

Government of India
Ministry of Road Transport & Highways
(BP & SP Cell)

Transport Bhawan, 1, Parliament Street, New Delhi - 110001

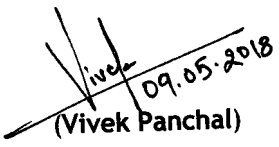
Dated: 09th May, 2018

CIRCULAR

Sub: Provision of Contingencies for arriving at the Total Project Cost/Estimated Project Cost in BOT (Toll)/Hybrid Annuity mode projects - regarding.

Ministry has earlier issued guidelines vide various relevant circulars for calculating the Total Project Cost/ Estimated Project Cost in BOT(Toll)/Hybrid Annuity mode projects wherein contingencies @1% are added to the Civil Construction Cost apart from other centages for arriving at the Total Project Cost/Estimated Project Cost of the projects.

2. It has been observed that the items which constitute contingencies are generally not covered in the scope of project for which bids are invited. The inclusion of contingencies in HAM/BOT (Toll) projects are only increasing the Estimated Bid Price.
3. Further, the basic purpose of keeping the provision of contingencies is to cater to expenditure towards any incidental/ unforeseen items and as such it may not be prudent to remove such a provision altogether.
4. In view of above, it has been decided that the provision of contingencies @ 1% may not be added to Civil Construction Cost to arrive at Total EPC cost/Estimated Project Cost. Rather, the provision of contingencies @ 1% of Civil Construction Cost may be considered separately from the Total EPC cost/Estimated Project Cost. The same may be added alongside the cost of pre-construction activities thus making it a part of Total Cost of the project.
5. The delegation of powers for approval of any estimate/expenditure to be incurred under the provision of contingencies shall be the same as that followed for Change of Scope proposals in accordance with the extant guidelines stipulated for PPP (BOT/HAM) projects.
6. This issues with the Concurrence of IFD of this Ministry and approval of Competent Authority.


(Vivek Panchal)
Executive Engineer (BP & SP)

To:

1. Secretary, Department of Economic Affairs, Ministry of Finance, New Delhi;
2. Secretary, Department of Expenditure, Ministry of Finance, New Delhi;
3. CEO, NITI Aayog, New Delhi;
4. DG (RD) & SS, M/o RT&H;
5. All ADGs, M/o RT&H;
6. Chairman, NHAI, New Delhi;
7. MD, NHIDCL, New Delhi;

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2. PS to Hon'ble MoS (RTH&S);
3. PPS to Secretary (RT&H);
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5. PPS to AS, M/o RT&H;
6. PPS to JS (H), M/o RT&H.