

No. RW/NH-11024/2/89-DO I

Dated, the 28th February, 1990

To

The Secretaries Public Works Departments of all States and Union Territories, The Director General(Works) C.P.W.D., The Director General, Border Roads, Engineer-in Chief's Branch, Army Headquarters, The International Airport Authority, The National Airport Authority.

Subject: Constitution of a Committee on Development of Road & Bridge Contracting Industry.

The Ministry of Surface Transport have constituted a Committee on Development of Road and Bridge Contracting Industry in the country. A copy of the terms of reference of the Committee is enclosed at Annexure 'A'. These can be broadly grouped into three categories relating to growth of contracting industry, mechanisation and indigenous manufacture of mechanical works and contractual issues.

2. It may be seen that Committee is required to look into important aspects relating to growth of contracting industry in Highway Sector with emphasis on use of modern equipment. These will be of interest to you and you may have valuable suggestions to make. With this objective in view and to facilitate the work of the Committee a Questionnaire as at Annexure 'B' is enclosed. You are requested to send your views and the reply to the Questionnaire latest by 31.3.90

ANNEXURE 'A'

Enclosure to Ministry's Circular No. RW/NH-11024/2/89 - DOI dt. 28-2-90

#### TERMS OF REFERENCE OF THE COMMITTEE REGARDING ROAD AND BRIDGE CONTRACTING INDUSTRY

1. To assess the present status of Road and Bridge Contracting Industry in the country.
2. To identify factors hampering the growth of industry.
3. Need for optimum mechanisation in road and bridge construction covering both National Highways and other roads.
4. To identify reasons for lack of interest in use of modern equipment and suggest remedial measures.
5. To examine the indigenous availability/manufacture of modern equipment for road and bridge construction, and suggest ways and means to improve the situation.
6. To recommend steps to be taken for overall improvement and growth of the Contracting Industry.
7. To examine the present system of registering/prequalifying contractors and to suggest changes if any required with a view to promoting the healthy growth of Contracting Industry.
8. To suggest measures to enforce accountability by contractors regarding completion of the contract within the agreed time & cost parameters.
9. To suggest measures for the avoidance of disputes between client & contractor. An analysis of the common causes of disputes may be made and the possibility of avoiding them by clearer enunciation of various contract clauses may be examined. Do model contract forms covering features common to all or most contracts exist?
10. What are the present sources of financing of the Contracting Industry? What, if any, are the problems and possible solutions in this area?
11. To examine the necessity or desirability of presenting a minimum value for a contract where a single project is capable of division into a number of packages.
12. Any other related matter which the Committee may deem fit.

ANNEXURE 'B'

#### COMMITTEE ON DEVELOPMENT OF ROAD & BRIDGE CONTRACTING INDUSTRY

##### QUESTIONNAIRE

#### A Status of Contracting Industry

1. (a) What in general is the position of contracting industry to execute highway projects in your State/organisation?
- (b) Are there enough contractors to take highway projects on turn-key basis costing more than Rs.2 crores?
- (c) Do they have experienced/qualified Engineers?
- (d) Do they have enough equipment?
- (e) What is the maximum value of single contract successfully executed in the last 3 years?

2. What do you consider are the main factors hampering the growth of Contracting Industry?
  - (i) Lack of enough work –
  - (ii) Lack of continuity of work –
  - (iii) Small size of contracts –
  - (iv) Any other factor (Please specify) –
3. In your opinion what steps should be taken for improvement and growth of Contracting Industry?

#### **B Contracting Issues**

4. (a) What system is being followed in your State/Organisation for:
  - (i) Registration of contractors.
  - (ii) Pre-qualification of contractors.
- (b) What changes you would like to suggest in (a) with a view to promote healthy growth of Contracting Industry?
5. (a) What system of contract document is being followed in your Organisation?
- (b) Is there any standard contract document for highway projects?
- (c) Would you prefer to follow a common document all over the country?
6. What specific clauses you would suggest for inclusion in the contract document to enforce accountability by contractors for completion of projects within the agreed time and cost parameters?
7. (a) What do you think are the common causes leading to disputes between client and contractors?
- (b) Which specific items/clauses give rise to such disputes?
- (c) What changes you would like to suggest?
8. (a) What minimum size of individual package in terms of money you would suggest for its general viability including investment in equipment?
- (b) Is it desirable to club packages into one contract? If so the minimum value thereof.

#### **C Mechanisation**

9. (a) What size of project in terms of amount you consider appropriate for mechanised work?
  - (b) Do you think the present level of mechanisation is optimum?
  - (c) Which specific items of work you would like to be executed with machines only?
  10. What do you think are the reasons for lack of interest in the use of modern equipment?
    - (i) Non-stipulation of use of specific machines in tender/contract document.
    - (ii) Non-availability of indigenous equipment.
    - (iii) Lack of finance.
    - (iv) Import procedures & Restrictions.
    - (v) Low utilisation of existing equipment.
    - (vi) Any other reason (Please specify)
  11. (a) Which of the equipment needed for work but are not indigenously available?
  - (b) Would you prefer these to be imported or indigenously produced?
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