



File No. NESTS/Civil/EMRSOrder/140/2021-22(Pt.)

Dated: 20-08-2024

E-File no. 27230/ 21655

To,

Zonal Managers, PSUs  
(As per standard list)

**Subject: Revised guidelines in r/o approval of revised A/A & E/S -reg.**

Sir,

Kind attention is invited towards the subject cited above.

In this context, as per the construction agreement between NESTS & PSUs, in any case, the calling of tender, its publicity, assessment of reasonability of tender, its rates, and awarding of work to L-1 bidder is the sole responsibility of PSUs.

However, it is intimated that in place of detailed justification as required under *clause 3.1 (a) (i)* of construction agreement, **for those cases in which the lowest tendered cost is higher than A/A & E/S but within the ceiling cost for NE/LWE/Hilly/Plain area**, the following shall be provided by the Competent Authority of PSU:

*"1. A certificate from the tender accepting authority stating that:*

- I. "It is certified that the tender has been invited in the most transparent manner complying with the provisions of the GFR/Gol guidelines/CTC and CVC guidelines and the cost i.e., Rs.....recommended for seeking the revised sanction is reasonable and lowest"*
- II. "I am satisfied with the detailed justification for the reasonableness of rates based on market rates as per the latest CPWD Works Manual and the prevailing trends of tenders of similar work in neighbouring localities"*
- III. "Due care has been taken while assessing the reasonableness of the tenders before acceptance and in principle, I agree to accept the tender."*

*2. An Undertaking as per NESTS letter dated 13.04.2024 for post-tender negotiations with L-1 tender, if applicable."*

Please note that further processing for the issue of revised A/A & E/S will be done upon receipt of the above certificates and undertakings from PSUs in the required formats as above.

**For cases, in which accepted L-1 price is more than the ceiling cost for NE/LWE/Hilly/Plain area then clause 3.1 (a) (i) of construction agreement, may be complied by PSUs for seeking revised A/A & E/S.**

This issues with the approval of the Competent Authority.

Yours faithfully,

  
20/8/24  
(R.P. Joshi)

Executive Engineer

Copy to:

1. Additional Commissioner, NESTS
2. Deputy Commissioner (Finance), NESTS
3. PS to Commissioner, NESTS
4. Chief Consulting Engineer-I, NESTS
5. Guard File



2.8 The owner/client reserves the right to inspect the work through its Engineers/ Officers of any other agency authorized by the owner/client from time to time. The owner/client shall communicate such observations, if any, for compliance by the Construction Agency.

2.9 The Construction Agency shall furnish, to the owner/client, a performance security in form of Bank Guarantee for an amount of 3 percent (**as per OM No.9/4/2020-PPD dated 12.11.2020 or as amended from time to time by GOI**) of the total Consultancy fee on account of satisfactory performance of the Construction Agency towards the contract. The Bank Guarantee has to be from a Scheduled Commercial Bank based in India and shall be valid 60 days beyond the stipulated/extended date of completion (as the case may be). The B.G shall be duly verifiable through Structured **Financial Messaging System (SFMS) in terms of guidelines issued by M/o Finance vide F.No.7/112/2011-BOA.**

2.10 The owner/client reserves the right to get the work including measurement etc. checked with reference to the bills and accounts of Construction Agency audited by its own officers or any other agency appointed by the owner/client for this purpose. Results/ findings of owner/client on such checking shall be final and binding upon the Construction Agency.

2.11 Expression of Interest (EOI) document number 18015/09/2020-NESTS/01 dated 13.03.2020 and Works allotment letter issued by NESTS vide their office letter no. 18015/09/2020-NESTS dated 31.07.2020 shall form part of this Agreement.

### **3. RESPONSIBILITIES OF THE CONSTRUCTION AGENCY TO OWNER/CLIENT:**

3.1 The Construction Agency shall carry out the work through contract by calling tenders following standard guidelines of CPWD. It shall follow the standard CPWD form No – 7/8 for percentage rate tenders/item rate tenders respectively with correction slips issued up to the date of approval of NIT with suitable amendments incorporating appropriate designation etc. applicable in the Construction Agency's organization and other amendments as mentioned in relevant paras of this agreement. The work shall be executed by the Construction Agency in a most diligent manner by call of competitive tenders as per the guidelines of CPWD and GFR.

