

NATIONAL HIGHWAY AUTHORITY



NHA CODE

1999 as revised in 2005

VOLUME-I

Copy No.

Issued to
.....
.....

Dated:

Issued by:
.....
.....
.....

TABLE OF CONTENTS

Chapter	Description	Page
	Preamble	i - ii
	Appendix to Preamble	i - v
	Definitions	i - xii
1	Powers and Duties of the Authority	1 – 12
2	Planning Process	13 – 36
3	Tendering Process (Procurement of Works, Goods and Services)	37 - 74
4	Engaging Consultants and Administration of Consultancy Services	75 – 84
5	Establishment Management	85 – 105
6	Contingent Expenditure	106 – 120
7	Land Acquisition	121 – 126
8	Management of Right of Way of National Highways	127 – 128
9	Disposal of NHA Property	129 – 134
10	Procedure and Powers to Write off Losses	135 – 142
11	Arranging Finances for the Authority	143 – 153
12	Relocation of Utilities	154
13	Miscellaneous Matters	155 – 160

PREAMBLE

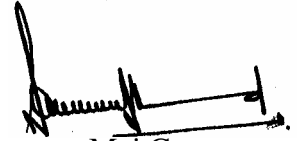
1. Since the establishment of National Highway Authority (in 1991) its technical, administrative and financial procedures were formulated and refined time to time from initial shape of NHA Act 1991 to Delegation of Powers 1992 (then 1998) and the customized NHA Code 1999. With the advent of its final shape (as NHA Code 1999) most of the issues pertaining to NHA's operations were addressed. Revision of NHA Code 1999 became vital with the thriving role of NHA as Custodian of National Asset valuing billions of rupees (i.e. national highway network) that aroused difficulties in resolving financial and administrative issues.

2. NHA Code 2005 is formulated with a view to resolve such predicaments and to provide more practical guideline for functioning of NHA. Methodical approach is adopted in defining various functions, duties and powers of various functionaries. This exercise accumulated substantial amount of time in refinement prior to its finalization and stepwise approval in NHA Executive Board Meetings 126th (*held on April 5, 2005*), 127th (*held on May 7, 2005*) and finally 132nd (*held on August 15, 2005*).

3. NHA Code 2005 is issued as policy guideline for the officers and staff of National Highway Authority. Any of the provisions contained in it cannot be quoted as an authority by any contractor, consultant or any other interested party for raising any issue with the Authority or any outside agency, nor shall any right or claim, whatsoever, arise or emerge out of any of the provisions of the Code.

4. In case of any dispute between the conditions and procedures laid down in this Code and those contained in the detailed procedures framed under any provisions of this Code, the former shall take precedence. In case of any doubt in the interpretation of any rules, conditions, procedure or powers, the case shall be referred to Chairman NHA whose decision shall be final and binding for all concerned.

5. The Code shall be maintained and kept up to date incorporating all amendments / modifications approved by the Authority from time to time therein. A complete record of all amendments / modifications to this Code shall be maintained in the format provided as Appendix to this preamble. Head of each Directorate / Region / Project shall formally assign this task to one of his subordinates so that correct application and exercise of powers contained in this book could be ensured.



Maj Gen
(Farrukh Javed)
Chairman NHA

Appendix to Preamble

RECORD OF AMENDMENTS

Serial No.	Chapter	Amendment No.	Para No. Amended	Date of Effect of Amendment	Reference to Board Meeting Approving the Amendment
1.	1	1.	2		126 th , 5 Apr 2005
2.	1	2.	5 (to be revised)		126 th , 5 Apr 2005
3.	1	3.	Table: I-1(10)(2)(ii), (v), (vi), (vii), (viii), (ix), (xi), (xiii), (xv)		126 th , 5 Apr 2005
4.	1	4.	Table: I-1(11)		126 th , 5 Apr 2005
5.	1	5.	Table: I-1(11)(2)(i) & (iii)		126 th , 5 Apr 2005
6.	1	6.	Table: I-1(12)		126 th , 5 Apr 2005
7.	1	7.	Table: I-1(13)		126 th , 5 Apr 2005
8.	1	8.	Table: I-1(25)		126 th , 5 Apr 2005
9.	1	9.	Table: I-1(26)		126 th , 5 Apr 2005
10.	1	10.	Table: I-1(28)		126 th , 5 Apr 2005
11.	1	11.	8		126 th , 5 Apr 2005
12.	1	12.	Table: I-2(6)(a),(b) & (c)		126 th , 5 Apr 2005
13.	1	13.	Table: I-3(8)(a)(i), (ii), 8(d), (e)		126 th , 5 Apr 2005
14.	2	1.	4		126 th , 5 Apr 2005
15.	2	2.	7		126 th , 5 Apr 2005
16.	2	3.	14		126 th , 5 Apr 2005
17.	2	4.	15		126 th , 5 Apr 2005
18.	2	5.	20		126 th , 5 Apr 2005
19.	2	6.	25		126 th , 5 Apr 2005
20.	2	7.	28		126 th , 5 Apr 2005
21.	2	8.	29		126 th , 5 Apr 2005
22.	2	9.	30		126 th , 5 Apr 2005
23.	2	10.	33		126 th , 5 Apr 2005
24.	2	11.	42(iv)		126 th , 5 Apr 2005
25.	2	12.	44		126 th , 5 Apr 2005
26.	2	13.	45		126 th , 5 Apr 2005
27.	2	14.	51		126 th , 5 Apr 2005
28.	2	15.	55		126 th , 5 Apr 2005
29.	2	16.	58		126 th , 5 Apr 2005
30.	2	17.	72-78		126 th , 5 Apr 2005

Serial No.	Chapter	Amendment No.	Para No. Amended	Date of Effect of Amendment	Reference to Board Meeting Approving the Amendment
31.	2	18.	Table: II-1(a), (b), (c)		126 th , 5 Apr 2005
32.	2	19.	Table: II-2		126 th , 5 Apr 2005
33.	2	20.	Table: II-3		126 th , 5 Apr 2005
34.	2	21.	Table: II-4		126 th , 5 Apr 2005
35.	3	1.	Title		127 th , 7 May 2005
36.	3	2.	11		127 th , 7 May 2005
37.	3	3.	18		127 th , 7 May 2005
38.	3	4.	24(b), (e), (f)		127 th , 7 May 2005
39.	3	5.	25		127 th , 7 May 2005
40.	3	6.	26		127 th , 7 May 2005
41.	3	7.	27		127 th , 7 May 2005
42.	3	8.	28		127 th , 7 May 2005
43.	3	9.	32		127 th , 7 May 2005
44.	3	10.	Table: III-1		127 th , 7 May 2005
45.	3	11.	Table: III-2		127 th , 7 May 2005
46.	3	12.	39(c), (d), (e)		127 th , 7 May 2005
47.	3	13.	40		127 th , 7 May 2005
48.	3	14.	Table: III-3		127 th , 7 May 2005
49.	3	15.	42		127 th , 7 May 2005
50.	3	16.	44		127 th , 7 May 2005
51.	3	17.	48		127 th , 7 May 2005
52.	3	18.	50(viii)(a), (b), (c)		127 th , 7 May 2005
53.	3	19.	51		127 th , 7 May 2005
54.	3	20.	Table: III-4		127 th , 7 May 2005
55.	3	21.	Table: III-5		127 th , 7 May 2005
56.	3	22.	Table: III-6		127 th , 7 May 2005
57.	3	23.	56		127 th , 7 May 2005
58.	3	24.	57(a), (a)(i), (b)(i)		127 th , 7 May 2005
59.	3	25.	58		127 th , 7 May 2005
60.	3	26.	59(a),(b)		127 th , 7 May 2005
61.	3	27.	62		127 th , 7 May 2005
62.	3	28.	63		127 th , 7 May 2005
63.	3	29.	65		127 th , 7 May 2005
64.	3	30.	Table: III-7		127 th , 7 May 2005
65.	3	31.	72		127 th , 7 May 2005
66.	3	32.	73		127 th , 7 May 2005
67.	3	33.	Table: III-8		127 th , 7 May 2005

Serial No.	Chapter	Amendment No.	Para No. Amended	Date of Effect of Amendment	Reference to Board Meeting Approving the Amendment
68.	3	34.	Table: III-9		127 th , 7 May 2005
69.	3	35.	86		127 th , 7 May 2005
70.	3	36.	Table: III-10		127 th , 7 May 2005
71.	3	37.	88(viii)		127 th , 7 May 2005
72.	3	38.	Table: III-11(b)		127 th , 7 May 2005
73.	3	39.	92		127 th , 7 May 2005
74.	3	40.	95		127 th , 7 May 2005
75.	3	41.	Table: III-12		127 th , 7 May 2005
76.	3	42.	98		127 th , 7 May 2005
77.	3	43.	99		127 th , 7 May 2005
78.	3	44.	101		127 th , 7 May 2005
79.	3	45.	102		127 th , 7 May 2005
80.	3	46.	103		127 th , 7 May 2005
81.	3	47.	104		127 th , 7 May 2005
82.	3	48.	Table: III-13		127 th , 7 May 2005
83.	3	49.	106		127 th , 7 May 2005
84.	3	50.	Table: III-14		127 th , 7 May 2005
85.	3	51.	109		127 th , 7 May 2005
86.	3	52.	Table: III-15		127 th , 7 May 2005
87.	3	53.	111		127 th , 7 May 2005
88.	3	54.	Table: III-16		127 th , 7 May 2005
89.	4	1.	13		132 nd , 15 Aug 2005
90.	4	2.	15		132 nd , 15 Aug 2005
91.	4	3.	16		132 nd , 15 Aug 2005
92.	4	4.	18		132 nd , 15 Aug 2005
93.	4	5.	27		132 nd , 15 Aug 2005
94.	4	6.	29		132 nd , 15 Aug 2005
95.	4	7.	Table: IV-1		132 nd , 15 Aug 2005
96.	4	8.	Table: IV-2		132 nd , 15 Aug 2005
97.	5	1.	4		132 nd , 15 Aug 2005
98.	5	2.	Table: V-1		132 nd , 15 Aug 2005
99.	5	3.	16		132 nd , 15 Aug 2005
100.	5	4.	Table: V-3		132 nd , 15 Aug 2005
101.	5	5.	Table: V-4		132 nd , 15 Aug 2005
102.	5	6.	Table: V-5		132 nd , 15 Aug 2005
103.	5	7.	Table: V-6		132 nd , 15 Aug 2005
104.	5	8.	21		132 nd , 15 Aug 2005

Serial No.	Chapter	Amendment No.	Para No. Amended	Date of Effect of Amendment	Reference to Board Meeting Approving the Amendment
105.	5	9.	22		132 nd , 15 Aug 2005
106.	5	10.	26		132 nd , 15 Aug 2005
107.	5	11.	32		132 nd , 15 Aug 2005
108.	5	12.	33		132 nd , 15 Aug 2005
109.	5	13.	Table: V-10		132 nd , 15 Aug 2005
110.	5	14.	36		132 nd , 15 Aug 2005
111.	5	15.	Table: V-11		132 nd , 15 Aug 2005
112.	5	16.	Table: V-12		132 nd , 15 Aug 2005
113.	5	17.	41		132 nd , 15 Aug 2005
114.	5	18.	Table: V-13		132 nd , 15 Aug 2005
115.	5	19.	42(a) & (c)		132 nd , 15 Aug 2005
116.	5	20.	Table: V-15		132 nd , 15 Aug 2005
117.	5	21.	44		132 nd , 15 Aug 2005
118.	6	1.	Table: VI-1		132 nd , 15 Aug 2005
119.	6	2.	5		132 nd , 15 Aug 2005
120.	6	3.	9		132 nd , 15 Aug 2005
121.	6	4.	11		132 nd , 15 Aug 2005
122.	6	5.	13		132 nd , 15 Aug 2005
123.	6	6.	17		132 nd , 15 Aug 2005
124.	6	7.	Table: VI-2		132 nd , 15 Aug 2005
125.	6	8.	43		132 nd , 15 Aug 2005
126.	6	9.	44		132 nd , 15 Aug 2005
127.	6	10.	46		132 nd , 15 Aug 2005
128.	6	11.	48		132 nd , 15 Aug 2005
129.	6	12.	55		132 nd , 15 Aug 2005
130.	6	13.	56		132 nd , 15 Aug 2005
131.	6	14.	Table: VI-3		132 nd , 15 Aug 2005
132.	6	15.	64		132 nd , 15 Aug 2005
133.	7	1.	7		132 nd , 15 Aug 2005
134.	7	2.	8(i)		132 nd , 15 Aug 2005
135.	7	3.	10		132 nd , 15 Aug 2005
136.	7	4.	17		132 nd , 15 Aug 2005
137.	8	1.	Full Chapter replaced with Regulatory Framework & Standard Operating Procedures For Preservation and Commercial Use of NHA's Right of Way as per Approval of Executive Board in its 104th Meeting		132 nd , 15 Aug 2005

