

No. RW/NH-11026/1/97-DO.I

Dated, the 21st April, 1997

To

The Secretaries of States/UTs, PWDs (dealing with National Highways)

Subject : Need for expeditious award of National Highway works after sanction-suggested procedural changes

As per the existing instructions of the Ministry, a National Highway work should commence within one year of its sanction/administrative approval, failing which the sanction/administrative approval would lapse. It has come to notice that the aforesaid time limit is not being strictly adhered to and in many cases requests are received from the State PWDs for relaxing the above time limit. Invariably, in such cases, the revised cost estimates, based on tenders, are higher than the updated cost of work by more than 15 per cent and hence require Ministry's sanction before award of work resulting in delays in the start of the work. The matter has been reviewed in the Ministry, and it has been decided that following procedure shall be adopted so as to ensure commencement of work within the stipulated period of one year from sanction.

- (i) All project costs shall be based on the updated schedule of rates, using the analysis given in the Ministry's Standard Data Book. For this purpose, the States are advised to prepare their schedule of rates on a computer format so that the same can be updated every year keeping in view the basic rates of labour, material etc.
- (ii) For a project costing less than Rs. 50 lakhs administrative approval would be accorded only after receiving the certificate from the Chief Engineer of the State PWD that the detailed estimate is ready and abstract of cost submitted is based on such detailed estimate. Further, the technical approval and financial sanction must be accorded by the State Chief Engineer within three months of issue of administrative approval.
- (iii) For works where prequalification is required, the prequalification procedure should be taken up concurrently with the submission of detailed estimate to the Ministry. After accord of sanction to the estimate by the Ministry, Tender procedure shall be started within a month to enable a decision being taken latest by six months or so, leading to timely award of the work, i.e., within one year of accord of sanction. Relaxation of the time limit will no longer be accepted.
- (iv) The State Governments should delegate to the Chief Engineers (National Highways) of the State PWDs, powers for accepting tenders within 15 per cent of the updated cost of the project.
- (v) It has been noted that in a number of cases, the State Governments are carrying out negotiation with the tenderers to bring down the cost. This is contrary to the principle of sanctity of tendering process. It is, therefore, suggested that tender documents of all National Highway works must contain a clause stating that the award of work will be made to the lowest responsive bidder.

2. You are requested to take necessary action in accordance with the above suggestions and ensure that all works are got started during one year of accord of sanction.