



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

(सड़क परिवहन और राजमार्ग मंत्रालय)

National Highways Authority of India

(Ministry of Road Transport and Highways)

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NHAI/ Policy Guidelines/ Release of BG of Mobilisation Advance in EPC & HAM/ 2018

No 3.1.24/2018 Dated the 1st October, 2018

(Decision taken by EC in its meeting held on 27.08.2018 on Agenda Item No 357.03 and meeting held on 05.09.2018 on Agenda Item No. 359.19)

Subject: Policy for release of Bank Guarantees submitted by the Concessionaires/ Contractors towards Mobilisation Advances in Hybrid Annuity (HAM)/ EPC Contracts.

EPC as well as HAM agreements contain provisions for payment of mobilisation advance not exceeding 10% of the contract price (in EPC)/ Bid Project Cost (in HAM). The above advance is released on furnishing of an irrevocable and unconditional Bank Guarantee (BG) equal to an amount of 110% of such advance as security. BGs shall remain effective till the complete and full repayment of the Mobilisation Advance.

2. The Contract/ Concession agreement is silent about part release of BGs on recovery of part advance. The Authority has received requests from the Contractors/ Concessionaires for release of part BGs submitted by them, to the extent of repayment/recovery of equivalent amount of mobilisation advance.

3. The matter was discussed in the Executive Committee (EC). Observing that the requests from the Contractors/ Concessionaires have merit, it has been decided that:

- (i) As the advances get recovered from the running bills/ stage payments, the BG for the amount equivalent to the amount of advance recovered may be released on the request of the Contractor/ Concessionaire.
- (ii) The Contractor/ Concessionaire would be at liberty to either submit a substitute BG for the residual amount or multiple BGs for such residual amount in replacement of the existing BG.

4. It has been further decided that while these guidelines apply to the already executed existing Contracts/Concession Agreements, the above provision may also be incorporated in the future bidding documents of EPC/HAM.

This issues with the approval of the Chairman.


(V K Sharma)
CGM(Coord)

To

- (i) All Officers and Employees of HQ/ ROs/ PIUs/ CMUs/ Site Office
- (ii) Hindi Officer for translation in Hindi

Copy to:

DG(RD)&SS and Additional Secretary, MoRTH, with the request to issue identical directions for all other NH project implementing agencies of MoRTH.