Serial No.	Chapter	Amendment No.	Para No. Amended	Date of Effect of Amendment	Reference to Board Meeting Approving the Amendment
138.	9	1.	2		132 nd , 15 Aug 2005
139.	9	2.	6		132 nd , 15 Aug 2005
140.	9	3.	10		132 nd , 15 Aug 2005
141.	9	4.	16(a)		132 nd , 15 Aug 2005
142.	9	5.	18		132 nd , 15 Aug 2005
143.	9	6.	Table: IX-2		132 nd , 15 Aug 2005
144.	10	1.	Table: X-2(B)(iii)		132 nd , 15 Aug 2005
145.	11	1.	1(xi)		132 nd , 15 Aug 2005
146.	11	2.	11(a.....m)		132 nd , 15 Aug 2005
147.	11	3.	12(a), (b), (c), (d)(i), (d)(ii), (f), (h), (l)		132 nd , 15 Aug 2005
148.	11	4.	Table: XI-1(iii)		132 nd , 15 Aug 2005
149.	11	5.	Table: XI-2		132 nd , 15 Aug 2005
150.	12	1.	2		132 nd , 15 Aug 2005
151.	12	2.	4		132 nd , 15 Aug 2005
152.	12	3.	5		132 nd , 15 Aug 2005
153.	13	1.	1		132 nd , 15 Aug 2005
154.	13	2.	Table: XIII-2		132 nd , 15 Aug 2005
155.	13	3.	Table: XIII-3		132 nd , 15 Aug 2005

DEFINITIONS

In this Code, unless there is anything repugnant in the subject or context:

Act	Means N.H.A Act, XI of 1991 as amended in 2001
Administrative Approval	Means the formal acceptance by the competent authority of proposal for incurring expenditure on a work connected with the requirements of the Authority. It is, in effect, an order to execute a specified work at a stated cost to meet the Administrative requirements of the Authority. The Administrative Approval ensures that the works/services proposed are:- i) of real necessity, ii) in accordance with approved policy, iii) in accordance with any authorized scales; and iv) taken up in order of already determined priority.
Advance Payment	Means a payment on account of work not yet done or done but not measured made against a valid Bank Guarantee or a valid Indenture Bond, as the case may be or for mobilization of the works.
Animal	Means elephant, camel, horse, ass, mule, deer, tortoises, hedgehogs and cattle etc.
Annual Budget	Means the estimate of revenue and expenditure for each financial year to be laid before the Authority for examination and approval in accordance with the Act and the relevant detailed procedures.
Annual Road Maintenance Account (RMA) Program	Means the works, goods, and services related to the implementation of the approved RMA activities, stipulated in Rule-9 of the National Highway Authority Roads Maintenance Account Rules, 2003.
Appendix	Means an appendix to these rules.
Approach Rental Charges	Means the charges prescribed by the Authority for use of NHA land for approaches to filling/CNG station, structures and other amenities established within or out side NHA Right of Way (ROW).
Appropriation	Means allocation of a specified sum from within a unit of appropriation to meet expenditure on a specified object.

Authority	Authority means the National Highway Authority established under the “Act”.
Bank	Means a bank with which the Authority transacts its business i.e. where the moneys belonging to the Authority are deposited / withdrawn.
Board	Means National Highway Executive Board.
Bridge	Bridge means any structure including its sub structure and guide banks which carries a highway, road, railroad, utility, facility, pedestrian, other traffic over a water course, river, canal, nullah, water channels, railway line, stream, over, under or around an obstruction and with a clear span of more than 6.5 meters.
Building line	Means the building line determined under rules 5 or already established under West Pakistan Highways Ordinance, 1959 and as amended by Government of Punjab, NWFP, Sindh, Balochistan, AJK and Northern Areas
Ceremonial Functions	Means functions including:- <ol style="list-style-type: none">Formal foundation laying or formal opening of a project on completion,Illuminations etc. arranged by the Authority at the instance of the Government on special occasions like “Independence Day”, “Pakistan Day” , “Defense Day” etc.; orAny other function declared as such by the Authority.
Chairman	Means Chairman, National Highway Authority.
Code	Means “NHA Code 1999 as revised in 2005”
Competent Authority	Means the ‘Authority’ itself and/or any officer of the Authority, including Chairman, Members of the Authority, to whom relevant powers may have been delegated by the Authority under this Code or by a general or special order.
Corridor Management	Means the act of carrying out NHAs regulatory functions as custodian of the public asset, including: <ul style="list-style-type: none">management of right of way and building line (encroachments, ribbon development, utilities, access/approach roads, afforestation, commercialization),

	<ul style="list-style-type: none">• roadside facilities (service and rest areas, filling stations, amenities),• traffic and highway safety operations (public awareness campaigns, enforcement of traffic laws and rules, roadside emergency telephone service, mobile vehicle repairs and rescue service, para medical service), and• weigh station operations, and toll operations.
Corridor Management Contractor (CMC)	Means the service provider under O&M agreement or any other duly executed agreement for corridor management, appointed to undertake the tasks assigned in the scope of services.
Council	Means the National Highway Council.
Deposit Work	Means the works of construction and/or repair executed/to be executed by the Authority for some other person/department/agency/body or vice versa, the funds for which are placed at the disposal of the Authority or vice versa (as the case may be) before commencement of the work.
Detailed Head of Account	Means the division/sub-division of a minor head of account i.e. the last of the divisions of accounts mentioned in the classification.
Emergency Maintenance	Means those activities, which are carried out to maintain the smooth and facilitate free flow of traffic in such instances as floods, rains, landslides, earthquakes, accidents etc. for the comfort of road users to rehabilitate the road section.
Emergency Works	Means the works necessitated as a result of abnormal circumstances at the works / sites.
Encroachment	Means setting up, laying, erecting, excavating, constructing any type of building boundary wall, structure whether temporary or permanent (moveable or immovable), scaffolding, tower, pylon, fence, hedge, post, sign board, advertisement, hoarding or banner, transmission line, duct or depositing or causing to be deposited, building material, goods for sale, laying cable, wire, pipeline, drain, sewer/channel of any kind through, across, under or over any road, highway, motorway and bridge under its control or any other similar structure within the Right of Way (ROW) in violation of Rules 3, 4 & 6 of the National Highways and Strategic Roads (Control) Rules, 1998, as amended in 2002, without the consent, in writing, of the

	Authority.
Final Payment	Means the last of the payments made on a running account on completion of a work or in full and final settlement of the account of a work after a ‘No Demand/No Claim Certificate’ is rendered by the Payee.
Financial Year	Means the year starting on the first day of July each year and ending on the 30 th day of the month of June the following year.
Foreign Consultant	Means a consultant or consultants’ firm registered and based in a country other than Pakistan.
Geometrics Improvements	Means the improvements related to width, curvature, or gradient of roadway, shoulders or structures to enhance traffic capacity, speed, and safety, including: <ul style="list-style-type: none">● provision of service roads to segregate local and through traffic,● provision of separate climbing lanes for trucks,● provision of properly designed on- and off-ramps at petrol pumps and such like locations along the roadway, and● provision of properly designed bus bays for drop and pick up of the passengers.
Government	Means in relation to National Highways and Strategic Roads declared as such by or under a Federal Law, the Federal Government.
Grant	Means the amount approved as such by the Government or the “Authority”, as the case may be, in respect of a particular demand.
Ground Rental Charges	Means the value of the land within Right of Way (ROW) charged at prescribed percentage on annual basis or 3 years in advance or as prescribed by the Authority.
Highway	Includes a common and public highway and all roads, carriageways, interchanges, cart ways, service lanes, streets and lanes, together with any bridleways, footpaths and pavements adjacent thereto, which have been constructed, or are maintained by Government or any local authority or any other authority empowered in that behalf, and are designed and intended for, or used by, the general public for the passage of vehicles, and shall further include:

- (a) all culverts, bridges and works of every description built on, under or across any highway;
- (b) all adjacent berms and side drains within the boundaries of any highway;
- (c) all land included within the boundaries of any highway (Right of Way); and
- (d) all fences, posts and trees on any highway.

Highway Safety Improvements

Means the improvements related to accident-prone locations (black spots), traffic and road engineering measures, and emergency maintenance operations related to public safety and uninterrupted flow of traffic, including:

- immediate removal of any debris (e.g. glass, parts of a blown tyre etc.) left on the road from an accident or other incident
- provision of properly constructed and marked bays for the parking of highway police vehicles along the roadside,
- provision of properly designed U-turns for the highway police, and emergency rescue/para medical vehicles,
- provision of anti-glare devices particularly in the case of new jersey median barrier,
- provision of overhead pedestrian crossings, and
- provision of other traffic safety devices where not installed.

Interim Payment

Means the disbursement of any kind on a running account for the work actually executed during a specified period, or the Secured Advance or a combination thereof, as distinct from the “Final Payment”.

Lease

Means a letting of land or building to a person for specified rent and period.

Local Consultant

Means a consultant or consultants’ firm registered and based in Pakistan.

Manual

Means a Manual of detailed procedures issued in pursuance of any provision of this Code under the approval of Executive Board.

Mobilization Advance	Means such advance paid in accordance with the terms of the contract on submission of a valid Bank Guarantee by the Payee.
Motorway	Means the access controlled “highway” declared a National Highway under the Act.
National Highway	Means a road specified in a Part I of the schedule attached with the Act and includes a road declared by the Federal Government by notification in the official Gazette, to be a National Highway.
NHA	Means National Highway Authority
NHA RMA	Means NHA Road Maintenance Account.
Ordinary Stores	Means all stores including POL but excludes tools, plant, vehicles or any other item specifically dealt with in this Code.
Original Capital Work	<p>Means works, necessitated by administrative, as distinct from technical or engineering reasons, comprising:-</p> <ol style="list-style-type: none">a) New Works/Constructions,b) Additions,c) Purchases,d) Alterations,e) Works necessary to bring into use newly purchased or previously abandoned buildings, roads, installations, or services falling in the category of original works,f) Works which provide for restoration of buildings, roads, installations or services rendered unusable by an extraordinary cause, e.g. a building, road or installation damaged by storm, fire or earthquake except that the damage caused by rains, however heavy, shall be dealt with as normal/abnormal repairs,g) Replacement/remodeling of an existing portion of a road, bridge, causeway, embankment, ferry approach, protective or training work in connection with a road, whether or not involving dismantling, but having genuine increase in the value of property.
Payment on Account	Means the payment made on a running account to a contractor in respect of work done, or supplies made by him and duly measured. If it is an Interim Payment, it is subject to the final settlement of the running account on completion of the work or supplies.

