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e-mail :-pwd-hp@nic.in

HIMACHAL PRADESH
PUBLIC WORKS DEPARTMENT

No.PW/CTR/32-20/Genl Inst./2018 **23225-324** Dated:- **7/12/18**
To


All the Chief Engineers.
In HPPWD.

Subject:-

Policy for release of bank guarantees submitted by the concessionaires/ Contractors towards Mobilizations Advance in Hybrid Annuity (HAM)/EPC/Item rate contracts for projects on National Highways. Reg.

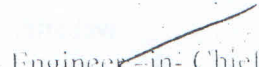
On the above cited subject it is intimated that generally all agreement, viz, EPC, Item Rate as well as BOT (HAM) contract agreement have been provisions for payment of mobilization Advance not exceeding 10% of the contract price. The above advance is released on furnishing of an irrevocable and unconditional Bank Guarantee of amount of 110% of such advance as security subject to the condition that BGs remains effective and valid till the complete and full repayment/recovery of the mobilization advance. Now the Govt. of India Ministry of Road Transport & Highways considered the request received by the Ministry/its Project Executing Agencies from the Contractors/Concessionaries for release of part bank guarantees submitted by them on part recovery of advances & decided to adopt some approach & circulated instructions vide letter No NH-15017/90/2018-P&M dated 22-10-2018 which also received from the ACS(PW) to the Govt., of H.P. vide letter No.PBW(B) H (3) 2/2013-III dated 13th November, 2018 (copy enclosed).

You are therefore, requested to circulate the guidelines contained in the letter of MORT&H to all the field offices for compliance wherever applicable.


Engineer-in-Chief,
HPPWD, Shimla-2

Copy of above is also forwarded to the following :-

1. The additional Chief Secretary (PW) to the Govt. of H.P. for information.
2. The Engineer-in Chief (Project) HPPWD Shimla for information.
3. The Superintending Engineer (QC&D) HPPWD Shimla for information.
4. All the Superintending Engineer /Executive Engineer (through e-mail) for information and strict compliance.
5. The Executive Engineer (Project) in this office for information.
6. The Executive Engineer (IT) for information and uploading the same on departmental website.


Engineer-in-Chief,
HPPWD, Shimla-2



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Engineer -in- Chief.
HPPWD, Shimla-2.

NO.PBW (B) H (3)2/2013-III
Government of Himachal Pradesh
Public Work Department

From

The Addl. Chief Secretary (PW) to the
Government of Himachal Pradesh

To

1. The Engineer-in-Chief,
HP. PWD, Shimla- 171002
2. The Chief Engineer (National Highway),
HP, PWD, Shimla-171001

Dated: Shimla-171002 the 13 November, 2018

Subject:

Policy for release of Bank Guarantees submitted by the
Concessionaires/Contractors towards mobilisation advance in
Hybrid Annuity (HAM)/EPC/Item rate Contracts for projects
on National Highways- Reg.

Sir,

I am directed to enclose herewith a copy of letter No. NH-
15017/90/2018-P&M dated 22/10/2018 received from the Superintending
Engineer (Planning), Govt. of India, MoRT&H, New Delhi addressed to this
department as well as to you among others on the subject cited above and to
request you to take necessary action in the matter accordingly and contents of
above circular may kindly be brought to the notice of all concerned for
immediate compliance under intimation to quarter concerned as well as to this
department at the earliest.

Yours faithfully,

(Ritu Raj Verma)

Under Secretary (PW) to the
Government of Himachal Pradesh
November, 2018

Endst. No. As above Dated: Shimla- 171002 the
Copy forwarded to:

- 1) The Superintending Engineer(Planning), Government of India, Ministry of
Road Transport & Highways. Transport Bhawan, 1-Parliament Street, New
Delhi- 110001 for information.
- 2) The Superintending Engineer, NH Circle, HP. PWD, Shimla- 171004 along with
a copy of letter referred to above for similar action.
- 3) The Superintending Engineer, NH Circle, HP. PWD, Shahpur, Distt. Kangra
along with a copy of letter referred to above for similar action.

(Ritu Raj Verma)

Under Secretary (PW) to the
Government of Himachal Pradesh

FR

C.T.P.

J.C. "P&M"

Super. Engr.

