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GOVERNMENT OF INDIA MINISTRY OF ROAD TRANSPORT & HIGHWAYS

Parivahan Bhavan, 1, Sansad Marg New Delhi-110001

F. No. RW/NH-33044/31/2014/S&R (R)

Date: April 13, 2015

То

- 1. The Chief Secretaries of all the State Governments/ UTs
- 2. The Principal Secretaries/ Secretaries of all States/ UTs Public Works Department dealing with National Highways, other centrally sponsored schemes.
- 3. All Engineers-in-Chief and Chief Engineers of Public Works Department of States/ UTs dealing with National Highways, other centrally sponsored schemes.
- 4. The Director General (Border Roads), Seema Sadak Bhawan, Ring Road, New Delhi- 110 010.
- 5. The Chairman, National Highways Authority of India, G-5 & 6, Sector-10, Dwarka, New Delhi-110 075.
- The Managing Director, National Highways & Infrastructure Development Corporation Limited, 3rd Floor, PTI Building, 4, Parliament Street, New Delhi - 110 001

Subject: Adoption of rates of cement for construction of rigid pavement on National Highways.

As you are aware, the bituminous pavement has been the predominant mode of construction on the National Highways. The Ministry has, however, been propagating adoption of environment friendly construction practices for reduction of green house gases and has also inter-alia specified the life cycle cost analysis as an essential component of infrastructure design.

2. In accordance with this policy, Ministry vide circular dated 4th August, 2014 has decided that considering the issues related to longer service life, fuel consumption, resistance to extreme weather conditions, saving of natural resources and maintenance etc., the cement concrete pavement could be the default mode of construction on National Highways.

3. However, as per the present practice, the initial cost of construction of cement concrete pavement is estimated to be about 5-20% more than the bituminous pavement, depending upon the price of the constituent materials and distance of project site from the production centres. Consequently, the Ministry has taken the initiative of standardizing rates of cement throughout the country with a view to achieve reduction in the cost of construction of rigid pavement and to maximize the use of cement on National Highways.

Various cement manufacturers in the country have offered to supply different grades 4. of cement at rates (ex-factory), which are understandably below the current market rates. The rates of various grades of cement quoted by the cement manufacturers for the offered quantities of cement and having a validity of one year are available on the Ministry's website (www.morth.nic.in) under the path of Roads & Highways - Circulars / Notices on National Highways - Circulars regarding Cement. Supplies for the ordered quantities shall be arranged at the quoted rates (excluding taxes) by the cement manufacturers directly to all Central Corporations, local bodies. organizations, Govt. owned Govt. Govt./State Contractors/Concessionaires etc. on receipt of supply orders from the respective consignees.

To facilitate the understanding for arriving at the price of cement at these rates, an example has been worked out for the benefit of the prospective buyers in the enclosed **Annexure**.

5. In the meantime, a Web Portal "INAM-PRO" - Platform for Infrastructure and Material Providers (www.inampro.nic.in) has also been launched by the Ministry. This Web Portal is designed to facilitate contractors/cement buyers to place cement orders online with the enrolled cement companies offering cement at competitive rates in the vicinity of project execution locations. All the stakeholders engaged in executing National Highways projects as well as other Centrally sponsored infrastructure projects are required to get themselves registered on the Web Portal for the ease of procurement/ supply of cement at the offered rates. An advisory from Secretary, MORT&H has already been issued vide Ministry's letter of even number dated 13th February, 2015 in this regard.

6. In view of the steps taken by the Ministry, as above, it is requested that for all new National Highways projects, all Contractors/Concessionaires may be advised to procure the required quantities of cement through this Web Portal, so as to achieve reduction in the cost of construction of rigid pavement. The Estimates of all new projects shall be worked out accordingly, incorporating the rates of cement as offered by the various cement manufacturers. Fresh supplies of cement may also be booked for all the National Highways projects, in the pipeline. Further, all Consultants and tendering authorities may be directed to incorporate the offered rates of cement in projects being executed on EPC/BOT mode.

7. The contents of this circular may be brought to the notice of all concerned in your organization.

8. This issues with the approval of Competent Authority.

13/04/15 (Raiender'Kumar)

Executive Engineer (S, R&T) (Roads) For Director General (Road Development) & SS

Copy to:

- 1. All Chief Engineers/Superintending Engineers in the Ministry of Road Transport & Highways with the request to monitor the Estimates for the rates of cement for all new projects/projects in pipeline and provide the feedback on savings made accordingly.
- 2. All Joint Secretaries in the Ministry.
- 3. All ROs and ELOs of the Ministry with the request to ensure that the rates of cement in the Estimates of NH projects prepared after the launch of Web Portal on 10th March, 2015 are in conformity with the rates of cement offered by the cement manufacturers in their State.
- 4. The Secretary General, Indian Roads Congress
- 5. The Director, IAHE
- 6. Technical circular file of S&R (R) Section
- 7. NIC-for uploading on Ministry's website

Copy for kind information to:

- 1. PS to Hon'ble Minister (RTH&S)/ PS to Hon'ble MOS (RTH&S)
- 2. Sr. PPS to Secretary (RT&H)
- 3. PPS to DG (RD) & SS
- 4. PPS to SS&FA
- 5. PPS to ADG-I/ ADG-II/ Co-ordinators II/III

Annexure

If the OPC43 grade of cement is to be procured from a cement company 'X' from their plant 'A' in the State of Andhra Pradesh, where the quoted ex-factory rate of cement is Rs. 3100 per MT. The rate of cement by including Excise Duty @ 12.36% and VAT @ 14.50% shall be Rs. 3988.22 per MT at the factory.

For transporting this load of cement to a site, say 50 km away, thereby considering the transportation charges (as per the SOR of Andhra Pradesh) for this distance and also including the unloading charges at site (by manual means), the cost of cement works out to Rs. 4498.02 per MT at site.
