

F. No. 2/10/2016-PPP
Ministry of Finance
Department of Economic Affairs
(PPP Cell)

New Delhi, the June 17, 2016

OFFICE MEMORANDUM

Subject: Record of Discussion of the 79th Meeting of the **Public Private Partnership Appraisal Committee (PPPAC)** held on April 25, 2016.

Please find enclosed the Record of Discussion of the 79th PPPAC held on June 13, 2016 **under the Chairmanship of Secretary (Economic Affairs).**

Encl: As above.

Seema Jain
17/6/2016

(SEEMA JAIN)
Deputy Director (PPP)
Phone No: 2309 3404

1. **Finance Secretary and Department of Expenditure**, North Block, New Delhi.
2. **CEO, Niti Aayog**, Yojana Bhawan, New Delhi.
3. **Secretary, Ministry of Road Transport & Highways**, Transport Bhawan, New Delhi.
4. **Secretary, Department of Legal Affairs**, Shastri Bhawan, New Delhi
5. **Secretary, Environment, Forest and Climate Change**, Indira Paryavaran Bhawan, Jor Bagh, New Delhi

Copy for information to:

1. Sr. PPPs to Secretary, EA, 2. Sr. PPS to Additional Secretary (Investment),
3. PS to JS (Infra), 4. PS to Director (PPP), PS to Director (Infra.).

F.No. 2/10/2016-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
PPP Cell

Public Private Partnership Appraisal Committee

79th Meeting held on June 13, 2016

Record of Discussion

The 79th meeting of Public Private Partnership Appraisal Committee (PPPAC), chaired by Secretary, Economic Affairs, was held on June 13, 2016. The list of participants is annexed.

It was noted that the PPPAC would consider a proposal in the road sector from Ministry of Road Transport and Highways (MoRTH) for grant of final approval to the revised scope of work. The Project had been approved in 77th PPPAC meeting held on 22nd March 2016. Now, the scope of work has been revised by NHAI / MoRTH and the Proposal is posed for approval of revised scope of work.

Proposal from Ministry of Road Transport and Highways

Agenda Item 1: Proposal from Ministry of Road Transport and Highways for grant of final approval: Construction of new link (NH-133B) from km 200/87 of Sahibganj Bypass in Jharkhand to km 15/885 (Junction of NH-133B and NH-131A on Manihari Bypass) and construction of Manihari Bypass from km 0/000 (Junction of NH-133B and NH-131A on Manihari Bypass) to km 6/000 near Narenpur of NH-131A in the state of Bihar including 4-lane Ganga Bridge on Hybrid Annuity Mode under NH(O) funding (Package -I)

Total length: 21.885 km, Estimated Project Cost: Rs 1,905.55 Crore, Cost of Pre-construction Activities to be financed by NHAI: Rs 49.22 Crore, Civil Construction Cost: Rs 1,643.96 Crore, Concession Period: 4 years of construction period *plus* 15 years operation period.

Devesh

Bidding Parameter: NPV of Bid Project Cost and O & M Cost

Land Status: Total land required: 124.22 Ha, Existing land: 10 ha (8.05%), Balance land to be acquired: 114.22 Ha, 3 (A) Completed: 114.22 Ha (100%), 3 (D): 80.51 Ha (64.81%), 3 (G): 37.56 Ha (30.24%).

Status of Clearances: Environment clearance is not required; Forest clearance: To be obtained (application submitted), Wild life clearance: Not Required, GAD: Not Required

Major Development Work / Structures: Major Bridges: 2 No.s on Ganga River (6 km and 300 m length), Flyover / Interchange : NIL, ROB: 2 No.s, Bypass: 1 No. (6 km length at Manihari), Major Junctions: 2 No.s, Service / Slip Roads: 3.56 km / 3.510 km, Toll Plaza: 1 at 4.5 km, Minor Bridges: 9 No.s, Minor Junction: 1 No., VUP: 3 No.s, PUP/CUP: 2 No.s, Culverts: 24 No.s, Truck Lay byes: NIL, Bus Bays and Shelters: 4 No.s, Drainage and Protection works: 26.306 km

2. Director (Infra), DEA informed the PPPAC that the proposal from Ministry of Road Transport and Highways is for revision of scope of work of the instant Project. The Project had been approved in 77th PPPAC meeting held on 22nd March 2016. Now, the scope of work has been revised by NHAI / MoRTH and the Proposal is posed for approval of revised scope of work.
3. Member, NHAI presented the proposal and informed the PPPAC that the project site is crossing Ganga river at Sahibganj which is part of National Waterway – I (NW-1) and it required NOC from Inland Waterway Authority of India. Previously proposal was submitted to PPPAC based on the NOC issued by IWAI on 22.12.2015 for 5.2 km length of Ganga Bridge. Based on the subsequent deliberations, IWAI increased the length of Ganga Bridge from 5.2 km to 6.0 km vide its NOC dated 10.5.2016 superseding earlier NOC dated 22.12.2015. In view of the increased length of the proposed bridge, the project proposal has been modified and approval of the PPPAC is sought for the change in project configuration.
4. The Chair desired to know the reasons for IWAI increasing the length of the bridge. Member, NHAI explained that river-banks are not accurately demarcated owing

to variation in water-level / flood levels. Also because of need of the ships' clearance, preferred minimum distance between 2-piers is 100 m and clearance height at the minimum level of 10 m. Based on these considerations IWAI has decided to increase the length of the Project.

