



INFRASTRUCTURE CONSULTANTS ASSOCIATION OF INDIA

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Ref. No. ICAI/Chairman/NHAI/2021-22/599

Date 01.09.2021

To,
The Chairman,
National Highways Authority of India
G-5 & 6, Sec.-10, Dwarka
New Delhi - 110075
Email:chairman@nhai.org

Sub: Regarding Restrictions applied on Technical Capacity provision in RFP /Bidding documents of future consultancy assignment for maximum works to be permitted to one consultant.

Ref: NHAI Policy Guidelines NHAI/Policy Guidelines/Consultants/2021 - Policy Circular No. 10.1.28/2021 dated 30.03.2021

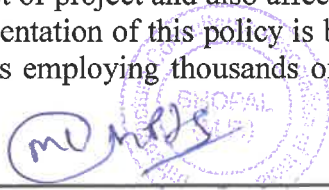
Sir,

It is submitted that our association under umbrella of "Infrastructure Consultants Welfare Committee" registered with Government having registration No.01/01/01/24544/12 dated 07.01.2012 is working for welfare, betterment & growth, protection of interest and resolving various upcoming problems and also to carry research work for growth, organizing Trainings/Seminars/Workshop/ Refresher courses for Consulting Engineers & Architects of the country.

It has been brought to our knowledge by our various member consulting firms that fresh policy guidelines have been issued by NHAI through Policy Circular No. 10.1.28/2021 dated 30.03.2021 further restricting number of DPR/IE/AE/SC assignments that can be awarded to a consultancy firm in a financial year and also capping total number of projects which can be awarded to one consultancy firm merely on the basis of annual turnover of last 3 financial years and number of key professionals on full time role with the firm for minimum last one year. It is stated in the guidelines that the works awarded on the date of opening of financial bid and in progress will be taken into consideration as utilized capacity and the guidelines shall come into effect from FY 2021-22 for all RFPs of consultancy assignments to be received on or after 01.04.2021.

The basic premise of the policy is based on a mere observation that many of consulting firms which are getting awarded disproportionately higher number of consultancy assignments were unable to meet the timelines for various deliverables or quality of deliverables have been compromised.

In this connection we wish to submit that implementation of this policy will have a deteriorating effect on the quality of work in as much as once the qualified and experienced consultancy firms have exhausted their ceiling limit, the NHAI would be compelled to consider proposals submitted by the consulting firms having lesser technical capacity, qualifications and experience resulting into impact on quality of work, raising the cost of project and also affecting the time duration of the assignment. It is also imperative that the implementation of this policy is bound to jeopardize the future prospects of well established consultancy firms employing thousands of Engineers, Architects, other Experts and Accounts & Administrative staff.



We feel that the assignments to be allotted by NHAI of any consulting firm are highly technical in nature and hence any reasonable classification with respect to the consulting firm must be evolved keeping in view overall performance and not on interpretation of their technical capacity. This policy would have detrimental effect on the standard of competition and work in the field of consultancy services as it would benefit such firms having lesser qualification and experience. Further to above the provisions of this policy shall financially strangle majority of engineering consulting firms in the country who shall not be able to participate in the bidding process of NHAI from 01.04.2021 onwards due to number of ongoing projects in hand as they will not be allotted any further project due to number of ongoing projects in hand.


It is submitted that the implementation of this policy guidelines shall effect the interest of indigenous consultancy firms and shall open the floodgates of opportunity for foreign consulting firms working across the globe and who have established their office in India. This policy shall promote the interest of foreign multinational firms by usurping the market space of indigenous firms who would be able to enter Indian market space without any competition from the Indian consulting firms.

We would like to further submit that NHAI has already provision in the RFP document to regulate the quality and penalize and defiant contractors and consultants as per policy guidelines circular no.18.63/2021 dated 08.01.2021 and quality inspection of NH projects by the teams of NHAI awarded to abnormally low quoted bids by policy circular no.15.8/2021 dated 15.01.2021. NHAI has powers to suspend and terminate the contract if the consultant firm fails to perform its obligations under the contract including carrying out the services as provided under Clause 2.9 of General Conditions of contract.

Prayer

In light of above elaborations we submit our humble request to your goodself that NHAI/Policy Guidelines/Consultants/2021 issued by Policy Circular No. 10.1.28/2021 dated 30.03.2021 may kindly be abrogated from its effective date in the interest of indigenous Indian consulting firms, public at large and to restrict opening of the floodgates of opportunity to foreign consulting firms working across the globe.

**Yours sincerely,
For Infrastructure Consultants Association of India**


(M.L. Gupta)
Secretary

