which the total of all certified stage payments (excluding the advance payment and deductions and repayments of retention) exceeds 20% (twenty percent) of the Contract Price; and (b) Deductions shall be made at the rate of 15% (fifteen percent) of each Stage Payment Statement with interest until such time as the advance payment has been repaid; provided that the advance payment shall be completely repaid along with interest prior to the time when 80% (80 percent) of the Contract Price has been certified for payment.

2. This issues with the approval of competent authority. The contents of this circular may be brought to the notice of all concerned for its compliance.

Yours faithfully,


(B. K. Sinha)
Chief Engineer (EAP)

Copy to:

- 1. All Technical Officers at the Headquarters
- 2. Secretary General, Indian Roads Congress
- 3. Director, IAHE, NOIDA
- 4. Joint Secretary (Highways)

Copy for information to:

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- 2. PPS to Secretary (RT&H), PPS to DG(RD) & SS, PS to AS&FA, PS to ADG I/II, PS to Coordinator I/II/III
- 3. NIC- with the request to upload in the Ministry's portal