3.1(a) (i) The competent authority to accept the tender of construction agency shall evaluate and may accept the lowest tendered cost in case the A/A & E/S approved cost is sufficient to cover the lowest tendered cost. **No approval is required from NESTS to go ahead with further processing of tender.** However, they should submit the detailed brief/case of the acceptance of tender as per **Annexure-I for information to NESTS. Based on the Annexure-I, NESTS may issue revised A/A & E/S if required.**

In case the lowest tendered cost is higher than the approved A/A & E/S. Construction Agency may request for revision of A/A & E/S if the competent authority of Construction Agency to accept the tender is satisfied with the tendered amount and has agreed in principle to accept the tender. In this case, the construction agency shall submit the proposal for revised A/A & E/S along with detailed justification as per revised **Annexure-II** and the tender can be accepted only after the receipt of revised sanction by NESTS. The recommendation of the Construction Agency shall be explicit and clear in all aspects.

Cases for revised A/A & E/S shall be submitted only with proper Market Rate Justification as per latest CPWD Works Manual. The prevailing trend of tenders of similar works in neighbouring localities shall also to be enclosed for project cost justification to issue revised A/A & E/S.





**3.1 (a) (ii)** The competent authority of Construction Agency shall exercise due care while assessing the reasonableness of tender before acceptance. The assessment of reasonability of tender shall be sole responsibility of the Construction Agency. The provisions of CPWD Works Manual/CVC Guidelines/GFR shall also be referred while accepting tender. Evaluation of bids and declaration of successful bidder shall be in accordance with relevant provisions of CPWD Works Manual/CVC Guidelines/GFR. The transparency, competition, fairness and elimination of arbitrariness in bidding process shall be fundamental principle and in accordance with Rule 173 of GFR 2017.

**3.1 (a) (iii)** The calling, processing and awarding of tenders shall also be as per relevant provisions of GFR and CPWD works manual. **Tenders shall be called and processed through Central Public Procurement Portal (CPPP). (eprocure.gov.in) maintained by NIC only.**

ESI & EPF @ 4% **shall not be made part** of estimated cost put to tender. The CA shall reimburse the ESI/EPF to the concerned contractor based on actual submission of proof of payment to the beneficiary account to them. The CA shall be fully responsible to ensure statutory compliances in this regard. Any excess amount claimed by the CA in addition to payment made by them shall be refunded to the NESTS.

While finalizing the eligibility of participating contractors, who have already been awarded works of EMRS across the country, the NIT approving authority of CA shall evaluate the capacity of participating bidders with respect to financial and technical strength in addition to normal eligibility clauses (Work Experience of required value) prescribed in CPWD. Accordingly, PSU shall incorporate additional financial and technical eligibility clauses for the bidders who have already been awarded EMRS works in one or more PSUs. The technical and financial strength for participating bidders shall be enhanced in proportionate to the number of EMRS works bidders are in hand across the country. **In addition, CA shall provide conditions in NIT regarding ceiling on maximum number of EMRS works to be awarded to the single contractor.**

In any case, the calling of tender, its publicity, assessment of reasonability of tender, its rates and awarding of work to the L-1 bidder is the sole responsibility of Competent Authority of the Construction Agency.

**3.1(b)** The Construction Agency shall prepare Master Layout Plan (MLP) and other building drawings including services and development plan after detailed survey of the site and soil exploration, which shall be submitted to NESTS for approval.

The Construction agency shall further prepare the Detailed Project Report (DPR) based on approved MLP and A/A & E/S amount. **DPR shall be prepared as per DPR Guidelines dated 30.03.2022 including up to date amendment thereof.**

The detailed estimate shall be prepared on the basis of approved layout plan, approved architectural drawings, Soil report, structural drawings and specification of NESTS with up-to-date modification and as per CPWD guidelines. The soil investigation shall be done in presence of site engineer of PSU and Geo-Tagged photographs with date, time and location shall be shared during investigation work.

