



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 / Public Private Partnership

Policy No. 8.3.34/2020 dated 10th June, 2020

(Decision taken on E-Office F. No.NHAI/CMD/2019/Circular/COS&RIS (Comp No.1783)

Sub: Guidelines for determination of Cost of Change of Scope (COS)/ Reduction in Scope (RIS) due to Withdrawal of works/ Alteration(Change/omission in existing item) in Works in Hybrid Annuity Mode (HAM) Projects- Applicable Schedule of Rates, Design Charges, Maintenance Charges regarding.

National Highways Authority of India (NHAI) has adopted Model documents issued by Ministry of Road Transport & Highways (MoRTH) for procurements of Civil work Contractors and Concessionaires. Based on its procurement and operation experience, the implementation of these documents needs more clarity and lesser susceptibility to litigations/conflicts.

2) These guidelines are being issued in this reference for clarifications on applicable Schedule of Rates, Design Charges and Maintenance Charges for determination of Cost of Change of Scope (COS)/ Reduction in Scope (RIS)/Withdrawal of works/Alteration in Works in Hybrid Annuity Mode (HAM) Projects.

3) In cases where any specific provisions on COS/RIS are prescribed in the Concession Agreement, the same shall prevail.

4) These Policy Guidelines will be implemented strictly from the date of issue of this Policy Circular for unapproved COS/RIS. In case of COS/RIS already decided, the approved cost of COS/RIS shall not be reopened on the basis of these guidelines.

5) Schedule of Rates for Change Of Scope (COS)/ Alteration (Change/omission in existing item) in Works:

- i) Schedule of Rates (SOR) for Change in scope shall be as per relevant clause 16.2.2 of the Concession Agreement.
- ii) For determination of the cost of Altered component (Change/omission in specifications/dimensions of existing item), SOR shall be adopted as above. Cost of Altered component of work shall be determined as difference (net) between the cost for Altered Work and existing Work as per concession agreement.
- iii) No Change of Scope shall be executed unless the Authority has issued the Change of Scope Order. Instructions given during inspections/meetings shall not be treated as approval to go ahead with execution of COS until formal approval of competent authority is obtained. Concerned Independent Engineer and Project Director shall be held responsible for any failure on this account.

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6) Escalation is allowed where completion period is more than 18 month. Under CoS, it is not expected to take up any item, which require more than 18 months. As such, **No price escalation** shall be provisioned during construction period of COS/Altered component of Work.

7) **Design Charges for COS Works:** No design charges are normally allowed. However, in cases involving complex structures and work proposed is not similar to the work in the original scope, the design charges may be permitted with an upper cap @1% of cost of such new works as decided by Independent Engineer.

8) **O&M Cost for COS Works:** The maintenance charges shall be applicable as per clause 16.7 of concession agreement.

9) **Cost and effect of Reduction in Scope (RIS)/Withdrawal of work** on the project shall be done as per clause 16.6 of the Concession Agreement.

10) This issues with the approval of Competent Authority.

(S.K. Patel)
General Manager (Coord.)

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