

No. NH-24028/14/2014-H (Vol II) (E-134863)  
Government of India  
Ministry of Road Transport & Highways  
(Highways Section)  
Transport Bhawan, 1, Parliament Street, New Delhi-110001

Dated: 23 May, 2022

Office Memorandum

**Subject: Changes in the model RFP and MCA of HAM project to allow Lowest quoted Bid Project Cost (BPC) as the basis for awarding HAM Project and O&M cost to be fixed as in EPC projects - reg**

Reference is invited to the Inter-Ministerial Committee (IMC) meeting held on 01.04.2022 wherein it was proposed that lowest quoted Bid Project Cost (BPC) may form the basis for awarding HAM Project and O&M cost be fixed as in EPC projects. As per the consensus/agreement arrived in the IMC meeting, necessary clauses in the model RFP and MCA of HAM project have been amended and attached herewith as **Annexure**.

2. This issues with the approval of Hon'ble Minister (RT&H).



(Sushant Sudan)

Deputy Secretary to the Government of India  
Telephone No. 011-23724515

To

1. Chairperson, NHAI
2. ADG (Nodal), Road Wing, MoRTH
3. MD, NHIDCL

Copy to:

1. Secretary, Department of Economic Affairs
2. Secretary, Department of Financial Services
3. Secretary, Department of Legal Affairs
4. CEO, NITI Aayog

Copy also to:

1. PS to Hon'ble Minister (RT&H)
2. Sr. PPS to Secretary (RT&H)
3. Sr. PPS to Additional Secretary (Highways)
4. Director (Technical), NIC, MoRTH to upload this OM on the website of MoRTH

## Annexure

### Amendment in the clauses of Model RFP and MCA of HAM to allow Lowest quoted Bid Project Cost (BPC) as the basis for awarding HAM Project and O&M cost be fixed as in EPC projects

S. No.	Clause No.	Existing Clause	Proposed Clause
<b>A) Model Request for Proposal of HAM projects</b>			
1.	Clause 1.2.6	<p>Bids would be evaluated on the basis of the lowest <b>assessed Bid Price (the "Bid Price")</b>. <del>The Bid Price shall be summation of (a) Net Present Value (NPV) of Bid Project Cost during the Concession Period and (b) NPV of O&amp;M* cost (the "O&amp;M Cost") during the O&amp;M Period, required by a Bidder for implementing the Project and shall be paid as per the provisions of Article 23 of the Concession Agreement. The Concession Period is pre-determined, as indicated in the Concession Agreement. The <b>assessed Bid Price</b> shall constitute the sole criteria for evaluation of Bids. Subject to Clause 2.16, the Project will be awarded to the Bidder quoting the lowest assessed Bid Price.</del></p> <p>.....</p> <p>.....</p> <p>In this RFP, the term "Lowest Bidder" shall mean the Bidder who's <b>assessed Bid Price</b> is the lowest.</p>	<p>Bids will be evaluated on the basis of the lowest <b>Bid Project Cost</b>. The Concession Period is pre-determined. The <b>Bid Project Cost</b> shall constitute the sole criteria for evaluation of bids.</p> <p>.....</p> <p>.....</p> <p>·</p> <p>In this RFP, the term "Lowest Bidder" shall mean the Bidder who's <b>Bid Project Cost</b> is the lowest.</p>
2	APPENDI X – IB - Letter comprising the Financial Bid:	<p>"7. I/ We hereby submit our Bid consisting of Bid Project Cost of Rs..... (Rs..... in words) and First Year O&amp;M Cost of Rs..... (Rs..... in words) for undertaking the aforesaid Project in accordance with the Bidding Documents and the Concession Agreement.</p>	<p>"7. I/ We hereby submit our Bid consisting of Bid Project Cost of Rs... (Rs. .... in words) for undertaking the aforesaid Project in accordance with the Bidding Documents and the</p>

