

**GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:7015
ANSWERED ON:07.05.2010
INCENTIVES TO CONSTRUCTION AGENCIES
Singh Shri Bhupendra

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

- (a) whether the Government had announced incentives for the construction agencies engaged in the construction of AIIMS like institutions in the country;
- (b) if so, the details thereof alongwith the reasons therefor; and
- (c) the success achieved thereby?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HEALTH & FAMILY WELFARE (SHRI GHULAM NABI AZAD)

(a) & (b): Yes. In order to expedite the work and to avoid delay, strong incentive and disincentive clauses have been incorporated in the tender conditions for construction of Medical College and Hospital Complex in the AIIMS-like institutions being set up under the Pradhan Mantri Swasthya Suraksha Yojana (PMSSY). The relevant clauses provide that in case the contractor completes the work ahead of schedule completion time, a bonus at the rate of 1% of the tendered value per month computed on per day basis, shall be payable to the contractor, subject to a maximum of 5% of the tendered value. The amount of bonus, if payable, shall be paid alongwith the final bill after completion of work. In the case of delay of work, penalty at the rate of 1.5% per month to be computed on per day basis provided that the total amount of penalty shall not exceed 10% of the tendered value.

(c): There was very good response to the tender. In all we received 95 bids for Medical College Complex and 57 bids for Hospital Complex for all six sites.