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 Government of India
 Ministry of Road Transport & Highways
 (Zone- South-1)
 Transport Bhawan, 1, Parliament Street, New Delhi- 110001

Dated: 16 May, 2025

To

1. Additional Chief Secretaries/Principal Secretaries/Secretaries of all States/UTs Public Works Department/ Road Construction Department/ Highways Department (dealing with National Highways).
2. All Engineers-in-Chief and Chief Engineers of Public Works Department/ Road Construction Department/ Highways Department (dealing with National Highways).
3. All CE-ROs, ROs and ELOs of the Ministry of Road Transport & Highways.

Subject: Scrutiny by Regional Officers of Bid Documents and Legal Submissions for NH Works executed by States.

It has come to the notice of the Ministry that in several projects pertaining to NH works implemented by State PWDs/RCDs, critical lapses have occurred due to lack of due diligence. A recent case in one of the state highlights this concern, where a major error in the quantity of a key item in Schedule-B was identified only after the work was awarded in the 4th call of tenders and the Letter of Acceptance (LOA) issued. Such lack of due diligence has led to unnecessary contractual disputes, legal complexities, and financial liabilities for the Central Government. It has also been observed that ROs are sometimes neither consulted nor involved during the bidding process or while defending contractual disputes before Arbitration Tribunals or Courts, wherein such disputes are dealt with mechanically often without adequately safeguarding the interests of the Central Government or aligning with the Ministry's position.

2. In order to prevent recurrence of such issues and to ensure greater due diligence in the bidding process and appropriate defence during contractual disputes, the following instructions may be followed for strict compliance:

2.1 For all NH project works (including those costing less than ₹100 crore but excluding maintenance works), the bid documents especially the Schedules prepared by State PWDs/RCDs shall be scrutinised by the concerned RO prior to invitation of bids. ROs shall examine the bid documents for any anomalies, inconsistencies, or deficiencies, particularly with respect to quantities, schedules, specifications, and contract conditions and also condition imposed by the competent appraising and approving authority. Any issues shall be communicated to the State PWD/RCD, and corrective action ensured before the bid is floated.

2.2 It is imperative that ROs remain actively involved in all legal contractual disputes adjudication process including arbitration matters related to NH works. State PWDs/RCDs shall not pursue such matters independently without consultation with ROs. All replies, statements of defence, and written submissions intended for courts / arbitrations shall be vetted by the ROs and returned after scrutiny with comments or amendments, as the case may be, before submission within a period of 15 days failing which the replies, statements or submissions may be deemed cleared. ROs shall ensure

that these submissions are aligned with contractual terms or Ministry policy and protect the interests of the Central Government. Where necessary, ROs may engage legal experts from NHAI-empanelled law firms for advice and support. Expenditure for the same may be met out from contingencies of any ongoing NH works. ROs shall keep track of the arbitration or court matters in every date of hearing. ROs shall maintain a record of all ongoing disputes, claims, arbitration cases, and court matters and provide periodic updates to the Ministry. In case any advise or direction of the Ministry is required on any dispute under adjudication, then a reference may be made to the Zonal Heads and a reply shall be provided within a period of 7 days.

2.3 Detailed SOP for dealing with arbitration matters are being prepared and will be issued separately.

3. All ROs are directed to ensure full compliance with the above instructions and maintain proactive coordination with State PWDs/RCDs. Any lapse or negligence will be viewed seriously by the Ministry.

Yours faithfully,

016/05/25

(Shashi Bhoosan Kumar)

Under Secretary to the Government of India

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1. Sr. PPS to Secretary (RT&H)
2. PSO to DG (RD) & SS
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5. All ADGs / CEs in the MoRTH
6. Director (NIC), MoRTH for uploading on the Ministry's website and e-office.