



INFRASTRUCTURE CONSULTANTS ASSOCIATION OF INDIA

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Ref. No. ICAI/Secretary/MORTH/2023-24/758

Date 06.11.2023

To,
The Secretary,
Road Transport & Highways,
Ministry of Road Transport & Highways,
Transport Bhawan, 1 Parliament Street,
New Delhi- 110001
Email: secy-road@nic.in

Sub: Regarding Deliberation on "Proposed amendments to RFP for DPR Consultants" held on 01.11.2023 at 4.00 PM through Hybrid Mode.

Respected Sir,

We are highly obliged for providing us an opportunity to bring out long pending demands of our member consulting firms for redressal of their issues in the VC Meeting held on 01.11.2023 attended by Shri D. Sarangi, ADG, MoRTH in Chair and other officers from MoRTH, NHAI and NHIDCL. Members of the committee constituted vide MoRTH OM No.RW/NH-33044/02/2023-S&R dated 12.01.2023. The VC Meeting was attended by Dr. L.N. Malviya, our Chairman on behalf of Association.

Sir, we are extremely thankful for the amendments proposed to be incorporated in the RFP document which shall definitely smoothen the functioning of services by consulting organizations in providing services to the Ministry and all its implementing agencies on DPR projects.

Sir, we would like to further bring to your kind knowledge the long pending demands of our esteemed members which also need to be redressed along with already proposed amendments. In past we have brought out all these issues before the various authorities of Ministry and its implementing agencies through our various letters for smooth discharge of services by our member consultancy organizations and we request your consideration on these issues also for incorporating in the RFP documents.

1. **Technical capacity provisions in RFP/Bidding of future consultancy assignments:**
Sir, Ministry vide No.RW/NH-24024/02/2019-S&R(P&B) dated 06.01.2021 and 09.04.2021 has issued modified Request for Proposal (RFP) document for Project Management Consultancy (PMC) to NHAI, NHIDCL, BRO and Public Works Department of States/UTs for implementation under Para 1.3.2 Letter of Invitation of the RFP document, it is provided that the available bid capacity of the bidder shall be calculated as below:

Available Bid Capacity = $(A * N * 2.5) - B$ where

A = Average Turnover.

N = Number of years prescribed for completion of consultancy in the bid.

B = Value of existing commitments (only allotted works) on the date of submission of bid.

Sir, we earnestly request that this provision related to available bid capacity of the bidder may please be extended to Authority's Engineer/Independent Engineer/Construction Supervision Consultant projects also.

Sir, whereas NHA vide Policy Circular No.10.1.33/2022 dated 25.04.2022 had applied restriction on maximum works to be allotted to any one consulting firm on the basis of Annual Turnover. According to this circular the maximum number of works to be permitted with one consultant have been restricted to 40 only whose Average Annual Turnover in last 03 years is more than Rs.60.00 Crore. There is no any limit of turnover beyond Rs.60.00 Crore for allotment of maximum number of works to any one consultant.

Sir, similarly in some bids being invited by NHIDCL, the number of projects to be allotted to any one consultancy firm are being restricted incorporating a provision that the bidder shall not be awarded more than 03 Authority's Engineer consultancy contracts for current bidding process in NHIDCL.

Sir, hence as elaborated under Point No.(1) above for all the bids to be invited in future by MoRTH or any of its implementing agencies may kindly be advised that the technical capacity provision as per Para 1.3.2 Letter of Invitation of the modified Request for Proposal (RFP) document for Project Management Consultancy (PMC) issued by the Ministry vide No.RW/NH-24024/02/2019-S&R(P&B) dated 06.01.2021 and 09.04.2021 only should be incorporated in the RFP documents.

2. **Publication of Model RFP documents and issue of OM/Circulars for amendments:**

Sir, Ministry of Road Transport & Highways is the Parent Ministry responsible for construction, development and maintenance of National Highways passing through various states of the Country. The activity of construction, development and maintenance of National Highways is being carried out by the Ministry himself and also through its implementing agencies like National Highways Authority of India, National Highways & Infrastructure Development Corporation Ltd., State Public Works Department, Public Works Department of Union Territories, Border Roads Organization etc.. by engaging Contractors and Consultants. Time to time Ministry is publishing Model RFP document for engaging Contractors/Consultants by Ministry himself and its all implementing agencies.

