



No. 11041/218/2007-Admn

Dated: 09.10.2014

**Policy Matters: Technical (167/2014)**

**Sub: Operation and Maintenance of PPP Projects on BOT (Toll)/Annuity mode during Operation Period.**

NHAI has been receiving no. of references from the Road Users regarding deficient maintenance of the Project Highways being maintained by the Concessionaires of the BOT Projects during Operation Period.

2. The O&M obligation of the Concessionaire stipulated under clause 17.2 of Article-17 of the Concession Agreement, inter alia, requires that, "The Concessionaire shall procure that at all times during the Operation Period, the Project Highway conforms to the maintenance requirements set forth in Schedule-K (the "Maintenance Requirements)". Also there is a provision of levy of damages for not fulfilling the maintenance obligations along with the Authority's right to take up the remedial measures at the cost of the Concessionaire. For OMT contracts corresponding provisions are stipulated under clause 15.2 of Article -15 of the Concession Agreements.

3. Besides a detailed provision has been made for monitoring of O&M obligations under Article -19 (Article -16 in case of OMT contracts) including the submission of Monthly Status Report regarding fulfillment of O&M obligations by the Concessionaire and Inspection Report by IE along with the procedure to be followed for necessary remedial measures in the event of the Concessionaire's default.

4. In this perspective, a need has been felt to advise IE to include an exclusive Chapter in the Monthly Progress Report for bringing out the deficiencies observed in the Concessionaire's O&M obligations, remedial action taken, damages recovered and Authority's intervention, if any, for taking up the remedial measures. All such details shall also be ensured to be included under the subtitle "O&M Action" for each project specific website already hosted as a link to NHAI website.

5. It has also been decided to inculcate a sense of competitiveness among the Concessionaires for better maintenance of the Project Highways through an "Annual Competition" separately for each category viz. 4-lane BOT (Toll), 4-Lane BOT (Annuity), 6- Lane BOT (Toll) and OMT. The Concessionaires wishing to participate in the competition shall be required to send their nomination under the relevant category along with the supporting details in reference to their performance towards the O&M obligations during last one year. The Independent Engineer and the respective PD shall substantiate the Concessionaire's proclamation and recommend the same accordingly to CGM (CMC) by 31.10.2014.

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6. There shall be 3 prizes for each category for first, second and third position. Also the Concessionaire, Independent Engineer, Project Director and Manager (Technical) of the Project shall be felicitated in the Annual Day function of NHAI.

7. This issues with the approval of Competent Authority, NHAI.



(V.K.Sharma)  
Chief General Manager (LA & Coord.)

**To:**

All officers and employees of HQ/ROs/PIUs/CMUs/Site Offices