**The vetting of the structural drawings shall be done through IITs only in respect of all the works of NorthEast Region & regions with higher Seismic zone IV & V and IITs/NITs/CBRI Roorkee in respect of other locations. The vetted copy of Structural Drawings shall be submitted along with DPR. DPR shall be approved only after the submission of the vetted structural drawings.**





**3.1 (c)** Tender for the complete work (including civil and electrical both) shall be invited and no splitting of work will be admissible. Only on exceptional circumstances and for justified reason to be recorded in writing, a separate part of the work shall be admissible but with the prior approval of NESTS.

**3.2** The Construction Agency shall get all the works/ buildings insured till expiry of maintenance period from a Government/ Govt. approved insurance agency. The CA shall submit copies of valid Contractor All Risk (CAR) & Workman Compensation (WC) Policy to the NESTS as and when required by NESTS and prevailing statutory laws before start of work, failing which, NESTS shall obtain these policies and recover amount from R/A bills of CA. In case of delay/extension in work the CA shall arrange to get the policies extended time to time at his own cost.

**3.3** The Construction Agency shall carry out the whole work in the most systematic and organized manner, strictly as per the architectural drawings (duly approved by NESTS), specifications and instructions/ guidelines issued from time to time by the Owner/Client, latest CPWD specifications with up-to-date correction slips, latest editions of relevant IS Code with up-to-date correction slips and sound engineering practices should be followed.

**3.4** The Construction Agency shall take up the work as per phasing plan and the priority to be fixed by the owner/client at the time of start of the work and complete all buildings with essential services (internal and external) within the stipulated time of completion.

**3.5** The Construction Agency shall arrange to carry out all mandatory tests on construction materials as prescribed in CPWD specifications and BIS Code of practice and maintain all such records of mandatory tests conducted to ensure the quality of work. The Construction Agency shall produce copy of test reports regularly to NESTS during inspection of works and whenever desired otherwise also.

Construction Agency shall make quality plan for each location indicating frequencies of mandatory tests and number of tests required with respect to BOQ and to ensure that mandatory tests are being conducted regularly for items executed. The work shall be done at site as per the Construction Checklist for important items like Foundation, Columns/Beams/Slabs, Brick Work, Plaster, Plumbing, etc. The construction Agency shall also ensure that the site is equipped with required Laboratory and Field-Testing equipment. In addition, every site shall be required to be equipped with tools for non-destructive test like rebound hammer, pulse velocity test, bar-relocator, etc to assess the soundness of RCC work on the spot.

**3.6** The Construction Agency shall be fully responsible for quality, technical/ structural soundness and effective & efficient construction management of the work. It shall ensure that all issues by the owner/client are thoroughly examined as per the prevailing site conditions and as per NBC guidelines before actual execution and any deficiency/ defect and/ or suggestions for improvement to suit the local conditions may be brought to the notice of the owner/client in writing and his approval shall be obtained before execution. No deviation from approved drawings/ designs, specifications, quantities, etc. shall be carried out without written approval of the NESTS. Any deviation from this shall make the Construction Agency fully responsible to bear the extra cost involved, if any.

**3.7** The Construction Agency shall in consultation with NESTS finalize Third Party Quality Assurance (TPQA) plan on all works costing more than Rs 5.00 crore from any IITs/ NIT/s/CBRI Roorkee in the beginning of the project. The expenditure towards Third Party Quality Assurance shall be met from contingencies available in the A/A & E/S. The





expenditure provisioned in the estimates shall however be reimbursed on actual basis on submission of documentary proof, limited to the provision in the A/A & E/S. The CA shall arrange to get TPQA conducted at site as per agreed plan and arrange to submit the reports at regular intervals along with RA bill reimbursement claims. **The TPQA shall be done for critical activities identified in TPQA Guidelines dated 20.04.2022.**

**3.8** The Construction Agency shall carry out the work of water proofing treatment through specialized firm, who shall submit the 10 years guarantee bond against leakages/ dampness on a Rs. 100/- stamp paper to the owner/client as per performa specified. The guarantee shall include rectification of works within the guarantee period of 10 years free of cost if leakage/ dampness is reported by the owner/client. Guarantee bond shall be tripartite agreement form. The Construction Agency will be responsible to the Owner/client for ensuring enforcements of these guarantees. The CA shall depute only specialized firm with required work experience, etc for all kinds proofing works.