Sir, it has been observed by the members of our Association that the bodies formed under the Ministry and other implementing agencies are many time amending the provisions incorporated in the Model RFP documents of the Ministry by issuing office memorandum/policy circulars on National Highways and other centrally sponsored projects. Accordingly these authorities and implementing agencies are engaging Contractors/Consultants on different terms and conditions, which need to be streamlined.

Sir, our Hon'ble Prime Minister has also initiated a Slogan "One Nation One Tax" and accordingly the Ministry's projects may please be executed on the Slogan "One Ministry One Document One Circular".

Sir, hence we earnestly submit that for engagement of consultant either as Authority's Engineer/Independent Engineer/Construction Supervision Consultant/Project Management Consultant, the bodies formed under the Ministry and all its implementing agencies may please be instructed to follow only Model RFP documents published by the Ministry for such engagement. In case any of the agency needs some amendment to the Model RFP document, they should get its prior approval from the Ministry, which shall be issued after due scrutiny by the Ministry himself.

3. **Payments of Goods and Service Tax:**

Sir, Goods and Service Tax is a direct tax applied by the Government of India on construction industry. In some of the RFP document being published by MoRTH and its implementing agencies it is provided that the payment of applicable Goods and Service Tax shall be reimbursed to the Consultant on submission of payment challan to the Client. This procedure normally attracts delay in payment of Goods and Service Tax by the Consultant to Government and reimbursement of amount of Goods and Service Tax to the Consultant by the Employer. In current scenario keeping in view the



high cost of projects, the payable GST amount runs in Rupees in Crore, delay in reimbursement of which badly affects exchequer of the Consultant.

Sir, we earnestly submit that the amount of Goods and Service Tax at applicable rates may kindly be paid to the Consultant along with the IPC with the condition that copy of payment challan shall be submitted by the Consultant with the next IPC otherwise further payments shall not be released to the consultant.

4. Abnormally low priced Financial Proposal:

Sir, to deal with abnormally low price financial proposal we have previously suggested that the evaluation of bids may please be done on 90:10 QCBS method and any bid 20% above/below average bid value may please be considered Non-Responsive and the bid within the above value may please be considered as Reasonable Financial Proposal.

Sir, previously Sir, in some of the RFP documents of MoRTH and its implementing agencies it used to be provided that if 3 or more Financial Proposals are opened, Average of all the opened Financial Proposals shall be determined. A Financial Proposal shall be considered "reasonable" if its variation from the average is within (+) /(-) 20% of the average. Only bidders with a "Reasonable Financial Proposal" shall be considered for determining the "most preferred bidder (H-1 bidder)" based on QCBS method. Earlier normally for evaluation of combined score of any bidder 80 % weightage was provided to Technical Proposal and 20 % weightage to Financial Proposal. In our opinion highly qualified and experienced consulting firms can be selected for a project out of a chunk of consulting firms having minimum qualification and experience desired under the RFP document, if the bid is evaluated on QCBS (90:10) method in place of 80:20 basis.

5. Extension of Services of Consultant on DPR projects:

Sir, it is generally observed that preparation of DPR is normally delayed due to its various components related to coordination with various departments like Revenue, Electricity Board, Public Health Engineering Department, Irrigation Department, Forest Department, Public Works Department etc.. On most of the projects delay occurs due to improper coordination by the departments as well as lengthy procedures for example acquisition of land, shifting of utilities, permission for tree cuttings, removal of encroachments etc.. As per provision in the RFP documents stagewise percent payment of total amount of contract is released to the consultant irrespective of timelines fixed for every stage. Accordingly consultant is paid only upto amount of contract irrespective of extension of assignment period beyond Agreement period. The amount of contract is finalized on the basis of rates and amounts quoted by the Consultant under Financial proposal Form I to Form III during submission of bid. The rates and amounts quoted by the Consultant under the Financial proposal are for the assignment period only specified in the RFP document. The Key Professional and Sub Professional Staff is engaged by the Consultant for the agreed assignment period only.

Sir, accordingly the consultant is required to borne all the monthly expenditures related to remuneration of Key Professional, Sub Professional, Support Staff, Transportation, Duty Travel to Site, Office Rent, Office Supplies, Utilities and Communication, Office Furniture and Equipment etc. during extended period of the contract beyond the agreed assignment period from its own resources for such delay not attributable to him.

