

## Abstract

Highways Department - Re-introduction of package system - Inviting Tenders for Road works - Amendment to Tamil Nadu Highways Manual volume IV - Orders -Issued.

Dated:01.10.2012

Read

2. G.O. (Ms) No.147 Highways Department, dated 1.08.2003

3. G.O.(Ms) No.125, Highways Department, dated 4.08.2006

4. From the Director General, Highways Department, Letter No.4319/TC-

5. From the Director General, Highways Department, Letter No.6514/Tech

6. From the Chief Engineer (Construction & Maintenance) Highways Department Letter No.3775/Contract.1/2012-2/ dated 21.08.2012.

Order:

In the G.O. first read above, orders have been issued that tenders in a division be invited in packages in respect of all works to be taken up with the loan assistance from NABARD and HUDCO excepting works taken up under CRF and National Highways works. Prior to the issue of above G.O., the road and other works in Highways Department were executed by calling for tenders for individual works.

- 2. In the G.O. second read above. orders have been issued that the divisionwise packaging was modified into sub-divisionwise packaging with further exemption that for capital works costing Rs.5.00 Crores and above and for works taken up during natural calamities for which tenders could be invited for individual works.
- 3. In the G.O third read above, orders were issued that the Sub-Divisionwise package system for calling tenders was withdrawn on the basis of representation received from the section of contractors as well as on the recommendations of the Board of Engineers.
- 4. In the letters fourth and fifth read above, the Director General, Highways Department has proposed to Re-introduce Package system, in which number of works may be grouped to a value of Rs.5.00 Crores to Rs.15.00 Crores as a major work for easy execution. He has putforth the advantages/justifications of the system which are envisaged as follows:-

The state of the s

- Only Major contractors having sufficient knowledge in Road Management System with sound financial capacity can participate in the tender under package system.
- ii) Major contractors will be having sufficient Tools and Plants including CMP site. Hence, the quality of work at site and CMP can be ensured properly.
- iii) If the works are to be executed at remote areas and in difficult terrains, the contractors would not come forward to participate in the tenders. But if these works are grouped together under package system, the major contractors will take part in the tenders without hesitation, which in turn speed up the execution and early completion.
- iv) Price adjustment clause is applicable for the value of works more than Rs.1.00 Crore. Hence, sudden variation in cost of material will not affect the contractors, which invite more number of contractors to participate in tenders with competition.
- 5. As per the prevailing orders the tenders of the works costing Rs.1.00 crore to Rs.2.00 crores without tender premium are approved by the Chief Engineer (Highways) concerned.
- 6. The Director General, Highways Department has stated that, if the package system is Re-introduced, the works are proposed to be grouped to form packages, to a total value of Rs. 5 Crores to Rs. 15 Crores, then the number of packages costing Rs. 5 Crores, under plan works will be around 400 works and under non plan works will be 100. The Tender proposals for all these packages have to be placed before Commissionerate of Tenders for approval, which will accumulate pressure to Commissionerate of Tenders in many fold. In order to reduce the accumulation of work pressure to the Commissionerate of Tenders and to avoid cost over run and time over run of the project, the tender approving powers of the Chief Engineers Highways may be enhanced from Rs.2.00 Crores to Rs.10.00 Crores at Estimate Rate (or) below Estimate Rate for easy finalization of tender and speedy entrustment of works and thereby completion of project in time without any additional expenditure.
- 7. In the 139<sup>th</sup> Meeting of Board of Engineers held on 28.3.2012 it was resolved to recommend the proposal to Government for obtaining necessary orders to introduce package system in which number of works may be grouped to a value of Rs.5.00 Crores to Rs.15.00 Crores and the proposal of enhancement of tender approving powers of the Chief Engineers.
- 8. The Chief Engineer (Construction and Maintenance), Highways Department in his letter sixth read above has proposed certain guidelines /conditions for the proposed packaging system which are as follows:-

# (I) Plan Works:

- (a) The works are to be packaged for Rs.5 Crores to 15 Crores.
- (b) The works in a Sub-Division are to be clubbed to form a single package.

- (c) Whenever the works in a subdivision is less than Rs.5 Crores, the works in that sub-division are to be clubbed with adjoining sub-division, within the division to form a single package of Rs.5 Crores to Rs.15 Crores.
- (d) Whenever the works in a subdivision are more than Rs.15 Crores, the works with in the subdivision are to be clubbed in a way to form package of Rs.5 Crores to Rs.15 Crores. The number of packages within subdivision shall be kept minimum as far as possible. The value of package shall be kept equal as far as technically possible.
- (e)When the value of the individual work exceeds Rs.6 Crores, tender may be invited as individual work.
  - (f) The works are not to be clubbed across divisions, schemes in any case.

## (II) Non Plan works:-

For non plan works, the works are to be clubbed in each subdivision irrespective of the value of the package. However the upper limit shall not exceed Rs.15 Crores.

(III) Natural Calamity works:-

The emergency works carried out during natural calamities are to be exempted from packaging.

- (IV) Centrally Sponsored Schemes:- (Deposit works/ Other department works).

  The packaging is not applicable to centrally sponsored schemes/ deposit works and other service department works.
- 9. The Director General, Highways Department has therefore requested orders of the Government on the following :-

To introduce package system for inviting tenders, wherein works are proposed to be grouped to a total value of Rs.5.00 Crores to Rs.15.00 crores, and to amend para 157 of Tamil Nadu Highways Manual Volume IV accordingly.

10. The Government have, carefully, examined the recommendations of the Director General, Highways Department and Chief Engineer (C&M) Highways Department and decided to accept the re-introduction of package system for inviting tenders wherein works are proposed to be grouped to a total value of Rs.5.00 crores to Rs.15.00 crores as per the guidelines/conditions mentioned in para 8 above. Accordingly, the following amendments are issued to Tamil Nadu Highways manual volume IV.

### <u>Amendment</u>

For the existing Para 157 of Tamil Nadu Highways Manual. Volume- IV and the proviso made there under, the following shall be substituted namely:-

"157 - Tender documents must be prepared for each package or work, as the case may be, separately and noted in a register. The name of the works or packages, as the case may be, the names of persons to whom the forms are sold and date should be entered in the forms making necessary entries in the register. Only such forms

sold by the department/ downloaded from the Tamil Nadu Government website should be deemed valid for a particular work/ package, as the case may be".

11. This order, issues with the concurrence of Finance Department vide its U.O No.609/JS(Dr.PU)2012, dated.27.09.2012.

(By Order of the Governor)

Niranjan Mardi, Principal Secretary to Government

To,
The Director General, Highways Department, Chennai-5
The Chief Engineer (C&M) Highways Department, Chennai-5
All Chief Engineer, Highways Department Chennai
The Accountant General, Chennai-18/35
The Finance Department Chennai-9

copy to

The Principal Secretary II to Hon'ble Chief Minister, Chennai-9
The Sr. PA to Minister (Finance), Chennai-9
The Sr. PA to Minister (Highways & Minor Ports Department), Chennai-9
The PS to the Principal Secretary to Government, Highways & Minor Ports
Department Chennai-9
The Chief Minister's Office, Chennai-9
All officers/sections in Highways & Minor Ports Department Chennai-9
The NIC, Chennai-9
SF/SC

//Forwarded by Order//

Section Officer

110/12