**3.9** The Construction Agency shall not assign or transfer or part with any of the rights, duties or obligations under the agreement, wholly or partly to any other agency without the prior written consent of the Owner/client. It is applicable only for construction stage work.

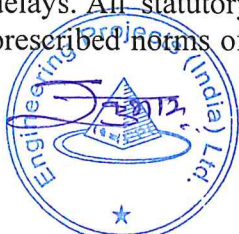
**3.10** All defects noticed during the currency of the contract and also during the defect liability period of 12 months after completion of the work except those pertaining to leakage/ dampness which are governed by clause 3.8 above shall be got completed and satisfactorily rectified by the Construction Agency immediately after notifying the defects without any extra payment for the same. In case the defects are such as cannot be rectified or the Construction Agency fails to rectify these satisfactorily and completely, the Owner/client reserves his right to accept the work at reduced rates (provided defects are non-structural) or to get the rectification work done at the risk and cost of the Construction Agency. The decision of the Owner/client, in this regard, shall be final and binding on the Construction Agency.

**3.11** The land shall be made available to CA for construction, free from all encumbrances. Any cost towards clearance of land and change in land use shall be borne by the owner/client, as per actual. The Construction Agency shall, forthwith take possession of the site from the State/EMRS Society and keep it free from all encroachments till completion and handing over of the work.

**3.12** The Construction Agency shall ensure that associated development works and bulk services are simultaneously carried out so as to make the buildings functional immediately on completion. Any building even if it is physically ready for occupation, shall be deemed to be completed only from the date the services like water supply, sewerage and electricity are made available for it, by the Construction Agency.

**3.13** The Construction Agency shall comply with the Fair Wage Clause and CPWD Contractor's Labour Regulations mentioned in the section 34 of latest CPWD Works Manual.

**3.14** The Construction Agency shall periodically submit Running Account (RA) bills in the prescribed performa for the gross work done not be less than Rs 1.00 Crore for Phase-I and Phase-II Construction and Rs 1.50 Crore for single Phase Construction. All running bills shall be accompanied with the Geo-tagged (GPS) clear photographs in sufficient number and angles illustrating the progress of work and for which claims raised in RA bill. The photographs shall be duly signed by the Construction Agency. The RA bill shall also accompany the progress chart showing status of work against agreed schedule, delays and way to mitigate such delays. All statutory deductions including TDS/GST etc shall be made from the bills on prescribed norms of the Govt. enforced from time to time. In this regard, NESTS Guidelines





amended upto date for submission of RA Bills shall be followed. The bills not submitted in the prescribed format may not be considered for release of payment.

**3.15** The Construction Agency shall claim the reimbursement of running bills on the basis of bonafide expenditure incurred and /or booked on the works. It shall submit expenditure statement duly verified by the competent authority of their Finance/ Accounts Wing along with necessary certificates. The gross expenditure shall, however, be limited to the amount of A/A & E/S.

**3.16** The Construction Agency shall submit the completion certificate, duly signed by the competent technical authority of their organization on the prescribed performa within 30 days after the completion date before the buildings and work are inspected by the owner/client for taking over.

**3.17** Within Six months of completion of the works, the Construction Agency shall submit the final bill in the prescribed performa with required details duly checked and audited by the Competent, Technical and Financial authorities of the Construction Agency. **“The Construction Agency shall record the final measurement & finalize the bill with their contractor and final claim so determined shall be raised with NESTS for final settlement”**. Final payment will not be released unless completion drawings and structural drawings (as actually followed for execution) as well as completion drawings of services and standard measurements needed for the periodical maintenance works and certificate of handing over of buildings and services as per formats are submitted by the Construction Agency to NESTS along with original guarantees for 10 years for water/ leak proofing works referred to in clause 3.8 above. The CA shall handover the buildings as per the SOP issued by NESTS along with certified copies of required documents. Any SOP/guidelines issued by NESTS shall form part of the agreement.