Sir, it is therefore earnestly requested that in case of delay in projects of preparation of DPR, for the extended period, not attributable to the Consultant, replacement of complete staff without any penalty may please be permitted. Similarly during such extended period of Contract, monthly remuneration of Key Professional, Sub Professional, Support Staff, Transportation, Duty Travel to Site, Office Rent, Office Supplies, Utilities and Communication, Office Furniture and Equipment etc. as per rates quoted



under Financial proposal forms for each item may kindly be permitted to the Consultant till completion of project.

6. Payment Schedule of DPR Projects:

Sir, in the current RFP documents being published by MoRTH and its implementing agencies for engagement of Consultant for preparation of Detailed Project Report, stagewise payment towards the services is made to the Consultant as percentage of amount of contract derived from the rates and amount quoted by him under Financial proposal Form I to Form III during submission of bid. The amount payable to the Consultant towards services provided by him is a fixed amount irrespective of agreed assignment period and actual completion period of the project. Freezing of amount payable is creating financial crunch to Consultant, who is required to continue the services of all the staff and all the services necessary for completion of services during extended period also.

Sir, monthly/per trip rates are quoted by the Consultant in his bid for various items of works covered under Financial Proposal Form I to Form III of RFP document. Hence likewise other projects e.g. AE/IE/CSC the payment to Consultant on DPR projects may please be permitted on the monthly/per trip rates and amounts quoted by him in submission of bid as tabled below:

S.No.	Description of Item	Unit
1.	Remuneration for Local Staff	Per Month
2.	Remuneration for Support Staff	Per Month
3.	Transportation	Per Month
4.	Duty Travel to Site	Per Trip
5.	Office Rent	Per Month
6.	Office Supplies, Utilities and Communication	Per Month
7.	Office Furniture and Equipment	Per Month
8.	Reports and Document Printing	Per Copy

Sir, all the below tabled items of work can be released to the Consultant at the proposed prefixed rates by the Authority as per their unit of measurement as stated against each item of work.

S.No.	Description of Item	Unit	Unit Rate in Rs.
1.	Topographic surveys only using aerial LiDAR technology.	Per Km.	2,00,000/-
2.	Topographic surveys only using Mobile LiDAR technology.	Per Km.	30,000/-
3.	Procurement and Processing Satellite Imagery	Lumpsum	As per actual on production of bills of purchase.
4.	Use of NSV	Per Km.	10,000/-
5.	Providing and fixing Boundary Pillars	Per Km.	50,000/-
6.	Land Acquisition Report	Per Km. (Total Project length)	50,000/-
7.	Draft 3a and Notification	Per Notification	5,00,000/-
8.	3D Publication	Per Notification	5,00,000/-
9.	3G Award declaration	Per Declaration	5,00,000/-
10.	Stage 1 and Stage 2 Forest Clearance	Per 50 Km. Project length	20,00,000/-
11.	Stage 1 and Stage 2 Wildlife Clearances	Per 50 Km. Project length	20,00,000/-



12.	Stage 1 and Stage 2 Environment Clearances	Per 50 Km. Project length	20,00,000/-
13.	Social Impact Assessment	Per Km.	20,000/-
14.	Utility shifting	Per Km.	30,000/-
15.	Boring	Per RM	Soft Rock - 5,000/- Hard Rock - 8,000/-
16.	Road and Bridge Inventory	Per Km.	5,000/-
17.	Pavement Evaluation	Per Km.	5,000/-
18.	Roughness Survey	Per Km.	20,000/-
19.	Axle Load Survey	Per Point	2,00,000/-
20.	Material Survey and Investigation	Per Km.	10,000/-
21.	Subgrade Investigation,	Per Km.	10,000/-
22.	Traffic Survey,	Per Point	2,00,000/-
23.	Socio Economic and Census Survey/Studies,	Per Km.	20,000/-
24.	Topographic Survey including hire charges for equipment and survey teams inclusive of cost of material, labour etc.	Per Km.	30,000/-

Sir, it is earnestly requested that the payment schedule in the existing RFP documents may kindly be amended as proposed above which shall facilitate smooth completion of project normally within assignment period provided in the Agreement.

