(सडक परिवहन और राजमार्ग मंत्रालय)

## **National Highways Authority of India**

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NHAI/ Policy Guidelines/ Civil Works/ 2019
Policy Circular No.9.2.32/2020, Dated | January, 2020
[Decision taken on the File No. NHAI/11-12/S-B/Pkg-III/2015]

Sub: EPC Projects - Guidelines on granting provisional rescheduling of intermediate project milestones pending approval of final EOT for smooth contract administration.

There are various factors due to which the projects are getting delayed viz. the factors attributable to the Authority (like ROW of Construction Zone, Environmental Clearance, approval of GADs for ROBs, additional works involving Change of Scope and other delays attributable to Authority); the factors attributable to the Contractor (like insufficient mobilization, slow progress, cashflow problems, etc.) and Force Majeure Events. These factors lead to extension of date for completion of the Project Milestones/ Scheduled Completion Date. Timely determination and approval of extension of date for completion of the Project Milestones/ Project Completion is essential for smooth administration of the contract, besides avoiding disputes/ claims by the Contractor.

- 2. Despite the issue of comprehensive guidelines vide Policy Circular no. 9.2.25/2019 dated 24.07.2019, the desired results, i.e., timely determination and approval of EOTs have not been achieved. These issues of delay in approval of EOT, non-payment of Price Adjustment and imposition of penalties are time & again being raised by the Contractors at various fora. In order to expedite the determination of EOT and related issues including effective monitoring, a web based portal is being developed by NHAI. However, till the time aforesaid portal becomes effectively operational, the following guidelines shall be followed for rescheduling of intermediate project milestones for smooth administration of the EPC contracts:
  - (i) Rescheduling of the intermediate project milestones may be provisionally determined based on availability of unhindered land (i.e., vacant and unencumbered work front) vis-à-vis land to be handed over as on Appointed Date, as per Contract.
  - (ii) The provisional rescheduling of intermediate project milestones, pending determination and approval of EOTs, should be done by permitting price adjustment & without imposition of damages for smooth administration of the contract and avoiding cashflow problem, with a clear understanding that



necessary reconciliation in EOT, price adjustment and damages as per contract shall be finalized at a later stage at the time of detailed evaluation of EOT.

3. ROs are henceforth delegated the power to approve provisional rescheduling of the intermediate project milestones within the scheduled project completion period, as per above guidelines. However, any EOT, beyond scheduled project completion date, shall be approved by the Competent Authority as per extant guidelines.

(V.K. Sharma) CGM (Coord.)

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