5. Members of PPPAC desired to know the reasons for cost adjustment and enquired whether this was done to keep the project cost same as of earlier approved cost by PPPAC. Member, NHAI explained the proposed modifications in project configuration. Some modifications are required primarily due to increase in the length of Ganga bridge, which has some bearing on requirement and specifications of minor bridges / culverts etc. Minor errors have been rectified and Toll Plaza is now for 8-lane, as per the revised design. On a query from the Chairman, Member, NHAI further clarified that neither there was over engineering in the design previously approved by 77th PPPAC nor there is any under engineering in the instant proposal. The project cost is kept same by slight rational adjustments in cost of miscellaneous items.

6. Member, NHAI further stated that in a Hybrid Annuity project the concessionaire is obliged to design the project and have liberty to optimize the cost by technical means. The designs finalized and estimates proposed by NHAI for appraisal and approval purpose are not binding on concessionaire in this model. The cost determined and approved at PPPAC level is only for bidding purpose and Authority's obligation to cost shall arise based on lowest competitive bid received. Hence minor rational adjustments in cost to keep the revised cost same as approved by PPPAC has no significant effects.

7. The Chair enquired about availability of land as at the time of approval in 77th PPPAC meeting, available land was just 8%. Advisor, NITI Aayog and Joint Secretary, Expenditure expressed concerns over availability of land. CGM (T), NHAI informed that based on 3(D) notification 72.8% of land is available including government land of 8.05%. Disbarment for actual possession of private land is started and completed for 47% of private land. Acquisition of rest of land is in process and may be completed 100% before award of work. The Chair stated that the Project should not be awarded unless available land is 80% of the required land, as per the norms. This was agreed to.

(Action: NHAI/MoRTH)

8. Joint Secretary, Department of Expenditure stated that provision has been made for Green Fund. However, Green Fund has not been approved by competent authority. Necessary approval may be sought by MoRTH. This was agreed to.

(Action: NHAI/MoRTH)

9. Joint Secretary, Department of Expenditure referred to the issue of proposed four laning on this low traffic section and high cost of the project vis-à-vis normative cost. Member, NHAI informed that both the issues were discussed during 77th PPPAC meeting and after deliberations four laning was approved in view of the future requirements. Member, NHAI also informed that the project cost of this mainly high level bridge project is not comparable with normal road project. The cost has been examined by Standing Cost Committee under AS&FA of MoRTH and is approved.

10. The PPPAC recommended the proposal of MoRTH for revision of scope of work of Construction of new link (NH-133B) from km 200/87 of Sahibganj Bypass in Jharkhand to km 15/885 (Junction of NH-133B and NH-131A on Manihari Bypass) and construction of Manihari Bypass from km 0/000 (Junction of NH-133B and NH-131A on Manihari Bypass) to km 6/000 near Narenpur of NH-131A in the state of Bihar including 4-lane Ganga Bridge on Hybrid Annuity Mode under NH(O) funding (Package -I) for Estimated Project Cost of Rs 1,905.55 Crore for grant of final approval subject to fulfilment of the following conditions:

- 10.1 MoRTH shall comply with the conditions specified by PPPAC at the time of approval of the instant Project in its 77th Meeting held on 22nd March 2016.
- 10.2 MoRTH shall not award the Project unless 80% of the required land is available.
- 10.3 MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 10.3 MoRTH shall circulate the revised documents to the members of the PPPAC for record.

Ministry of Finance
Department of Economic Affairs
PPP Cell
Public Private Partnership Appraisal Committee

79th Meeting on 13th June 2016

List of Participants

1. Department of Economic Affairs, Ministry of Finance
 - i. Shri. Shaktikanta Das, Secretary, Economic Affairs (In Chair)
 - ii. Shri. Mrutyunjay Behera, Director (Infra)
 - iii. Ms. Seema Jain, Deputy Director (PPP)
2. Department of Expenditure, Ministry of Finance
 - iv. Shri Vivek Joshi, Joint Secretary
3. NITI Aayog
 - v. Shri Praveen Mahto, Advisor
4. Department of Legal Affairs
 - vi. Shri Mahendra Khandelwal, Additional Legal Adviser
5. Ministry of Environment, Forest and Climate change
 - vii. Shri Sandeep Sharma, AIGF
6. Ministry of Road Transport and Highways (MoRTH)
 - viii. Shri Rajneesh Kapoor, SE (PPP)
 - ix. Shri Avdesh Gupta, AEE(PPP)
7. National Highways Authority of India (NHAI)
 - x. Shri R K Pandey, Member (T)
 - xi. Shri Atul Kumar, CGM (T)
 - xii. Shri Bhaskar Mishra, DGM (T)