Periodic Maintenance	Means the maintenance activities required every second or more year to reinstate the pavements, structures, shoulders, drains and verges to the same conditions they were in at the time of construction or subsequent reconstruction.
Permanent Transfer	Means transfer of an employee of the Authority from one post, office or station to another such post, office or station for a normal tenure of three years or more involving or not involving transfer of headquarter of the employee.
Primary Unit of Appropriation	Means the main ‘Head of Account’ under which the allocations are made in the first step which are further distributed amongst different Secondary Units of Appropriation, as per laid down procedure.
Public Money	When used in the context of losses, means, in addition to cash proper:- <ol style="list-style-type: none">a) Irrecoverable personal advance made to the NHA employees no longer in service,b) Overpayments of pay and allowances made to NHA employees no longer in service,c) All other irrecoverable cash claims including the value of stores issued on payment basis to individuals/parties.d) Value of stores issued to contractors/consultants, in respect of which, for any cause, there has been a failure to recover the said value of stores.e) Losses due to expenditure on Freight in respect of stores dispatched in error.f) Imprest/Petty Cash placed at the disposal of an Imprest/Petty Cash Holder as per laid down rules/procedure.
Publicity	Means advertisement in one English, one Urdu language National dailies published simultaneously in at least two cities including Islamabad and the provincial capitals and one local language daily having reasonable circulation in the area where publicity is required or advertisement by any other means determined by the Authority.
RAMD	Means the Road Asset Management Division of the Authority as approved by the National Highway Council.
Rate Running Contract	Means a contract entered into for a specific period with a contractor/supplier where agreement to per unit rate/price of one or more items of stores etc. is obtained for an agreed estimated quantity of the item (s) of store etc. This agreed rate remains operative during the period of the contract.

Re-appropriation	Means transfer of funds from one unit of appropriation to another such unit as per prescribed procedure.
Regulations	Means regulations framed under Section 32 of the Act by the Authority.
Regulatory Framework	Means Regulations framed under Clause 32 of the Act.
Rehabilitation	<p>Means the activities required to reinstate the pavement and hydraulic structures to the same conditions they were at the time of construction or subsequent reconstruction. It essentially includes strengthening activities to restore structural strength and functional performance for continued serviceability, including but not limited to:</p> <ul style="list-style-type: none">● full-depth patching with bituminous mixtures to repair alligator cracking, rutting, and corrugation,● cold recycling of failed pavement structural layers (particularly base/subbase courses) overlaid with structural or functional Asphalt Concrete overlays,● hot recycling to produce structural or functional Asphalt Concrete overlays using reclaimed asphalt pavement from a cold milling operation, new aggregate, new asphalt cement, and a recycling agent, if needed,● direct Asphalt Concrete structural or functional overlays on pavement sections that are still in reasonably good condition,● reconstruction that is removal and replacement of existing badly deteriorated pavement structures, and● major repairs of drainage structures.
Repairs	<p>Means all expenditures on the following operations, necessitated purely by technical or engineering as distinct from administrative reasons, to maintain the buildings and/or works in ordinary use in proper condition:-</p> <ol style="list-style-type: none">a) Renewals,b) Replacements,c) Alterations,d) Normal/abnormal Repairs/Maintenance,e) Damages due to rains, however heavy,f) Surface painting and necessary addition of stone chips, gravel or sand, not including asphaltic concrete, premix

	asphalt macadam, bitumen grout, bitumen semi-grout, mud-in-place, cement concrete or cement macadam,
	g) Special Repairs and periodical renewals; and
	h) Petty and miscellaneous items of work in any material, ordinarily classed as “New Works”, provided that the work in question does not in the opinion of competent authority, form part of any comprehensive scheme or project covered by a works scheme.
Replacement Value	Means the present market price of an item of store or property, as the case may be, proposed to be purchased to replace an existing one, as reduced by the salvage value of the latter.
Revenue of N.H.A.	Means the sums forming part of the NHA Fund, received by the Authority in accordance with the “Act” and the Rules/Regulations made there under.
Revenues	Means revenues accruing to NHA from road users and other sources specifically from commercial use of right of way (ROW).
Revised Estimates	Means an estimate of probable receipts or disbursements of a particular financial year prepared in the course of that year with reference to the transactions already recorded.
Ribbon development	Means erection of any building or structure on the land lying between the ROW and the building line.
Right of Way (ROW)	Means the land acquired for the purpose of construction of a National Highway or any other road assigned to the Authority or taken over ROW of the roads declared as National Highway or strategic road under the NHA Act and is control by the Authority including bridges constructed and owned by the Authority.
RMA Steering Committee	Means the RMA Steering Committee comprising of the following: <ul style="list-style-type: none"> ● Member (Operations) Chairperson ● Joint Secretary (MOC) Member ● Member (Finance) Member ● Member (Planning) Member ● Chief (T&C) Planning Commission Member ● Representative of NH&MP Member ● Deputy Chief NTRC Member ● General Manager (Operations) Secretary

RMA Technical Scrutiny Party	<p>Means the RMA Technical Scrutiny Party (RMA-TSP) comprising of the following:</p> <ul style="list-style-type: none">● General Manager (Operations) Chairperson● General Manager (Finance) Member● General Manager (Planning and Design) Member● General Manager (Contracts) Member● Respective/Concerned Regional GM Member● Representative of NH&MP Member● Representative of NTRC Member● Director (RAMS) Secretary
Road	<p>Means a road including land within the Right of Way and all works, such as, carriageways, interchanges, cart ways, service roads, footpaths, berms, side drains, culverts, underpasses, bridges, guide banks, overhead pedestrian bridges, causeways, tunnels, fences, guardrails, parapets, retaining walls, posts, sign boards, plantation, lighting arrangements, traffic signals, toll plazas, weigh stations, inter sections and medians assigned to the Authority.</p>
Routine Maintenance	<p>Means the ordinary maintenance activities required once or more times in a year to preserve the pavements, structures, shoulders, drains and verges against the combined effects of traffic, and climate and topology.</p>
ROW	<p>Means Right of Way of the Authority as defined in the Act.</p>
Rules	<p>Means rules made by the Federal Government an exercise of power conferred by section 31 of the Act.</p>
Secondary Unit of Appropriation	<p>Means the divisions/sub-divisions into which a primary unit of appropriation is divided for the purpose of control.</p>
Secured Advance	<p>Means the advance made to a contractor, whose contract is for the completed work, on the security of materials brought to the site of work by him and on submission of a valid Indenture Bond as per conditions of the Contract.</p>
Self Accounting Project	<p>Means a Project declared as such by the competent authority, payments in respect of which are disbursed at project level as distinct from head office of the Authority. Responsibility for maintaining complete accounts of such a project rests with the Project Accounts Office concerned.</p>

SOP	Means the Standard Operating Procedures approved by the NHA Executive Board.
Special Repairs	The term “Special Repairs” means such occasional repairs as become necessary from time to time and which may have been carried out between two consecutive times of periodical repairs like renewals of roofs, renewal of damaged floors, doors and windows.
Special Stores	Means Tools, Plant, vehicles, computers and/or any other item specifically dealt with in this Code.
Strategic Road	Means a road specified in part-II of the Schedule of 1991 Act as amended in 2001 and includes a road declared by the Federal Government by notification in the official Gazette, to be a “Strategic Road”.
Supplementary Grant	Means the grant approved by the “Authority” or by the Government as the case may be. It refers to an additional grant over and above the original grant.
Supplementary Statement of Expenditure	Means the statement to be laid before the “Authority” or the Government showing the estimated amount of expenditure to be incurred over and above the expenditure authorized for the current financial year.
Technical Sanction	Means the order of the competent authority sanctioning a properly detailed estimate of the cost of a work of construction or repair proposed to be carried out by the Authority. Sanction accorded to the execution of a work by an officer of any other department is regarded merely as an administrative approval of the work. Technical sanction in effect amounts to no more than a guarantee that the proposal is structurally sound and that the estimates are accurately calculated and based on adequate data.
Term Contract	Means a contract concluded for a specific term of one year for repairs/maintenance of buildings or roads on agreed rates. Every time a need for calling upon the contractor for repairs/maintenance of a building/road arises, a work order is issued stating details of the work to be carried out.
Toll Rate	Means the rate at which toll may be prescribed/charged at a Toll Point/Plaza by or on behalf of the Authority for use of a toll section/point.
Vehicle	Means a vehicle as defined in the Motor Vehicles Ordinance 1965 and includes goods trucks, trailer, tractor, bus, wagon, car and motor cycle etc., which are also categorized as public service vehicles, light/heavy

transport vehicles and motor cars.

Works

When used in the comprehensive sense, not only means works of construction or repairs but also includes the other individual objects of expenditure connected with the supply, repair and carriage of tools and plants, supply or manufacture of other stores or the operations of a workshop.

**Work charged
Establishment**

Means such establishment as is employed upon the actual execution, as distinct from the general supervision of a specific work or sub works of a specific project or upon the subordinate supervision of departmental labour, stores or machinery in connection with such a work, sub work, provided that the Misteries and Mates employed in the interest of the Authority on the technical supervision of the contractors' work and Khalasis attached to the subordinates for assisting them on the works, shall be treated as work charged establishment. This does not include clerks and office establishment.

CHAPTER - 1

POWERS AND DUTIES OF THE AUTHORITY

ORGANIZATION

1. According to the provisions of the section 7 of the NHA Act, the general direction and administration of the Authority and its affairs shall vest in the Executive Board which may exercise all the powers, perform all functions and do all acts which may be exercised, performed and done by the Authority.
2. The Executive Board shall consist of:

• Chairman NHA	Chairman
• IG NH&MP	Member
• Additional Secretary (Finance)	Member
• Member or Additional Secretary (Plg & Dev. Div.)	Member
• Joint Secretary (II), MOC	Member
• Senior Chief/Chief NTRC	Member
• President/VP NESPAK	Member
• Member (Finance) NHA	Member
• Member (Planning) NHA	Member
3. Secretary, NHA shall maintain a permanent record of all decisions, directions or the orders, general or special, given by the National Highway Council or the Board. He shall also be responsible for maintenance of a consolidated record of all the minutes of the meetings of the Council or the Board in chronological order for subsequent reference.

4. All policy guidelines for efficient administration of the Authority's affairs shall be provided by NHA Executive Board, which may delegate its technical, administrative and financial powers to the officers of the Authority.
5. In accordance with the powers delegated by the NHA Executive Board the Authority is geographically as well as functionally organized as follows.
 - *i) Its head office is located in Islamabad, headed by a Chairman. It is functionally divided into Planning, Administration, Finance, Highways, and Motorways wings, each headed by a Member. All Members are functional heads of their respective wings. They are assisted by General Managers who are operational heads of wings. The head office controls the operations of the Authority throughout the country.
 - *ii) Six Regional offices, one in each provincial capital and one in Multan known as Punjab (South) and one at Abbottabad known as Northern Areas Region are headed by Regional General Managers. Each of these Regional Offices shall have an officer of the rank of Deputy Director (Accounts) as the representative of Member (Finance). The Deputy Director (Accounts) shall be under administrative control of Member (Finance).
 - *iii) As many Project Offices dealing with individual major projects as are declared by the Chairman as "Self Accounting Projects," are headed by Project General Managers. With an officer of the rank of Director /Deputy Director (Accounts) acting as representative of the Member (Finance) in each project office. The Deputy Director/Director (Accounts) shall be under administrative control of Member (Finance). The Project General Managers of Motorways shall report directly to Member Motorways / Highways as ordered by the competent authority.

* To be revised after approval of NHA reorganization/restructuring from NHA Executive Board.

POWERS AND DUTIES

6. NHA Act XI of 1991 defines the Powers and Duties of the Authority. In pursuance of the relevant provisions of the Act, different wings of the Authority shall perform these duties and make judicious use of their powers to carryout the purposes of the Act.
7. Section 10 of the NHA Act authorizes the Authority to take such measures and exercise such powers as it considers necessary or expedient for carrying out the purposes of this Act Section 10(2) of the NHA Act confers upon the Authority certain Powers, which shall be exercised through its different wings in the following manners:

POWERS AND DUTIES OF THE AUTHORITY**TABLE: I-1**

Section	Duties And Power	Wing/Officers Responsible to act on Authority's behalf
10(2)(i)	Authority may advise the Federal Government on the matters relating to the National Highways and Strategic roads.	NHA Executive Board and the Chairman, NHA with the assistance of Members concerned.
10(2)(ii)	Acquisition of Land	Member (Operations)/(Construction) through GM (Regions)/(Projects) shall supervise acquisition of land, obtaining and disposal of moveable or immovable properties or interests therein as per approved procedures and Policies of NHA. After completion of the project, the assets if not auctioned by the project management shall be handed over to the Regional GMs for further disposal as per the directions of Operation Wing.
10(2)(iii)	Authority may undertake any work specified in sub section (1) and (2) of section 11.	As mentioned against the relevant sections.