			Concession Agreement.
3	Footnote 12 of Appendix IB – i.e. Letter comprising the Financial Bid of the Model RFP for HAM Projects	<del>First Year O&amp;M Cost is the O&amp;M cost assessed by the Bidder for first full year of O&amp;M after COD, as on the Bid Due Date and the Concessionaire should consider all costs including major maintenance while quoting the first year O&amp;M costs. The O&amp;M Cost shall be paid to the Concessionaire in each year of the O&amp;M Period in accordance with the provision of the Concession Agreement.</del>	Deleted
<b>B) Model Concession Agreement of HAM projects</b>			
5	Clause 23.7	<p><b>O&amp;M Payments</b></p> <p><del>23.7.1 The Parties acknowledge and agree that all O&amp;M Expenses shall be borne by the Concessionaire and in lieu thereof; a lump sum financial support in the form of biannual payments shall be due and payable by the Authority, which shall be computed</del>  <del>—on</del>  <del>Rs.....(Rupees.....)</del>  <del>(the “First Year O&amp;M Cost”) + GST at the applicable rates, in accordance with the provisions of this Clause 23.7 (the “O&amp;M Payments”). The Parties further acknowledge and agree that any O&amp;M Expenses in excess of the O&amp;M Payments shall be borne solely by the Concessionaire, save and except as expressly provided in this Agreement. For avoidance of doubt it is clarified that the O&amp;M Payments will be subject to any Change in Scope of the Project of the Concessionaire under Article 16 of this Agreement.</del></p>	<p><b>O&amp;M Payments</b></p> <p><b>23.7.1</b> The Parties acknowledge and agree that all O&amp;M Expenses shall be borne by the Concessionaire and in lieu thereof; <b>For the performance of its Maintenance obligations</b>, a lump sum financial support in the form of biannual payments shall be due and payable by the Authority:</p> <p><b>(a) For flexible perpetual pavement including structures: no maintenance charges shall be paid for the first year; 0.40% of the Bid Project Cost each for the second, third and fourth year; 0.60% of the Bid Project Cost</b></p>

			<p>each for the subsequent years till laying of the renewal layer or end of concession period, whichever is earlier. The requirement for the renewal layer shall be worked out based on the survey and investigation of the existing pavement and the cost of such renewal work shall be made separately to the Concessionaire @ 2.4% of Bid Project Cost. After laying of the renewal layer, the Concessionaire shall be paid @ 0.40% of the original Bid Project Cost each for the next four years and @ 0.60% of the original Bid Project Cost each till laying of the second renewal layer or end of concession period, whichever is earlier. After laying of the renewal layer, the Concessionaire shall be paid @ 0.40% of the original Bid Project Cost each for the remaining years till the end of concession period.</p>
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			<p>(b) For rigid pavement with 10 years Maintenance Period including structures: no maintenance charges shall be paid for the first year; 0.20% of the Bid Project Cost each for the second, third &amp; fourth year, 0.40% of the Bid Project Cost each for fifth, sixth, seventh &amp; eighth year, 0.60% of the Bid Project Cost each till the end of concession period.</p> <p>(c) For stand-alone Bridge/ Tunnel works: the concessionaire shall be paid no maintenance charges shall be paid for the first year; 0.20% of the Bid Project Cost each for the next five years, 0.40% of the Bid Project Cost each for the remaining years till the end of concession period.</p> <p>The Parties further acknowledge and agree that any O&amp;M Expenses in excess of the O&amp;M</p>
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			<p>Payments shall be borne solely by the Concessionaire, save and except as expressly provided in this Agreement. For avoidance of doubt it is clarified that the O&amp;M Payments will be subject to any Change in Scope of the Project of the Concessionaire under Article 16 of this Agreement.</p>
		<p><del>23.7.2 Subject to the Provisions of Clause 23.7.3, the O&amp;M Payments due and payable to the Concessionaire shall be paid in 2 (two) equal biannual installments and disbursed by the Authority together with the corresponding installments of Annuity Payments.</del></p>	<p>23.7.2 Above amount for the performance of Contractors' Maintenance obligations shall be, inclusive of all taxes. The amount payable for maintenance shall be adjusted on account of variation of Price Index. It is further agreed that the Bid Project Cost hereunder shall be reckoned with reference to the amount specified in Clause 23.1, which shall be adjusted to the extent of Change of Scope and Reduction in Scope, but shall not include any price adjustments in pursuance of variation of Price Index.</p>
		<p><del>23.7.3 Each installment of O&amp;M Payment shall be the product of the amount determined in accordance with Clause 23.7.1 and the Price Index Multiple on the Reference Index Date</del></p>	<p>23.7.3 Deleted</p>

		<p><del>preceding the due date of payment thereof. For the avoidance of doubt and by way of illustration, if</del></p> <p><del>(i) the First Year O&amp;M Cost is Rs.1Cr. (Rupees one Crore); (ii) the O&amp;M Payment is to be determined for the 2nd (second) year of the Operation Period; (iii) the Price Index on the Reference Index Date preceding the Bid Date is 200 (two hundred) and the Price Index on the Reference Index Date preceding the due date of payment is 240 (two hundred forty), implying a Price Index Multiple of 1.2 (one point two), then the O&amp;M Payment for that installment shall be the product of First Year O&amp;M Cost and the applicable Price Index Multiple, which product shall be Rs.1.2cr. (Rupees one point two Crore).</del></p>	
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