7. Requirement of In-hand DPRs:

Sir, in the current RFP documents of MoRTH and its implementing agencies for obtaining services of Consultant as Authority's Engineer/Independent Engineer/Construction Supervision Consultant/Operation and Maintenance projects suitable marks are awarded to bidder in Technical evaluation towards in-hand DPR projects also in addition to his experience as Authority's Engineer/Independent Engineer/ Construction Supervision Consultant and O&M projects. While no any mark is proposed to be awarded under this category in projects related to preparation of FSR/DPR and Project Management Consultancy projects. In our opinion requirement of In-hand DPRs do not have any relevance with Authority's Engineer/Independent Engineer/Construction Supervision Consultant/Operation and Maintenance projects.

Sir, accordingly we earnestly request that the requirement of number of In-hand DPRs for allotment of marks in Technical evaluation of Authority's Engineer/Independent Engineer/Construction Supervision Consultant/Operation and Maintenance projects may please be deleted and proposed marks under this category may please be distributed to desired relevant experience of the firm.

8. Submission of Form 26 AS towards proof of employment with the firm:

Sir, suitable marks for permanent employment of Key Personnel with the firm have been provided in the RFP documents published by the Ministry. Normally the award of marks is based on the experience certificate provided by the bidding consulting firm to the Key Personnel and annexed by the bidding firm in their Technical Proposal.

Sir, however in the RFP document of NHAI Form 26 AS of Key Professional proposed to be deployed on the project is desired towards proof of their permanent employment with the firm. In this connection Association through letter No.ICAI/Chairperson/NHAI/2022-23/503 dated 02.09.2022 has intimated NHAI that for avoiding revelation of their income from various sources, most of the Key Personnel are hesitant in providing a copy of their Form 26 AS, which is a private document and can



be downloaded by the Key Personnel only from the website of Income Tax department using User ID and password.

Sir, hence it is earnestly requested that NHAI may please be instructed to withdraw aforesaid condition of submission of Form 26 AS and consider experience certificate provided by the bidding firm to the Key Personnel as eligible document for considering him permanent employee of the firm. However if deemed necessary Form 16 of Income Tax Act can be considered in place of Form 26 AS as authentic document for award of marks towards permanent employment with the firm.

9. Deployment of Retired Government Officers by Consultant:

Sir, Senior Government Officers from Engineering departments like Water Resources department, Rural Engineering Services, Military Engineering Services and others Road Construction departments are taken on deputation or their services are merged at their relevant positions in MoRTH, NHAI, NHIDCL etc.. Accordingly deployment of these officers may also kindly be permitted on consultancy services at various positions permitted in the RFP documents for engagement of Authority's Engineer/Independent Engineer/Construction Supervision Consultant/Project Management Consultant at relevant position based on the position held by them in their respective department. This will help in meeting with the current shortage of availability of Key Experts in the market.

10. Mandatory Training of Key Experts of Consultant at Indian Academy of Highway Engineers:

Sir, it has been made mandatory that all the Key Experts of Consultant deployed on any National Highways and Centrally sponsored projects of MoRTH and its implementing agencies shall undergo a minimum 07 days training at Indian Academy of Highway Engineers, Noida (U.P.). It has been observed that number of Key Experts requiring such training is much more than the training schedule being observed by IAHE. Hence we propose that such training programmes may please be conducted at Indian Institute of Technology/National Institute of Technology also.

11. Penalty for Major Deficiencies:

Sir, as per RFP document approved by the Planning Commission the amount of any Contract Agreement can be increased upto 25% amount without any approval. Further in the RFP documents for DPR projects it is provided that traffic data and axle load data found to be varying by more than 25% without justifiable reasons shall fetch some penalty as percentage of contract value. Considering the limit of increase in amount of Contract and proposed penalties on variation of more than 25% only, we earnestly request that penalty for any major deficiency observed in the services of Consultant may please be applied beyond a limit of (\pm) 25% of the Contract value.

We and esteemed members of our Association shall be highly obliged for your consideration of our proposal and amendments to respective RFP documents.

With kind regards,

Thanking you,

Yours sincerely,

For Infrastructure Consultants Association of India


(M.L. Gupta)
Secretary



CC: 1. The Chairman, National Highways Authority of India, Email: chairman@nhai.org
2. Shri D. Sarangi (ADG),MORTH, Email: d.sarangi@nic.in
3. Respected Members of Association as per attached list for favour of information and needful please.