Section	Duties And Power	Wing/Officers Responsible to act on Authority's behalf
10(2)(iv)	Authority may incur expenditure on works specified in clause (iii)	The Authority to whom powers have been delegated under this Code.
10(2)(v)	Procurement of plant, machinery, instruments and materials	Member concerned in concurrence with Member (Finance) as per policies, rules and procedures of NHA.
10(2)(vi)	Contract Agreement	Signing of the contract agreement after approval of competent forum as given in Chapter 3 in accordance with delegation of powers for PSDP and RMA works/stores.
10(2)(vii)	Toll Collection	Operation Wing shall be responsible for initiating proposals for submission to the NHA Executive Board.
10(2)(viii)	Licensing of Facilities	Operation Wing shall prepare such proposals, in accordance with the National Highways and Strategic Roads Control Rules 1998 as amended in 2002, Regulatory Framework & SOPs for Preservation & Commercial use of ROW, 2002 revised in September 2004.
10(2)(ix)	Fixation of Building Line	Operation and Construction Wings
10(2)(x)	Authority may cause studies, surveys experiments and technical researches to be made or contribute towards the cost of any such studies, surveys, experiments or technical researches made by any other agency.	Planning Wing
10(2)(xi)	Award of Negotiated Contracts through Private Sector Financing Program	<p>i) Public – Private – Partnership (PPP) Projects in highway sector by Member (Planning) in consultation with Member (Finance) and Member (Operations)/(Construction).</p> <p>ii) Service areas, maintenance concessions, commercialization of RoW on BOT basis, etc by Member (Operations) in accordance with the provisions of National Highways & Strategic Roads (Control) Rules, 1998, as amended in 2002.</p>

Section	Duties And Power	Wing/Officers Responsible to act on Authority's behalf						
		iii) Rates of various facilities/schemes shall be fixed with the approval of the Chairman NHA/Executive Board. iv) Necessary financial limits are defined in Chapter-8 of this Code.						
10(2)(xii)	Authority may seek and obtain advice and assistance for preparation and executing of any plan, program or Project.	The concerned Wing shall initiate the proposals for seeking or obtaining such an advice or assistance in accordance with the prescribed procedures.						
10(2)(xiii)	Fund Raising through borrowing, floating of bonds, sharing or leasing of assets	Fund raising through: <ul style="list-style-type: none"> i) borrowing & floating of bonds – Member (Finance) ii) Sharing / leasing / licencing / renting of assets as per delegation of powers given below: <table data-bbox="906 1070 1433 1261" style="margin-left: 20px;"> <tr> <td>Executive Board</td> <td>above Rs. 20 Million (in each case) for lease period</td> </tr> <tr> <td>Chairman NHA</td> <td>upto Rs. 20 Million (in each case) for lease period</td> </tr> <tr> <td>Member (Ops)</td> <td>upto Rs. 5 Million (in each case) for lease period</td> </tr> </table> 	Executive Board	above Rs. 20 Million (in each case) for lease period	Chairman NHA	upto Rs. 20 Million (in each case) for lease period	Member (Ops)	upto Rs. 5 Million (in each case) for lease period
Executive Board	above Rs. 20 Million (in each case) for lease period							
Chairman NHA	upto Rs. 20 Million (in each case) for lease period							
Member (Ops)	upto Rs. 5 Million (in each case) for lease period							
10(2)(xiv)	Authority may perform any other function supplemental, incidental or consequential to the purposes and functions aforesaid.	Any Wing or officer authorized by the NHA Executive Board.						
10(2)(xv)	Mutation of Land and Taking Over of ROW	Member (Operations) through Regional GMs						
11	Preparation of Master Plan	Preparation of Master Plan for: <ul style="list-style-type: none"> i) Development and Construction Member (Planning) ii) Operation and Maintenance (Annual) Member (Operations) iii) Rehabilitation and Reconstruction Member (Operations) in consultation with Member (Planning) 						

Section	Duties And Power	Wing/Officers Responsible to act on Authority's behalf
11(2)(i)	Framing of Schemes	Framing of Schemes for: <ul style="list-style-type: none"> i) Construction, Expansion and Development Planning Wing ii) Operation and Maintenance Operation Wing
11(2)(ii)	The Authority may frame a scheme or schemes for research and development in field of Highways.	Planning Wing.
11(2)(iii)	The Authority may frame a scheme or schemes for training of the Authority's employees.	Secretary NHA in consultation with concerned Wings shall prepare Yearly Training Plan.
11(2)(iv)	The Authority may frame a scheme or schemes for welfare of the Authority's employees.	Administration Wing.
11(2)(v)	The Authority may frame a scheme or schemes for any other matter pertaining to the Purposes and functions of the Authority or incidental thereto.	Concerned Wings of the Authority.
12	Ejection of unauthorized occupants and demolishing of unauthorized structures constructed by them on the national highways	<ul style="list-style-type: none"> i) Operation Wing ii) Construction Wing (for new projects)
13	The Authority may from time to time employ such officers, staff, experts or consultants as it may consider necessary	<ul style="list-style-type: none"> i) For employment of officers and staff – Member concerned in consultation with the Admin Wing with the approval of the Chairman NHA ii) For experts and consultants – Member concerned with the approval of the Chairman NHA

Section	Duties And Power	Wing/Officers Responsible to act on Authority's behalf
14	The Authority shall with the approval of Council prescribe the procedure for appointment and terms and conditions of service of its officers and servants.	Administration Wing shall be responsible for necessary working papers for framing procedures for appointment and terms and conditions of service of its employees to be framed or any subsequent amendments in these procedures and terms and conditions to be carried out.
16	The Authority may by general or special order delegate to the Chairman, a Member or officer of the Authority any of its powers, duties or functions under this Act, subject to such conditions as it may think fit to impose.	Finance Wing shall prepare necessary working paper and Draft for approval of the Executive Board.
25	Any sum due to the Authority shall be recoverable as arrears of land revenue.	Operation and Construction Wings with the help of the concerned land authorities
26	Acquisition of Land under the Land Acquisition Act, 1894	Operation and Construction Wings
28	Orders, decisions and other instruments of the Authority shall be authenticated by the signatures of the Chairman and any Member or officer of the Authority authorized by him	Detailed procedure in this respect shall be issued by the Administration Wing in consultation with the Finance plus the relevant wing and the Secretary NHA.

POWERS AND DUTIES OF THE NATIONAL HIGHWAY COUNCIL

8. National Highway Council is established under Section 5 of the NHA Act 1991, amended in 2001, with the Minister for Communications, Government of Pakistan as its President. Section 6 of the NHA Act empowers the National Highway Council to control, direct and regulate the affairs of the Authority. This power shall be exercised by the Council through different wings of the Authority in the following manner.

TABLE: I-2

Section (Act 1991)	Duties And Power	Wing/Officers Responsible to act on Authority's behalf
6(a)	National Highway Council shall approve five year plans and perspective plans recommended by the Executive Board	Planning Wing shall chalk out Five Year Plan and Perspective Plan of NHA after examining demands for projects and services received from various regions and also the directives of the Government.
6(b)	The National Highway Council shall lay down the national policies and guidelines to be followed by the Authority in the performance of its functions.	Chairman NHA shall prepare the working paper for submission to the Government or the National Highway Council. He shall be assisted by Secretary NHA as well as all the Members.
6(c)	The National Highway Council to review and reappraise projects	Planning, Operation & Construction Wings shall prepare the respective proposal(s).
6(d)	The Highway Council shall approve the annual budget of the Authority.	Finance Wing shall prepare the annual budget of the Authority by consulting other Wings.

POWERS AND DUTIES OF THE EXECUTIVE BOARD

9. According to the provisions of section 7 of the NHA Act, the general direction and Administration of the Authority and its affairs shall vest in the Executive Board which may exercise all powers, perform all functions and do all acts which may be exercised, performed and done by the Authority.
10. The Executive Board shall be assisted in its functioning by the officers and different wings of the Authority in the following manner:

TABLE: I-3

Section	Duties And Power	Wing/Officers Responsible to act on Authority's behalf
8(a)(i)	PSDP FUNDING: The Executive Board shall consider and approve Proposals, Schemes and Projects exceeding fifty million rupees but not exceeding one hundred million rupees and to consider and recommended, through the Ministry, to CDWP or ECNEC proposals, schemes and projects exceeding one hundred million rupees.	Planning Wing shall prepare and process the proposals through the Technical Working Party (TWP) before they are submitted to the Board.
8(a)(ii)	RMA FUNDING: The Chairman NHA shall consider and approve proposals/schemes and projects not exceeding Rs. 100 million. The Executive Board shall have full powers to approve proposals/schemes & projects	Operation Wing shall prepare and process the proposals through the Technical Scrutiny Party (TSP) and Steering Committee before they are submitted to the Chairman NHA.
8(b)	The Executive Board shall consider progress reports of the Authority,	A Monthly Progress Report shall be prepared by each wing of the Authority for its respective part and forwarded by 5 th of the following month to the Secretary, NHA shall consolidate the report and submit it to Executive Board for approval with its endorsement to the Ministry of Communications and concerned quarters.
8(c)	The Executive Board shall perform such other functions as may be delegated to it by the Council.	Wherever necessity arises for delegation of an additional function to the Board, the Chairman NHA shall cause preparation of necessary working paper, case or proposals, to be submitted to the Council, with the assistance of Secretary NHA.

8(d)	The Executive Board shall recommend for approval by NHC the annual budget of the Authority.	Member (Finance) shall formulate the proposed annual budget in consultation with all Members and with the approval of the Chairman NHA for submission to the Executive Board.
8(e)	The Executive Board shall approve projects to be funded through Toll and other receipts from operation of highways.	Member Operations shall initiate the proposal after processing through Steering Committee and Chairman NHA for the approval of the Executive Board exceeding rupees one hundred million.

DELEGATIONS OF POWERS

11. Section 16 of the Act empowers the National Highway Authority to delegate its powers to the Chairman, any Member or other officer of the Authority, by a general or special order.
12. The Powers delegated under this Code shall always be subjected to such detailed rules, regulations and procedures of its own as already laid down against different items in this Code or as the Authority may at any time notify by a general or special order.
13. The Federal Government rules/procedures shall apply in the matters for which no rules of its own have been notified by the Authority or in so far as the rules/procedure notified, by a general or special order, by the Authority, are silent in a matter. Rules of Business notified by the Federal Government shall be observed in all cases while taking up a matter with any Ministry/Division of the government.
14. The Powers delegated under this Code shall also be subject to following general condition:

-
- i) that the powers are not exercised except to implement a program, project or activity approved by competent authority;
 - ii) that the funds exist or are provided in the sanctioned budget of the authority as a lump sum or specifically for the project or activity in connection with which the powers is exercised;
 - iii) that foreign exchange, if involved, has either already been made available or its provision exists in the foreign exchange budget of the Authority sanctioned by the Government;
 - iv) that the individual item is not split into parts merely to bring a part of the whole item within the competence of an authority;
 - v) that the powers delegated to and exercisable by a junior officer shall also be exercisable by the next senior officer;
 - vi) that an officer working as a staff officer and not holding independent charge of an office shall not exercise the powers entrusted to his counterparts unless specifically authorized to do so by the Chairman NHA, after obtaining prior concurrence of the Member (Finance), in which case consent of the Authority to their exercising these powers in their respective sphere of duty shall be deemed to have been given.
15. The Authority competent under this Code to sanction an item of expenditure or approve an event or action connected with the affairs of the Authority is to be involved prior to including the expenditure or starting the event or action in question and his orders obtained. Incurring of any expenditure or any action taken without prior approval of the authority competent to sanction it, shall constitute a departure from the laid down procedure and the rules and shall require approval /sanction by the authority next senior to the one originally empowered. Every officer of the Authority to whom a case for a post facto approval is submitted, shall satisfy himself that such an occasion has arisen in very exceptional circumstances and has a full justification.

16. Cases/Items covered in powers delegated under this Code shall be referred to the National Highway Executive Board for decision.