2521

16/11

No. NH-15017/90/2018-P&M
Government of India
Ministry of Road Transport & Highways
(Planning Zone)

Transport Bhawan, 1, Parliament Street, New Delhi - 11000

- (ii) BGs may be released progressively in parts for the amounts equivalent to the advance recovered from the running bills/ stage payments upto a maximum of 4 or 5 instalments, as is convenient to the Contractor/ Concessionaire.
- (iii) The Contractor/ Concessionaire shall be at liberty to submit multiple BGs accordingly as a pre-condition for release of advances. Further, it shall also be admissible to either submit a substitute BG for the residual amount or multiple BGs for such residual amount in replacement of the existing BG.
- (iv) If the terms and conditions of the BG specify its expiry date, and the advance payment has not been repaid by the date 28 days prior to the expiry date, the Contractor/ Concessionaire shall extend its validity upto the period until advance payment has been repaid.
5. Above provisions shall be applicable for all EPC, Item rate and BOT (HAM) Contract Agreements henceforth in case of all Project Executing Agencies such as NHAI, NHIDCL, State Governments, etc., including for all ongoing works wherever applicable.
6. This issues with the approval of concurrence of Finance Wing vide U.O. No. 1117/TF-II, dated 18.10.2018 and approval of Secretary (RT&H).

22.10.18
(Rajesh Kumar)
Superintending Engineer (Planning)
planningmorth@gmail.com

Copy to:

1. All JSs / CE in the Ministry of Road Transport & Highways
2. All Technical Officers in the Ministry of Road Transport & Highways
3. The Secretary General, Indian Road Congress
5. The Director, IAHE
6. Dy. FA / Controller of Accounts
7. Technical Circular file of S&R Section
8. NIC - for uploading on Ministry's website under "What's new"

Copy for information and necessary action to:

1. PS to Secretary (RT&H)
2. Sr. PPS to DG (RD)&SS
3. PPS to Additional Secretary
4. PPS to AS&FA
5. PS to ADG(Z-I) / ADG(Z-II) / ADG(Z-III) / ADG(IV) / ADG(V)

No. NH-15017/90/2018-P&M
Government of India
Ministry of Road Transport & Highways
(Planning Zone)
Transport Bhawan, 1, Parliament Street, New Delhi - 11000

Dated, the 22nd October, 2018

To

1. The Chief Secretaries of all State Governments/ UTs
2. The Chairman, National Highways Authority of India (NHAI), G-5&6, Sector-10, Dwarka, New Delhi- 110075
3. Director General (Border Roads), Seema Sadak Bhawan, 4- Parliament Street, New Delhi - 110001
4. The Managing Director, NHIDCL, 3rd Floor, PTI Building, 4- Parliament Street, New Delhi - 110 001
5. The Principal Secretaries/ Secretaries of all States/ UTs Public Works Departments dealing with National Highways, Other Centrally Sponsored Schemes & State Schemes
6. The Engineers-in-Chief and Chief Engineers of all States/ UTs Public works Departments dealing with National Highways, Other Centrally Sponsored Schemes
7. All CE-ROs/ SE-ROs/ ELOs of the Ministry of RT&H

Subject: Policy for release of Bank Guarantees submitted by the Concessionaires/ Contractors towards Mobilisation Advance in Hybrid Annuity (HAM)/ EPC/ Item rate Contracts for projects on National Highways - Reg.

Madam/Sir,

Generally all Agreements, viz. EPC, Item Rate as well as BOT(HAM) Contract Agreements have provisions for payment of Mobilisation Advance not exceeding 10% of the contract price (in EPC/ Item Rate contract)/ Bid Project Cost. (in HAM). The above advance is released on furnishing of an irrevocable and unconditional Bank Guarantee (BG) for an amount of 110% of such advance as security subject to the condition that BGs remains effective and valid till the complete and full repayment/ recovery of the Mobilisation Advance.

2. However, all these Contract Agreements are silent about part release of BGs on part recovery of advance.

3. This issue has been examined considering the requests received by the Ministry/ its Project Executing Agencies from the Contractors/ Concessionaires for release of part BGs submitted by them on part recovery of advances.

4. Accordingly, it has been decided to adopt the following approach henceforth and until further orders:

- (i) The Contractor/ Concessionaire shall ensure that the BG submitted towards Mobilisation Advance and Equipment Advance remain effective, valid and enforceable until the advance payment along with interest thereon (wherever applicable) has been fully recovered.