



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/SoP/PPP(HAM)/2020

No. 8.3.35/2020 dated 9th July, 2020

Sub: HAM Projects – SoP for removing from the scope of work the remaining site not provided to Concessionaire within the period of the Appointed Date plus 20% of construction period.

As per the HAM Model Concession Agreement (MCA), Right of Way has to be granted for minimum of 80% of the project length to the concessionaire on or before the Appointed Date (Refer Clause 10.3.2). Further, as per Clause 10.3.7, the obligation to provide land for 80% of the site shall mean and imply provision of land that shall enable the Concessionaire to undertake construction on at least 80% of the length of the project.

2. As per Clause 10.3.4 of the MCA, the Authority shall make best efforts to grant to the Concessionaire the remaining site included in the Appendix, no later than 90 days from the Appointed Date. The remaining site not handed over within 180 days from the Appointed Date, shall be removed from the scope of the work under the provisions of "Change of Scope".

3. As per Clause 10.3.5, construction works on all lands for which RoW is granted within the period of the Appointed Date plus 20% of Construction Period (AD + 20% of CP) shall be completed on or before the Scheduled Completion Date.

4. As per Clause 16.6.1 of MCA, the Bid Project Cost should be revised as under on account of remaining site removed from the scope of work as per Para-2 above:

- (i) On direction by the Authority, the Independent Engineer to assess the civil cost of the reduced Scope, as per the schedule of rates applicable on the Bid Due Date.
- (ii) The civil cost of the reduced Scope shall be multiplied by the factor as specified in Clause 16.6.1 to arrive at the estimated cost of reduced Scope.
- (iii) The estimated cost of reduced Scope shall then be multiplied by the ratio of Bid Project Cost to Estimated Project Cost to arrive at the Total Cost of Reduced Scope.
- (iv) Upon Reduction of Scope and revision of Bid Project Cost, all references to Bid Project Cost would mean the revised Bid Project Cost and all the payments would be calculated as per the revised Bid Project Cost.

5. Clause 14.3.2 of MCA prescribes that "...a Provisional Certificate....may, upon request of the Concessionaire to this effect, be issued for operating part of the Project, if the Concessionaire has completed construction of 100% of the Site made available to the Concessionaire upto the period of AD + 20% of CP. The Concessionaire shall be entitled to annuities for work completed till Provisional Certificate & COD as per the schedule provided in Clause 23.6

6. In view of above provisions, it has been decided that henceforth, the following shall be ensured:

- (i) Immediately after expiry of the period of AD + 20% of CP, the remaining site of the project highway not handed over to the Concessionaire shall invariably be removed from the scope of the work and the Bid Project Cost (BPC) should be revised as per Clause 16.6.1.
- (ii) The arrangement for execution of works in the remaining sites, which were removed from the scope will be decided on case to case basis, after such sites are procured.
- (iii) On completion of construction works by the Concessionaire on all lands for which ROW was granted within the period of AD + 20% of CP, the Concessionaire is entitled for Completion Certificate or Provisional Certificate and COD, as per Article-14 & 15. The Provisional Certificate shall be issued strictly in accordance with Clause 14.3.2 of the Concession Agreement. The Concessionaire shall be entitled to demand and collect annuity payments for the work completed till Provisional Certificate & COD as per the schedule provided in Clause 23.6 based on revised BPC.
- (iv) Post reduction in Scope of Work and revised Bid Project Cost, all payments made or to be made to the Concessionaire including the advances paid shall be suitably adjusted based on revised BPC and recoveries, if any, shall be made from the payment to be released on that Payment Milestone immediately succeeding the date of finalization of Reduction in Scope. No interest shall be charged on excess payment released based on original BPC.
- (v) As a result of reduction in scope, the construction period as envisaged in the Concession Agreement (refer Clause 12.3 and Schedule G of the MCA) shall not be reduced and Bonus shall be granted as per Clause 23.5 based on original construction period referred in the Concession Agreement in the event the Concessionaire achieves COD on or more than 30 days prior to the Scheduled Completion Date.

This issues with the approval of Competent Authority.



(Amarendra Kumar)
CGM(Coord)

All Officers of HQ/ROs/PIUs/CMs/Site Offices