 17. Powers delegated to an officer may be further delegated to his immediate subordinate officer subject to the condition that the officer delegating the power gets prior approval of the Chairman to this effect.
-

CHAPTER - 2

PLANNING PROCESS

1. Section 6 of the NHA Act makes it mandatory for the National Highway Council to get prepared and approve Authority's Five Years Plan and its annual Budget.
2. Section 11 of the NHA Act requires preparation of a Master Plan for the development, construction, operation and maintenance of National Highways and roads in Pakistan for the approval of the Council.
3. This planning process involves preparation of the following types of long and short-term plans and budgets:
 - Master Plan
 - Strategic Plan setting long term objectives of the Authority
 - Five Years Plan
 - Yearly ADP (in coordination with Finance Wing).
 - Annual Revenue and Non-Development Expenditure Budgets
 - Other Periodic Plans
4. The primary responsibility for preparing the above plans shall rest with the Planning and Operation Wings except the annual revenue and non-development expenditure budgets that shall be prepared by the Finance Wing. However, all required input for non-development budgets shall be provided by the concerned Wings before the prescribed dates.

PREPARATION OF THE FIVE YEARS PLAN

5. A project shall be included in the Five Years Plan if it is accepted in Principle. Acceptance in Principle envisages that all the demands have been prioritized and approved before the work is executed.
6. A project or service shall only be accepted when funds for its execution can be foreseen.
7. Demands for new projects or services shall be submitted by Operation / Construction Wings to the Planning Wing with detailed justification of the requirement for review, designing and estimation. After review, Planning Wing shall submit it to appropriate forum for evaluation of the scope and merits of the proposal. An indication of cost, scope of the project, cost-benefits, internal financial and internal economic rates of return and the approximate time required for carrying out the work should invariably be stated.
8. No project shall be split to bring it within the powers of an approving authority.
9. The Planning Wing, after prioritizing all projects with prior financial evaluation of the Finance Wing, shall prepare a draft Five Year Plan for approval of the National Highway Council.
10. The Planning Wing shall get the Five Years Plan approved by the National Highway Council. It shall also be responsible for preparation of detailed project estimates as well as PC-1 where applicable in respect of each project included in the Plan.
11. The approved Five Years Plan shall be submitted to the Council for yearly review at the time of submission of the Annual Development Program and Non-Development Budgets of the Authority.

PREPARATION OF THE ANNUAL DEVELOPMENT PROGRAM

12. The fundamental criterion for inclusion of any project in the Yearly Annual Development Program shall be the Principle of Acceptance of Necessity.
13. Acceptance of Necessity is defined as the concurrence of competent authority to the expenditure proposed.
14. Preparation of ADP shall be a coordinated effort between the Planning, Operation, Construction and Finance Wings.
15. Every year, at the time of preparation of ADP, the Planning Wing shall, in consultation with Finance, Operation and Construction Wings, re-evaluate the necessity, viability and priority of each project included in the Five Year Plan. Thereafter, the Planning Wing shall issue a Priority List of projects and only those projects shall form part of the Annual Development Program, in respect of which funds are expected to be allocated.
16. If it is decided that a project is to be carried out and that the funds can be made available, formal orders of the competent authority accepting necessity shall be got issued by the Planning Wing.
17. Permission to incur expenditure for collecting certain data such as pavement condition, geological investigation, hydrological studies, traffic count, axle load data etc. as considered necessary by competent authority in anticipation of administrative approval and allotment of funds may be given where necessary. This expenditure shall ultimately be booked against the relevant project after approval. The authority competent to allow this expenditure shall be National Highway Executive Board. If, however, the project is not finally approved the expenditure incurred on this account shall be written off by the Board, giving reasons therefore.

18. By 1st September every year, the Planning Wing of the Authority shall prepare a Yearly Priority List based on the projects included in the approved Five Year Plan. The Yearly Priority List shall be submitted before the Executive Board along with clear recommendations of the necessity of every project included in the List. After its approval, the Planning Wing shall circulate an Approved Yearly Priority List to all wings and regions of the Authority.
19. Based on the Approved Yearly Priority List, the Planning Wing shall prepare the Next Year's ADP (New Projects only).
20. The Highways Wing as well as the Motorways Wing shall also provide to the Finance Wing information regarding on-going projects.
21. The Budget Section of the Finance Wing shall consolidate the information received from all the concerned wings in the prescribed manner, and prepare the draft ADP (inclusive of new as well as on-going projects) and submit it to Member Finance. Approval of ADP shall be obtained from NHA Executive Board before submission to the Council.

PREPARATION OF THE ANNUAL REVENUE AND NON-DEVELOPMENT EXPENDITURE BUDGETS

A. BUDGETING PROCEDURE

22. Budget is a basic tool in the hands of management which entails pre-determination of the goals of the Authority in monetary terms so that actual performance at the end of a period could be matched against the targets set in the budget. Finance Wing of the Authority shall be responsible for translating the physical targets set by the Planning and Operation (Highways/Motorways) Wings in monetary terms stating interalia the possible sources from where the expenditure involved could be met.

23. Budget not only involves setting of expenditure targets, but also entails pre-determination of the volume of revenues expected to be generated during the budget period. The expenditure budget, in turn, involves determination of anticipated direct development outlays as well as the expenditure required for non-development activities indirectly related with the development activities.
24. The following budgeting procedure shall be followed for different types of revenues and non-development expenditures.

Non-Development Expenditure.

25. Non-development expenditure budget includes Maintenance of National Highways budget and Establishment Charges budget. Estimated Budget for Maintenance of National Highway Network shall be prepared by Operation Wing in the form of Annual Maintenance Plan, while Administration Wing shall be responsible for providing estimates for the Establishment Charges Budget. The Maintenance Budget Estimates will be based on the actual demand of National Highway Network as obtained through Maintenance Management System and comparing the same with demand received from the Regional Offices and shall include maintenance methodology, per kilometer cost for different types of maintenance and number of kilometers. Demands for Establishment Charges shall be forwarded by all Regional Offices to Administration Wing in respect of staff posted in their respective jurisdiction. Posts authorized on regular basis shall form basis of the Establishment Charges budget. Finance Wing shall issue a detailed procedure and calendar of activities for preparation of the budget.

Debt Servicing

26. The information regarding debt servicing shall be provided, directly to the Budget Section for incorporation in the Development Budget, by the project accounts authorities so long as the work on the project in question is in progress. After closing of the project, all information including the amounts of interest and repayment periodically due, shall be provided by the “Debt Servicing Cell” to be created within the Budget Section of the Finance Wing, to whom the record of all

those projects where a loan is involved in any form, shall be transferred on completion. The information required for incorporation in the budget shall be provided to the Budget Section in the month of September every year in the format prescribed by them.

Revenues

27. The Authority is empowered by the Act to raise funds, both local and foreign, through borrowings, floating of bonds, sharing or leasing of its assets, levy and collection of tolls, license fees or through any other means.
28. Construction and Operation Wings shall provide to the Finance Wing estimates of the expected income from existing and proposed new sources for matching against the expenditure needs envisaged in the expenditure budgets. In case there is a shortfall in the expected income, those responsible for initiating proposals for raising funds would be called upon to explore ways and means for generation of additional funds. Government sources can, thereafter, be tapped for grant or loan to offset the amount still short of the requirement. The Authority shall approach the government to provide funds to meet the shortfall in the manner prescribed by the government in this respect.
29. Every regional GM and the GM (Infrastructure) shall be responsible for providing to the Budget Section in the format prescribed/circulated by the latter, before the 30th of September each year, the estimates of revenues expected to be collected from the various sources/points falling in their respective sphere of duties during the next year. As for the anticipated income from floating of bonds, local or foreign loans etc., the Financial Advisor's branch shall provide the relevant information in the prescribed format. Officer in charge for accounting of Revenues in the Finance Wing shall provide the figures of actual receipts from different sources during the previous periods as required by the Budget Section. Financial Advisor shall issue detailed procedure in this respect with the approval of the Authority.

30. The Budget Section shall be responsible for consolidation of the information provided by the Planning, Highways/Motorways and Administration Wings, and incorporation of figures regarding re-payment of loans and debt servicing in the Annual Development Plan (ADP), and submission of the development, non development , debt servicing and revenue budgets, before prescribed dates, to the National Highway Council/ Ministry of Communications, P& D Division , and Finance, as the case may be, for approval.

B. ALLOCATION OF FUNDS

a. Development Funds (ADP)

31. Development funds allocated by the Finance Division on the basis of Annual Development Program approved by the Planning & Development Division are released centrally to the head office of the Authority. Payments on account of most of the Original/Capital Development Works are centralized at the Head Office
32. The Chairman, NHA/Member (Finance) may, however, at any time decide to decentralize the payments of any project to the respective Regional General Manager's or Project General Manager's Office, in which case necessary funds shall accordingly be transferred to the concerned Regional/Project General Manager on 'as required' basis.

b. Funds for Non-development Expenditure.

33. Funds for Establishment Charges shall be distributed in proportion to their respective demands by the Finance Wing amongst head office and the respective Regional Offices immediately on receipt of quarterly releases from the Ministry of Communications. Member (Finance) will approve the amount of funds to be distributed to each region. A statement showing detailed heads of the respective share allocated shall also be forwarded to each office. Similarly the funds for

Maintenance of Highways, received in the Head Office shall be distributed by the Finance Wing amongst the various Regional Offices in consultation with the Member (Operations). It shall be the responsibility of each Regional General Manager and the Administration Wing located in the Head office, to exercise a strict control over expenditures of Maintenance and Establishment Charges respectively, so that there is no excess over the allocations.

34. Subject to observance of the rules/procedure applicable in each case, both the officers of Administration Wing at the Head Office and all Regions shall be fully authorized to sanction, from time to time, expenditure to the extent of the allocations, in accordance with the powers delegated to them.
35. The onus of keeping an up-to-date record of head-wise appropriations, to avoid excess over allocations shall, in this case, be that of the Administration Wing/Regions concerned. The Accounts Section at the Region shall keep a close watch on the appropriations through an Appropriation Register. No bill on account of establishment charges shall be passed by Accounts Section for payment until the space allocated therein for appropriations is duly filled in correctly.

c. Lump Provision for Establishment Charges.

36. Increase in the number and magnitude of the projects assigned to the Authority has entailed engagement of a greater manpower (technical and non-technical), both in the field/project offices and in the head office/regional offices, rendering services of their part to these projects. The requirement of funds for Establishment Charges has increased accordingly. On the other hand, allocations for the purpose have been more or less fixed. The expenditure on pay, allowances and other charges in respect of the officers/staff working in the head office or the regional offices shall be a legitimate charge against the provisions available for the purpose in the development allocations for different projects, which are the ultimate beneficiaries of this expenditure.

37. One percent of the overall development allocations shall be retained as lump provision every year at the head office and placed to the credit of a separate bank account. A separate establishment budget shall be prepared by the Budget Section in respect of this lump provision, which shall be got approved from the Chairman, NHA before charging any expenditure to this provision. Any excess over the regular Establishment Charges grant for the year, which shall be duly authorized by the competent authority, shall be charged to this lump provision.
38. Management of this lump provision shall rest in the Finance Wing at the Head Office. Liability against this provision shall only be sanctioned subject to confirmation of fund availability by Finance Wing.
39. The Accounts Section concerned shall also thoroughly examine the proposal with specific reference to its necessity, possibility of its postponement till next year and the powers available to the officer proposing the expenditure.
40. The Accounts Section in respect of the above lump sum provision shall maintain an Appropriation Register.
41. Each Regional Office shall submit a Monthly Expenditure Return, showing detailed head-wise expenditure on both Establishment Charges and Maintenance of Highways, to the Budget Section at Head Office before 10th of the following month.

