

Subject: **Record Note of discussion of the meeting of Public Private Partnership Appraisal Committee held on 19.12.2006**

The Sixth meeting of the Public Private Partnership Appraisal Committee (PPPAC) was held on 19.12.2006 at 11.00 AM in Room No. 131-A. The list of participants is annexed.

2. PPPAC considered the following two projects forwarded by NHAI, for approval:

- (i) Four laning of Hazaribagh – Ranchi Section in Jharkhand from Km. 40.500 to Km. 114.000
- (ii) Badarpur Elevated 6- lane Highway on Delhi-Agra Section from Km. 16.100 to Km. 20.500

3. It was noted that earlier bids were called for twice, however, no bids were received and therefore if necessary the terms of bids/projects may accordingly be revised for any possible improvement/modification warranted in this regard. NHAI clarified that all issues have been fully taken into consideration.

4. The Planning Commission pointed out the absence of Legal and Financial Consultants in the Project preparation. NHAI assured to look into the issue of retaining such consultants for future projects.

5. PPPAC approved the above projects subject to the following:

**Four laning of Hazaribagh – Ranchi Section in Jharkhand**

(a) **Land Acquisition:** PPPAC in its meeting of 1<sup>st</sup> November 2006 had decided that atleast 60% of land acquisition should be acquired before the commencement of construction. NHAI clarified that land acquisition of this

order would take atleast one year. It was agreed that the status in this regard would be clarified in detail in the bidding document.

(b) **Cost of construction:** It was clarified by NHAI that the cost of land was not included in Project cost for the purposes of seeking viability gap funding. Planning Commission also raised the issue that the project cost should not include the cost of 6-laning and also that there should be a penalty clause for violating the toll system. NHAI assured that due consideration will be given to this issue.

(c) **Additional Tollway:** NHAI will incorporate/reconcile the time period prescribed under the two clauses, Clause 30.1 of the DCA read with Clause 3.2 of the State Support Agreement, relating to the bar on construction of additional tollway.

(d) **User Fee:** The Notification for tolling would specify that the Concessionaire is authorised to commence tolling from the commercial operation date.

(e) **Revision of User Fee:** Since the provisions relating to the revision of user fee is as per the existing Tolling Policy no change in this regard would be made.

(f) **Additional charge for evasion of fee:** NHAI would include provisions in the Concession Agreement relating to additional charge for evasion of fee.

(g) **Overloaded vehicles:** NHAI would include provisions relating to additional fee for overloaded vehicles as contained in the Model Concession Agreement (MCA).

(h) **State Support Agreement:** NHAI was asked to clearly state the provisions relating to the liability of the State in the State Support Agreement.

Further, in order to address the inconsistency relating to the redressal mechanism available with the concessionaire in the event of a State Government default, it was agreed that NHAI would revise the Concession Agreement to provide that NHAI will pay to the concessionaire amount of compensation due in such an event and the State would pay such amounts to NHAI.

## **Badarpur Elevated 6- lane Highway on Delhi-Agra**

(a) **Project Cost:** NHAI clarified that the project included a total length of 4.4 km with 3 km elevated and 1.4 km non-elevated highway.

(b) **Land acquisition:** It was agreed that the land acquisition will be completed prior to the award of contract.

(c) **Competing facility:** NHAI clarified that provisions relating to projects which will not be considered competing facility like the (i) Eastern & Western Expressways of Delhi (ii) Kalindi Kunj Bypass (iii) Taj Expressway (iv) Faridabad Bypass (v) Metro Rail will be included in the bidding document.

6. The issue of proposals based on the old version of MCA was discussed. It was agreed that NHAI would attempt to formulate all new proposals based on the new MCA and would seek the assistance of Planning Commission in this regard.

7. The meeting ended with thanks to the Chair.

**List of Participants in the meeting of Public Private Partnership Appraisal Committee taken by Secretary (EA) on 19.12.2006 at 11.00 AM in Room No. 131-A, North Block.**

- (i) Shri Ashok Jha, Finance Secretary (in Chair)
- (ii) Shri Vijay Singh, Secretary, Deptt. Of Road Transport & Highways
- (iii) Shri Ashok Chawla, Additional Secretary, Deptt. Of Economic Affairs
- (iv) Shri Gajendra Haldea, Adviser to Dy. Chairman, Planning Commission
- (v) Smt. Rita Menon, Additional Secretary, Deptt. Of Expenditure.
- (vi) Shri A.P. Aggarwal, OSD, Deptt. Of Legal Affairs
- (vii) Shri Arvind Mayaram, Joint Secretary, Deptt. Of Economic Affairs
- (viii) Shri K.R. Reddy, Dy. Secretary, Planning Commission
- (ix) Shri Bhanu Mehrotra, Dy. Secretary, Planning Commission.
- (x) Shri A.Manohar, Dy. Advisor, Planning Commission
- (xi) Shri Nirmaljit Singh, Member (Technical) NHAI
- (xii) Shri A.P. Bahadur, CE, Deptt. Of Road Transport & Highways
- (xiii) Shri S.K. Nirmal, CM, NHAI
- (xiv) Shri S.K. Singhvi, CM, NHAI
- (xv) Shri Sanjeev Kulshrestha, Manager, NHAI