

**GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

UNSTARRED QUESTION NO:4050

ANSWERED ON:19.12.2011

RESTRUCTURED HIGHWAY PROJECTS

Bhujbal Shri Sameer ;Dharmshi Shri Babar Gajanan;Patil Shri Sanjay Dina

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the National Highway Authority of India (NHAI) had decided to fast track clearance of the restructured highway projects;
- (b) if so, the details thereof alongwith the action taken by the Government in this regard;
- (c) whether the projects cleared by the board need PPP Appraisal Committee clearance;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether restructuring of NHAI has not taken place even after four years of its announcement; and
- (f) if so, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (DR. TUSHAR A. CHAUDHARY)

(a)&(b) No, Madam.

(c)&(d) Public Private Partnership (PPP) Projects are cleared by Public Private Partnership Appraisal Committee/Standing Finance Committee (PPPAC/SFC) Committee before approval by the Authority.

(e)&(f) In order to make National Highways Authority of India (NHAI) a multidisciplinary professional body with high quality financial management and contract management expertise, the proposal of restructuring of NHAI in 2007 has been approved by the Government. Most of the points therein have been implemented and balance is at various stages of implementation. A brief background note on restructuring of NHAI is given below:

Change in vision statement of NHAI - implemented.

NHAI's Business model of outsourcing major activities to be essentially retained - implemented.

Amendment in NHAI Act, 1988 – under implementation.

Increase in full time members (5 to 6) and part-time members (4 to 6) – under implementation.

Selection of Chairman by Search Committee headed by Cabinet Secretary and fixing tenure of Chairman to 3 years extendable to 5 years – implemented.

Prescribing experience for posts of Member (Finance) and Member (PPP) – implemented.

Prescribing duties for the post of Member (Technical) – implemented.

Creation of 7 specialized Cells, viz. Project Appraisal Cell, Planning Cell, Quality Assurance Cell, Standardization and R&D Cell (now renamed as Technology Induction Cell), Contract Management Cell, Legal & Arbitration Cell and Road Safety Cell – implemented.

Creation of 26 posts of Chief General Managers (CGMs) over and above existing 13 posts (2 – Finance, 1 – Planning & Quality, 1 – Standardization, Research and Development (R&D), 1 – Admn. & Human Resource (HR), 1 – IT, 1 – Land Acquisition (LA), 1 – Legal, 1 – Safety, 1 – Financial Analyst, 1 – Contract Management Specialist and 15 – CGM (Tech.) for Project implementation and Corridor Management – implemented.

To consider State level institutions including some State Govts as 'partner institutions' at regional level for implementation of some mandated works under NHAI's umbrella – implemented.

To identify and retain key persons and also recruit some personnel directly to build, over time, a core of permanent employees –

under continuous implementation.

To revisit the comprehensive training plan prepared by NHAI for its employees in light of shift of focus from Engineering Procurement Contract (EPC) to PPP and also to expand the plan to include consultants and contractors – under continuous implementation.

Empowering the Authority to engage, where required, out-side experts (with relaxation of age if needed), especially the posts of financial analyst, transport economist, transport planner, contract management specialist and legal experts; on compensation to be determined by the Authority in line with the experience and availability of the appropriate personnel – implemented.

To set-up a Knowledge Management System for capturing and using experiences in bid process, contract management, time, cost and quality performance of contractor and performance of design consultants in terms of abnormal variations – implemented.

Financial Management – creation of Internal Audit Cell - implemented.