C. CONTROL OVER EXPENDITURE

42. It is essential that the broad spirit of the system of control over expenditure be strictly observed by all officers entrusted with administration of funds for construction, development, repair and maintenance of National Highways. Once the expenditure budget is approved by the competent authority, every officer of the Authority entrusted with the administration of funds for any purpose shall ensure that the actual expenditure does not exceed the budgeted figures. The fundamental principles to which special attention is needed to be paid are:

-
- i) No work, project or service shall be executed without administrative approval and technical sanction having first been obtained from the authority appropriate in each case and without funds being made available to meet expenditure on it;
 - ii) No officer shall, in the course of financial year, exceed the budget allotment made for any work or under any sub-head of maintenance;
 - iii) No officer shall exceed any specific budget allotment made under any minor or detailed head;
 - iv) In case of any exception, approval / concurrence of Member (Finance) shall be obtained with detailed justification;
 - v) In respect of any work which has been administratively approved, no officer will take any action to incur expenditure in excess for the approved amount beyond the permissible limits whether such excess is due to error in the approved estimates, alteration of the approved design of the other causes without obtaining prior sanction from competent financial authority;
 - vi) Payments which have the effect of exceeding the amount administratively approved and of funds allocated shall not be made by the Accounts Authorities. However, the obligatory payments on court decisions, arbitration awards, and pay and allowances of regular employees may be allowed by the Accounts Authorities on provisional basis, on being approached by the executive authorities and certifying the payment to be of inevitable nature subject to covering sanction of the allocation of funds and revised administrative approval, as the case may be, being obtained by the executive authorities urgently.

MANDATORY STAGES OF PROJECT APPROVAL

43. Each project shall invariably pass through five distinct stages:
- i) Acceptance in Principle (The inclusion of a project in a *Five Year Plan* shall constitute its Acceptance in Principle.)
 - ii) Acceptance of Necessity (The inclusion of a Project in the Yearly Priority List shall mean that its necessity has been accepted.
 - iii) Administrative Approval
 - iv) Financial Concurrence
 - v) Technical Sanction
 - vi) Appropriation/re-appropriation

1. Administrative Approval:

44. For every work, it shall be mandatory to obtain administrative and financial approval of the competent authority by the concerned Wing. Before according administrative and financial approval, the competent authority shall ensure that:
- a) The work is of real necessity,
 - b) The work is in line with the fundamental purposes of the Authority,
 - c) The work is taken up in order of priority; and
 - d) All conditions imposed by the Board in respect of a particular work have been duly fulfilled.
45. Administrative and financial approval shall be accorded by the competent authority defined in the Code.

46. An approximate estimate and such preliminary plans as are necessary to evaluate the proposal shall be prepared by the Planning Wing in consultation with Highways and Motorways Wings.
47. The preliminary estimate shall be prepared and countersigned by the authority competent to accord technical sanction to the detailed estimate and shall be forwarded direct to the authority competent to accord administrative approval. The amount of establishment charges/administrative expenses estimated to be necessary for the work shall invariably be indicated in the estimate as a separate item after the total outlay for the work. The officer competent to accord Administrative Approval must, in each case, exercise his judgment and oppose any proposal in respect of which he is not satisfied as to necessity aspect. In cases where the officer preparing or countersigning the estimates feels that he cannot recommend the work for administrative approval, he shall also explain his objections to the officer concerned and if he fails to convince him, shall refer the matter for the orders of the next higher authority. This procedure shall also apply to modifications/variations of the proposals originally approved, if by reasons of such modifications/variations revised administrative approval becomes necessary, and to material deviations from the original proposals, even if the cost of the same can be saving on other items.
48. If an approved work is not commenced within five (5) years of the date of administrative Approval, fresh approval must be obtained.
49. No administrative approval shall be required where PC-1 Proforma in respect of a Project stands already approved by the competent authority with sufficient details of components of the work included in the project. Where, however, the said details are not given in the approved PC-1 Performa, formal approval of the competent authority shall be obtained and issued by the Planning Wing of NHA.
50. The original administrative approval shall not be exceeded beyond 15%. If, however, such a situation arises where execution of the work involves, an excess of more than 15% over the original administrative approval, revised administrative approval of the competent authority shall be obtained. Any further

excess over the revised administrative approval shall require a fresh revised approval. It shall be the responsibility of the Highways and Motorways Wings to initiate preparation of Revised PC-1 as soon as the expenditure reaches 15% in excess of the original approved cost.

Technical Working Parties

51. Before administrative approvals of PC-I and PC-II Performa's or project documents as well proposals of Acceptance of Necessity in respect of all projects shall be scrutinized and evaluated by the appropriate Technical Working Party (TWP) / Steering Committee. Composition of the TWP / Steering Committee along with the monetary limits falling in their respective powers is given at the end of the Chapter.

2. Financial Concurrence

52. Financial concurrence means the concurrence of the Finance Wing to the expenditure proposed in a project/scheme/service.
53. In cases where funds have been embarked/allocated for a particular project/scheme/service in the Annual Development Programme, financial concurrence shall be deemed to have been accorded.
54. Before according financial concurrence, it shall be ensured that:
 - i) the total estimate of each service/work/project is not exceeded beyond permissible limits subject to para-50 of this chapter (Administrative Approval);
 - ii) no expenditure or liability is incurred until funds to meet it are available subject to exception at para-17 of this Chapter (Acceptance of Necessity);
 - iii) the funds, are expended on those duly authorized services/works/projects for which they are allotted and no others;

- iv) the funds allotted in any year and available under any head, or sub-division of that head, are not exceeded;
- v) the accounts are correctly kept and the expenditure is correctly allocated in accordance with relevant rules/regulations.

3. Technical Sanction:

55. For each work proposed to be carried out, for which administrative approval and financial concurrence has been obtained, a properly detailed estimate based on the administrative approval and financial concurrence shall be prepared for the sanction of the competent authority. This sanction is defined as Technical Sanction. The competent authority for grant of technical sanction shall be Member (Operations) or Member (Construction).
56. Technical Sanction is a guarantee that the proposal is structurally sound and that the estimates are accurately calculated and based on adequate data. It shall be issued on the basis of detailed estimates for the project as a whole, after administrative approval is accorded. Technical Sanction which is concerned with actual design and execution of the work and accounts for all expenditures, ensures that:
- i) Design and specifications are in accordance with sound engineering/practices.
 - ii) The materials for the execution of the work are in strict accordance with the plans AND SPECIFICATIONS.
 - iii) In assessment of the project cost, utmost economy has been observed consistent with good workmanship and good materials.

- iv) The estimate represents carefully budgeted cost of execution of the work including all accessory and consequential services calculated as accurately as is possible at the time of its preparation.
57. Technical Sanction shall invariably be obtained before commencement of any construction work.
58. Technical Sanction shall not be required for petty works and petty repairs. In case of original construction works costing upto Rs. 1.0 million, technical sanction shall be issued on the basis of indication of Cost and the procedure mentioned above may not be followed. However, the competent authority may order a project estimate to be prepared, if deemed necessary.
59. If the project estimate exceeds by more than 15% of the amount at which the administrative approval was accorded, reasons for the excess must be given when forwarding the project estimate to the competent authority for technical sanction and the need for the revised administrative approval shall be pointed out and obtained in due course.
60. Where a consultants has been engaged for preparation of drawings, specifications and /or project estimates etc., the technical sanction shall be accorded in consultation with a consultants; views of the consultants being obtained in writing. In case of this disagreement, decision of the next higher authority shall be final.
61. The preparation of detailed drawings based on the general specification for the purpose of the contracts shall be undertaken prior to tender. Where Type Plans confirming to the general specification are available may be used in lieu.
62. The period for which a technical sanction will be veiled, shall be clearly mentioned in the technical sanction. Normally this period shall be from one to two years.

63. No change in specifications shall be made after the work has been awarded. If, however, such a change is warranted in an exceptional case, it will require prior approval of the competent authority who accorded technical sanction, if within 10 present; otherwise revised technical sanction and administrative approval shall be necessary.
64. In case the design technically fails or a change in quantities entails a change in the cost by more than 15% of the original technical sanction under normal circumstances (scope of work or alignment remaining the same), inquiry shall be initiated for fixing responsibility.
65. A detailed procedure for processing cases of technical sanction shall be issued in the Technical Manual.

4. Appropriation and Re-Appropriation:

66. An appropriation or re-appropriation is the allocation of specific amount of funds in the Authority's Annual Budget to meet the expenditure on a specified project. No expenditure shall be incurred on a project if definite appropriation or re-appropriation does not exist in the Authority's Annual Budget. In exceptional cases, where expenditure is authorized in anticipation of the allocation of funds, or it has the effect of exceeding the existing allocation, necessary funds shall be got earmarked within two months.
67. An appropriation shall cover all charges, including liabilities of the previous financial year.

Special Notes

68. No work shall be commenced and no liability shall be incurred in connection with a work until administrative approval and financial concurrence has been obtained, properly detailed design and estimates have been prepared and sanctioned, and appropriation/re-appropriation of funds has been made.

69. If in case of an emergency or upon the orders of a superior authority, a work has been commenced and liability has been incurred in connection with any work in violation of this fundamental rule, the concerned officer shall inform the concerned director (Accounts) in writing that he is incurring an unauthorized liability stating the approximate amount of the liability he is likely to incur.
70. If in case of a variation order, the project cost exceeds by more than 15% of the original project cost, fresh approval for administrative, technical and financial sanction for entire revised cost (original plus variation) shall be obtained from the competent authority.
71. In a case where such excess has the effect of exceeding the maximum monetary limit of the original sanctioning authority, the variation order shall be submitted for the approval of the authority within whose power the project as amended falls. No work shall be carried out and no expenditure shall be incurred until fresh approval from the concerned authority has been obtained for the revised cost.

REPAIRS/MAINTENANCE PROCEDURE

Roads and National Highways

- 72....78 Replaced with Road Maintenance Account (RMA) Rules (Annex-1) and Standard Operation Procedures (Annex-2) for RMA works as approved by Executive Board and notified by GOP.

Buildings

79. Repairs/maintenance of Building or classified as Normal or Abnormal Repairs keeping in view the magnitude of cost involved in carrying out the repairs and Periodical Services. Repairs costing up to Rs. 0.5 million or defined as Normal Repairs.

80. Powers for Normal Repairs or not exceed the following percentages of capital cost of both permanent and temporary residential and non-residential buildings.

<u>Type of Buildings</u>	<u>Permanent Building</u>	<u>Temporary Building</u>
Residential	2 percent in a year	4 percent in a year
Non-residential	1.5 percent in a year	3 percent in a year

81. The above percentages may be increased by:
- i) 400% in case of building works completed before 1949;
 - ii) 300% in case of building works completed between 1950 and end of 1969;
 - iii) 150% in the case of building works completed between 1970 and 1973;
 - v) 50% in the case of building works completed between 1974 and 1975.
82. Where special repairs are required to be carried out to a building, approval of the Chairman shall be obtained.
83. No repairs shall be carried out at the cost of the Authority to any private building hired for use as residence or for non-residential purpose. Every lease agreement for such hired buildings shall be on “Non-Repairing Basis.”
84. In case of normal repairs, schedule of demands is the only estimate of cost. An allocation given for the purpose shall imply administrative sanction to the execution of services to that extent and no further administrative sanction is required.
85. Abnormal Repairs are classified as under:
- i) Repairs costing over Rs.0.5 million.
 - ii) Repairs involving change in categorization or classification.

- iii) Repairs not involving any changes in categorization or classification but which, from the nature of work, can be estimate in detail before hand.
86. Project Estimate in respect of repairs costing over Rs. 0.250 million, falling under category (i), (ii) and (iii) shall be prepared and sanctioned by the competent financial authority. To overcome the difficulty on account of non-availability of full details at the estimating stage an additional amount not exceeding 10% of the total cost may be include in the project estimates as “unforeseen expenditure.”

Periodical Services

87. The Authority may carry out the following periodic services:

i)	White Washing /Color:	Every Year
ii)	Distemping:	Every alternate year.
iii)	Painting to Door/Windows:	Every third year.

88. A permanent record of the exact dimensions for the above works or periodical services shall be kept in respect of each official building in the Periodical Services Measurement Book (PSMB) and every time the services are rendered to a building, the fact shall be endorsed on the relevant pages allocated in the beginning of the PSMB. This entry in the PSMB would serve as a ready reckoner for the periods to come.
89. Acceptance of a tender for awarding contract, as per powers contained in Chapter 3 of this Code, for normal repairs/periodical services to buildings, in accordance with the above periodicity, shall also constitute acceptance of necessity, Technical Sanction and Administrative Approval for the work subject to the above conditions.