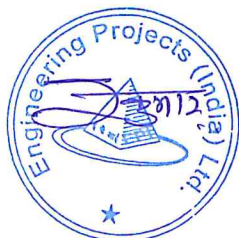
**3.18** The Construction Agency at the time of formally handing over of the building to owner/client, shall also, submit the completion drawings and standard measurement books for all the items of buildings/ works needed for periodical repairs and maintenance.

**3.19** The Construction Agency while submitting the final bill shall also submit the structural stability certificate.

**3.20 Monitoring and Quality Control-** NESTS shall be informed regarding final position of buildings at site including site development plan, contour level, etc. before commencement of building works. A complete set of architectural/ working drawing incorporating all features of MLP and Plinth level of buildings, architectural drawings finished road level, septic tank level shall be available before executions. Complete set of vetted structural drawings shall also be available before RCC work. No work is permitted without TPQA and vetted structural drawings in any case.

The layout diagram of Storm Water Drains, Sewerage, Water Distribution Diagrams, UG cables, Street lights, etc shall be checked with reference to the site condition and shall be shared with NESTS after the layout marking at site is finalized. Any deviation from this shall make the construction agency fully responsible to bear the extra cost involved, if any.

The site shall be equipped with field testing and laboratory testing equipment before actual commencement of work.



The Quality plan and Design Mix Shall be available before the time of commencement. Proforma For Mandatory Tests indicating frequencies and number of tests required w.r.t. BOQ shall be ready before execution.

The regular monitoring and frequent site visit by engineering team including zonal head is absolutely necessary to ensure quality construction and work are being executed as per approved architectural and vetted structural drawings.

**3.21** The geo-tagged (GPS) enabled photographs need to be shared with NESTS in every stage of construction for important items and milestones like foundation, reinforcement, RCC casting of foundations, columns, beams & slab, masonry work, etc through email.

**3.22 Any Circular/Guidelines/SOP issued by the NESTS during the progress of the work shall also form part of the agreement.**

**4. TIME FOR COMPLETION OF THE PROJECT**

**4.1** The total time required for completion of the works shall be as mentioned in the A/A & E/S. The Construction Agency immediately within 15 days of issue of A/A & E/S shall submit program chart for pre-construction planning activities (detailed component-wise). The total time for completion of project includes the time required for Pre-Construction activities also. The program chart for, construction activities shall be drawn by CA with its contractor immediately on award of work and submit to NESTS for monitoring.

**4.2** If the Construction Agency fails to maintain the required progress in terms of para 4.3(a) or 4.3 (b) to complete the work and clear the site on or before extended date of completion, it shall be liable, without prejudice to any other right or remedy available under the law to NESTS on account of such breach, for compensation @ Rs. 10,000/- (Rupees Ten Thousand Only) per week of delay, subject to max. of 10% of service charges. The decision of NESTS regarding amount of compensation and period of unjustified delay shall be final and binding on the construction agency. In case CA recovers any compensation for delay or Liquidated damages from its contractor on account of any unjustified delay, the same shall be credited to NESTS.

**4.3 (a)**The maximum timeframe for pre-construction activities as indicated below shall strictly be adhered:

**Single-Phase Construction: Pre-Construction Time Frame**

S. No.	Activity	Time Allowed	Remarks
1	Pre-construction activities	06 Months	Maximum time allowed from the date of issue of formal sanction.
a)	Submission of MLP and approval by NESTS	45 days	Draft MLP is to be shared within 30 days from the issue of formal sanction.
b)	Submission of DPR and approval by NESTS	45 days	Draft DPR including Structural Drawings along with Soil Report, Detailed Estimate, etc to be shared with NESTS within 30 days of approval of MLP.