Deposit Works

90. Deposit works, shall be undertaken only after full estimated cost of the work is deposited with the authority in the designated accounts in advance or vice versa where Authority's work is allotted elsewhere .The depositor must also undertake in writing that any anticipated variations in the cost of work shall also be deposited by him/it as soon as the same are determinable.
91. No deposit work shall be taken up until a formal request for the same has been received from the department/agency concerned. The Authority may take up the deposit works for execution so long as their execution/commencement does not affect its own works and thus do not prove to be detrimental to its basic objectives under the Act.
92. No deposit work shall be undertaken unless prior approval of the Chairman, NHA has been obtained irrespective of its value.

TABLE: II-1(a)

RMA TECHNICAL SCRUTINY PARTY

Means the RMA Technical Scrutiny Party (RMA-TSP) comprising the following:

• General Manager (Operations)	Chairperson
• General Manager (Finance)	Member
• General Manager (Planning and Design)	Member
• General Manager (Contracts)	Member
• Respective/Concerned Regional GM	Member
• Representative of NH&MP	Member
• Representative of NTRC	Member
• Director (RAMS)	Secretary

TABLE: II-1(b)**RMA STEERING COMMITTEE**

Means the RMA Steering Committee comprising the following:

- Member (Operations) Chairperson
- Joint Secretary (MOC) Member
- Member (Finance) Member
- Member (Planning) Member
- Chief (T&C) Planning Commission Member
- Representative of NH&MP Member
- Deputy Chief NTRC Member
- GM (Operations) Secretary

TABLE: II-1(c)**COMPOSITION & RECOMMENDING POWERS OF TECHNICAL WORKING PARTIES**

(TWP) Number	Upper Monetary Limit	Composition of the TWP	
(TWP-I)	Rs. >= 50 Million	Chairman NHA	Chairman
		Member (Finance), NHA	Member
		Member (Planning), NHA	Member
		Member (Ops) / (Const.), NHA	Member
		Chief (T&C) Ministry of Planning	Member
		Director (R&RT), MOC	Member
		Rep NTRC	Member
		GM (Design), NHA	Member
		GM (Planning), NHA	Member/Secretary
(TWP-II)	Upto Rs. 50 Million	Member (Planning), NHA	Chairman
		GM (Ops) / (Const.), NHA	Member
		GM (Planning), NHA	Member
		GM (Design), NHA	Member
		GM (Finance), NHA	Member
		Dy. Director (Roads), MOC	Member
		Asstt Chief (NTRC)	Member
		Director (Planning), NHA	Member/Secretary

Detailed procedure for regulating the working of the above technical working parties provided in the Policies and Procedures Manual shall be followed.

TABLE: II-2**POWERS REGARDING APPROVAL OF PROJECTS**

Nature of Power		Competent Authority	Maximum Monetary Limit (Rs in Mil.)	
A	<u>National Highways.</u>			
	PSDP Funded	<ul style="list-style-type: none"> Acceptance in principle, necessity, Admin approval & expenditure sanction 	i) ECNEC	Full Powers
			ii) CDWP	Upto 500
			iii) NHA Executive Board	Upto 100
			iv) Chairman NHA	Upto 50
			v) Member (Const.)	Upto 30
		<ul style="list-style-type: none"> Technical Sanction 	i) Chairman NHA	Full Powers
			ii) Member (Const.)	Upto 100
	RMA Funded/ Deposit Works	<ul style="list-style-type: none"> Acceptance in principle, necessity, Admin approval & expenditure sanction 	i) NHA Executive Board	Full Powers
			ii) Chairman NHA	Upto 100
			iii) Member (Operations)	Upto 50
			vi) GM (Ops)/(Region)	Upto 20
			<ul style="list-style-type: none"> Technical Sanction 	i) Chairman NHA
ii) Member (Ops)				Upto 100
		iii) GM (Ops)/(Regions)	Upto 30	
B	<u>Buildings (Residential & Non-residential)</u>			
	PSDP Funded	<ul style="list-style-type: none"> Acceptance in principle, necessity, Admin approval & expenditure sanction 	i) ECNEC	Full Powers
			ii) CDWP	500
			iii) NHA Executive Board	100
			iv) Chairman NHA	50
			v) Member (Const.)	30
		<ul style="list-style-type: none"> Technical Sanction 	i) Chairman NHA	Full Powers
			ii) Member (Const.)	100
			iii) GM (Const)/(Projects)	30

Nature of Power		Competent Authority	Maximum Monetary Limit (Rs in Mil.)
RMA Funded	<ul style="list-style-type: none"> Acceptance in principle, necessity, Admin approval & expenditure sanction 	i) NHA Executive Board	Full Powers
		ii) Chairman NHA	Upto 50
		iii) Member (Operations)	Upto 25
		vi) GM (Ops)/(Region)	Upto 10
	<ul style="list-style-type: none"> Technical Sanction 	i) Chairman NHA	Full Powers
		ii) Member (Ops)	Upto 50
iii) GM (Ops)/(Regions)		Upto 15	

Note: The Chairman, NHA shall not accord any administrative approval unless the case has been financially concurred in by Member (Finance).

TABLE: II-3

POWERS REGARDING REPAIR OF BUILDINGS

Nature of Power		Competent Authority	Maximum Monetary Limit (Cost of Repairs in Million Rs.)	
<u>Abnormal Repairs.</u>				
1.	Administrative approval & expenditure sanction	i)	NHA Executive Board	Full Powers
		ii)	Chairman, NHA	25
		iii)	Member (Ops)/(Const.)	15
		iii)	DG (Admin)	5
		iv)	G.M. (Ops)/(Regions)/(Projects)	3
2.	Technical Sanction	i)	Member (Ops)/(Const.)	Full Powers
		ii)	G.M. (Regions)/(Projects)	3

TABLE: II-4**POWERS OF TECHNICAL SANCTION OF DEPOSIT WORKS**

Nature of Power	Competent Authority	Maximum Monetary Limit (Project Cost in Million Rs.)
	Technical Sanction of deposit works	Same powers as for projects

CHAPTER - 3

TENDERING PROCESS

PROCUREMENT OF WORKS, GOODS AND SERVICES

PUBLIC PROCUREMENT RULES, 2004

The Public Procurement Rules, 2004 notified by GoP, Ministry of Finance on June 9, 2004, shall be applicable for procurement of goods, works and services and shall become part of the NHA Code (Annex-3)

TENDERING PROCEDURE

1. An open and transparent tendering procedure shall be adopted by the Authority to achieve the most economical and competitive rates in respect of its works, supplies, services and purchases.
2. Normally, all works shall be awarded through Open Tenders, after due publicity of the Invitation to Tender as defined in this Code.
3. In case of emergency, or for reasons to be recorded in writing and upon approval of the competent authority, limited tenders may be invited.
4. Single Tender may only be called in cases of propriety items and services after approval of the competent authority.

GENERAL TENDERING CONDITIONS

5. The Tenders and Quotations shall be invited only from pre-qualified list of contractors, consultants and suppliers.

-
6. Contractors, Consultants and Suppliers shall be pre-qualified as per procedure prescribed in this Code or the Technical Policies and Procedures Manual issued in pursuance to the Code.
 7. Only firms and persons pre-qualified by the Authority to submit tenders, for the construction of works or supply of services or supply of material, are authorized to submit tenders in the manner as laid down in the Tender Documents. However, unless specifically disallowed, there is no objection to such firms or persons forming a joint venture with other firms or persons, whether previously qualified or not, or to reorganizing joint venture previously qualified to submit tenders, provided that:
 - i) The joint venture is sponsored by one of the firms or persons pre-qualified by the Authority to submit tenders for the construction, consultancy or supplies.
 - ii) The prime responsibility for the construction, consultancy services, or supplies shall remain with the firm or person sponsoring the joint venture and pre-qualified for the purpose.
 - iii) All firms and persons comprising the joint venture are reliable, competent and acceptable to the Authority.
 - iv) The capabilities of the joint venture equal or exceed the capabilities of the original individual firm, persons or joint ventures already pre-qualified.
 8. The lowest tender for works/supplies shall be accepted, subject to the condition that the bid does not exceed the administrative approval by more than 10 percent. Approval of the next higher authority would be required if lowest bid exceeding 10% of approved cost of work is to be accepted.
 9. Tenders for works/stores shall be issued to only those contractors who are listed with the Authority for a particular range of estimated cost of the works/stores

after due recommendations of the Committee for Pre-qualification of Contractors. However, whenever considered necessary, special/fresh pre-qualification of contractors may be undertaken for any particular individual work. In case of emergent works where there is urgency, the contractor may be pre-qualified for tendering out of the available list of contractors keeping in view their resources, capacity, past performance and works in hand.

10. Prior approval of the next higher authority shall be required in the following cases:
 - a) Where the lowest bid received exceeds by more than 10 percent of the approved cast of the work/stores.
 - b) Where it is proposed to accept a tender other than the lowest.
 - c) Where only two or less tenders have been received and it is intended to place order to the only tenderer or the lower of the two.
 - d) Where it is intended to place order on the basis of negotiated rates arrived at after negotiations with the only one or more tenderers.

Provided that where the authority originally competent to accept a tender/quotation is National Highway Executive Board, the next higher authority shall be the National Highway Council.

11. Pakistan Engineering Council (PEC) contract documents approved by ECNEC shall be used for procurement of goods, works and services.
12. All tenders and purchase orders shall be issued in accordance with the detailed instruction issued by the Authority from time to time.
13. Bids received shall be evaluated by the appropriate committee in accordance with the board procedure given in this chapter. This evaluation procedure shall be supplemented by a detailed procedure to be issued in this respect in the Technical Policies & Procedures Manual.

14. In case of materials to be purchased from government controlled production units, requirement as to calling for tenders/quotations and making inquires shall be treated as waived off and all competent authorities shall have the powers to do so subject to availability of necessary funds, administrative approval and technical sanction of the competent authority. Advance Payment for the value of government controlled materials shall also be admissible to the vender subject to provision of a valid bank guarantee, if so demanded by the vendor.
15. Tenders for purchase of locally manufactured materials shall only be issued to manufacturers or their sole agents, as the case may be.
16. All stores purchased shall be subject to inspection by the relevant purchase committee in accordance with relevant procedures.
17. Each competent authority shall maintain a register recording the details of the sanctions issued against various items so as to ensure that the annual ceilings are not exceeded. The register shall be considered as an auditable document.
18. Rate Running Contracts shall be executed on annual basis as far as possible for various common use / expendable items. Member/DG (Administration) shall issue a detailed list of the items to be purchased through rate running contract.
19. Term contracts shall be concluded for periodical services and ordinary repairs to buildings on annual basis after inviting due competition.
20. Every store item of any kind, purchased by any of the approved methods, shall be brought on ledger charge. Similarly, issuance of every such item from the ledger shall be supported by an issue voucher duly authorizing the issue and receipted by the competent authority.
21. Every indent/demand for stores shall be prepared in triplicate in the prescribed form. The original copy duly signed by the sectional head demanding the store shall be attached with the relevant issue voucher, the second shall be returned to the concerned sectional head after entry of the stores actually issued along with

the stores issued and the third copy shall remain in the Store Section as office copy.

22. Reference shall always be made to the indenter in case the quoted price in respect of an indent exceeds the approved value by more than 10% who may cancel the indent or reduce the demand.
23. The prospective bidder shall be required to provide reasonable number of samples of each store item for which rates were quoted. The purchase committee shall thoroughly inspect/evaluate the quality of the stores in question before recommending its purchase from the particular bidder. The samples shall also be matched against the stores actually received at the time of the random inspection thereof as provided for in NHA Code.

PROCEDURE FOR INVITATION AND ACCEPTANCE OF TENDERS

24. Invitation to Tender shall contain the following information:
 - a) Time and date up to which the complete tender shall reach the designated office.
 - b) The concerned officer of the NHA from whom the tender documents shall be available to the bidders.
 - c) Price of the tender documents.
 - d) Time and Date of opening of the tenders.
 - e) That the tender shall be opened in the presence of the representatives of the bidding company and their signatures shall be obtained on the proper attendance sheet.
 - f) Earnest money (2%) with respect to the estimated construction cost of the project.
25. An officer not below BS-17, as indicated below, shall be responsible for providing tender documents, duly signed by an authorized officer of the Authority, to the tenderers/bidders on demand and on payment of the prescribed

fee after obtaining signatures on the “Tenders Register” in token of having received the tender:

S.No.	Tender Documents for	Officer From
a)	Construction works, services and goods	Contract Section at HQ
b)	RMA works, services and goods	RAMD of HQ or the Region concerned
c)	Purchase of Stores.	Administrative Wing of HQ or the Region/Project concerned

PROCEDURE FOR DRAWING UP CONTRACTS

26. Forms of tender inquiries i.e. Instructions to Bidders and contractors duly standardized by the PEC shall be used. Where it is not possible, due to emergency or other reasons to be recorded in writing to use standard documents, prior approval of Chairman NHA in consultation with the Member (Finance), GM (P&CA) and the Legal Advisor of the Authority shall be obtained in writing.
27. Procurement and Contract Administration Section of Head Office shall cause forms of contracts documents standardized by the Pakistan Engineering Council to be Prepared.
28. All contracts for works and stores shall be procured as per PEC documents approved by ECNEC.
29. If however a price variation clause is unavoidable, variation in price may be admissible, subject to provision of reasonable documentary evidence along-with technical justification and details in support of the increase, only in so far as rise or fall in the cost of labor and/or material is concerned. It shall be clearly specified in the contract that no variation for other overheads shall be allowed. A single independent source of determining the base cost of labour and/or

material, required to be up-dated periodically, shall be fixed by Member (Concerned) in consultation with Member (Finance) to ensure uniformity and transparency in later revision resulting in price variation.

30. Generally, variations in specifications after the issuance of invitation to the tenderers shall be avoided unless absolutely necessary. If any variation in specification is necessitated, the nature of the special circumstances shall be recorded and proposed changes shall first be vetted by the Planning Division, Design Section and the C&S Section. Chairman shall consider revision of specification based on their recommendations. Variation in quantity can however be made in accordance with the relevant procedure contained in this Code.
31. All contracts shall be signed by the authority competent to accept the tender or by a lower officer authorized by the competent authority. However, the lowest authority shall be General Manager.
32. For all capital works and works funded from RMA except routine and emergency, defects liability period shall be as per PEC standard bidding documents.

SECURITY DEPOSIT AND EARNEST MONEY

33. In case of contracts placed with dealers/firms/contractors on the approved list, security deposit may not be demanded. In case where the tender of a firm not born on the approved list is to be accepted, the firm shall be enlisted in the first instance. Dealers/firms/contractors shall be eligible for the following range of works and stores in accordance with the category they are enlisted for.

TABLE: III-1

PREQUALIFICATION OF CONTRACTORS

Category	Purchase of Stores (Rs. Million)	Category	Limit of Construction Price of Project (Rs. in million)
A-1	-	<u>ROAD WORKS</u>	
A-2	-	R C-1	2500
B-1	-	R C-2	1000
B-2	-	R C-3	500
B-3	30	R C-4	150
C-1	20	R C-5	50
C-2	5	R C-6 *	30
* The pre-qualification for Category RC-6 / BC-6 shall be separately carried out by Regional GMs subdividing into additional 3 smaller categories as per PEC enlistment categories.		<u>BRIDGE WORKS</u>	
		B C-1	1000
		B C-2	500
		B C-3	200
		B C-4	100
		B C-5	50
		B C-6 *	20

34. An amount equal to 2% of the maximum value of the works falling in a particular category of construction works shall be obtained at the time of enlistment as security deposit from each of the firm/contractors enlisted for the category while 2% of such value shall be obtained from those enlisted under different categories for purchase of stores.
35. The security deposit shall remain deposited with the Authority till the name of a particular dealer/firm/contractor is born on the approved list.
36. Any deposit remaining unclaimed for a period exceeding three years shall be credited to revenue of the Authority.

37. The authorities competent to accept tenders in accordance with powers under this chapter are also empowered to accept, in connection therewith, securities and execute and sign contracts therefore on behalf of the Authority.

COMPOSITION AND WORKING PROCEDURE FOR COMMITTEES

A) Committees For Pre-Qualification Of Contractors (For Capital Works, Maintenance Works and Purchase of Stores).

38. The committees shall consist of the following:

TABLE: III-2

COMMITTEES FOR PRE-QUALIFICATION OF CONTRACTORS

Composition	Capital / RMA Works *	RMA Works < Rs. 30 Million	Purchase of Stores
Chairman	GM (P&CA)	GM (Region)	Member / DG (Admin)
Member I	GM (Ops)/(Const.)	Director (Ops)	Director Admin
Member II	GM (Planning)	Director (RAMS)	DD (Contracts)
Member III	GM (B&A)	DD (Accounts)	DD (Accounts)
Secretary	Director (Contracts)	DD (Ops)	DD Admin

* Capital Works/RMA Works > Rs. 30 Million

39. The committee shall work as under:
- a) Applications shall be invited by the Contract Section from interested parties through publicity in the media by Media Advisor. The advertisement shall contain the nature of the work(s), the usual duration of their completion and estimated cost range. The applicants shall be asked to submit.

For Capital/Maintenance Works

1. Total experience in Highways Sector (Number of years, list of works executed in past five years showing value of works undertaken, completed with duration of projects and completion time);
2. Litigation, if any;
3. Detail of technical staff with the firm;
4. Statement of Financial Position of the company along with a copy of duly audited balance sheet and income statement for lasts three years. A certificate from the Vice President of their bank providing the financial capability of the firm.
5. Details of machinery and equipment owned by the company.
6. Proof of pre-qualification with other organizations, especially with C&W Department as Category ‘A’ contractor.
7. Proof of enlistment with the Pakistan Engineering Council.
8. A brief about the company and its resources.
9. Any other details/information considered desirable by the committee.

For Purchase of Stores.

1. Details of other govt./semi-govt. departments/ where enlisted.
2. Range of value of stores for which enlisted with said departments.
3. Details of the nature of stores for which enlistment is requested.
4. Range of value of stores for which enlistment is requested.
5. Statement of Financial Position of the company along with a copy of duly audited balance sheet and income statement for latest three

years. A certificate from banker confirming that the firm is maintaining a satisfactory account shall also be submitted.

- 6 A brief about the company and its resources.
 7. Any other details/information considered desirable by the committee.
- b) The committee shall evaluate the applications and may, if deemed fit, call the parties for interview.
 - c) The committee shall forward its recommendations to Member (Planning) in case of capital works, to Member (Operations)/(Construction) in case of maintenance work and to Member/DG (Administration) in case of purchase of store, with full justifications, facts, figures, and supporting documents.
 - d) On approval from the Member (Planning) Member (Operations)/(Construction) / Member/DG (Administration) / Member (Finance) as the case may be, the contractor/suppliers for the particular type of works/stores having cost within the specified range of the competent authority, the contractor/supplier shall be enlisted on the list of contractors/suppliers for the particular type of works /stores having cost within the specified range.
 - e) Planning Wing, Operation/Construction Wing or the Administration Wing, as the case may be, shall maintain an up to date list of pre-qualified contractors/suppliers.
40. Member (Planning), Member (Operations)/(Construction), or Member/DG (Admn), as the case may be, shall issue detailed supplementary instructions for observance by the respective committees in this regard in consultation with Member (Finance).

B) Tender Opening/Evaluation Committee.

41. There shall be the following tender opening/evaluation committees in each regional office/Head Office for capital and maintenance works:

TABLE: III-3**TENDER OPENING/EVALUATION COMMITTEE**

Composition	Region RMA < Rs. 30 Million	Capital + RMA > Rs. 30 Million
Chairman	GM (Region)	GM (P&CA)
Member I	Director (Ops)	Director (Planning)
Member II	Director/DD (RAMS)	Director (B&A)
Member III	DD (Accounts)	Director (Const.)/(Maint.)
Secretary	DD (Ops)	Director (Contracts)

42. The Secretary of the committee shall notify complete details of the tender i.e. number of bids invited, the date, time and place of opening of tenders to the members of the committee simultaneously at the time of issuance of invitation to tenders. The same procedure shall be followed by staff officer of Member (Operations)/(Construction) for the purpose of opening of tenders for maintenance works.
43. Following procedure shall be followed by the Tender Opening/Evaluation Committee:-

PROCEDURE FOR OPENING OF TENDER

44. The Committee shall meet on the notified date, time and place, and open the sealed tenders retrieved from the sealed box in the presence of interested representatives of the tenderers already aware of the date, time and place of opening of the tenders mentioned in the invitation issued to them. No tender shall be opened before the notified time under any circumstances. The bid amounts

shall be announced in the presence of contractors/ contractor's Rep & recorded in the bid opening register, duly signed by the bid opening committee at the time of the bid opening.

45. The Chairman and each Member of the committee shall put their dated signatures on each bid received and opened.
46. The Chairman of the committee shall announce the rates quoted by each bidder, the amount of Cash Deposit Receipt, security deposit, bid guarantee or performance guarantee, as the case may be, received with the bid, and whether the guarantee has been issued by the banks designated by the Authority for the purpose. Member (Finance) shall issue a list of designated Banks whose guarantees shall be acceptable to the Authority along with their capacities.
47. The committee shall also prepare a Comparative Statement of Bids, with a certificate endorsed on it stating the number of bidders participating in the tender. Each member of the committee shall sign the comparative statement as well. The Chairman of the committee shall specifically encircle the discount or rebate, if any offered by any bidder in the presence of other Members and put his dated signatures. Any non-responsive bid not complying with any of the Instructions to Bidders shall not be announced and/or considered for acceptance.
48. Tenders/bids for construction works recommended by the concerned tender opening committee shall be processed further by the P&CA Section of Head Office with the help of Consultants, if already available on the project, while those for Maintenance Works shall be processed by the RAM Division of Head office or Director (Maintenance)/(RAMS) of the region concerned. Administration Wing shall process Tenders/bids for purchase of stores in similar manner.
49. The committee may associate any other person/officer as its member as and when considered necessary.

PROCEDURE FOR EVALUATION OF BID / TENDER

50. The committee shall see that:-

- i) the work has been administratively approved and special instructions, if any mentioned in the Administrative Approval have been duly complied with;
- ii) the work/project has been technically sanctioned and anything special regarding thereto in the estimate/technical sanction has been met;
- iii) the tenders have been invited through wide publicity in the national/international press, as the case may be, or issued to the contractors/firms duly borne on the approved list for specific cost range;
- iv) pre-qualification was made by the competent authority and anything unusual/special regarding the work mentioned at the time of pre-qualification;
- v) the number of bidders or competitors invited was sufficient enough to be termed as a fair competition;
- vi) the bids, as a whole, or the rates quoted for individual items are workable & responsive;
- vii) the bidders have fulfilled the conditions laid down in the Standard Instructions to Bidders issued to each bidder at the time of inviting bids;
- viii) The lowest evaluated bid is reasonably in line with the estimates of the engineer as per PEC standard bidding documents;

- a) It is within (+/-) 15% of the Engineer's Estimates with the condition that the lowest bidder satisfies the evaluation committee with justification and rate analysis for the quoted rates.
- b) The methodology of execution of work proposed in the bid is in conformity with that given in the engineer's estimates;
- c) The competent authority shall have the discretion to reject the lowest bid if either of the above conditions is not fulfilled. In case of difference of opinion regarding methodology of work, however, opinion of an independent engineering consultant shall be obtained before rejecting the lowest bid.
51. If the lowest bid/tender exceeds the engineer's estimates by (+)15%, revised technical sanction and other approvals as required in this Code shall be obtained before awarding the contract or retender as per decision by the committee.
52. All the documents shall thereafter be forwarded by the committee, along with the comparative statement and the recommendations of the committee, under a covering letter signed by its Chairman to the appropriate acceptance committee.
53. In case of Aided Projects, special guidelines if any may be followed

C) Committee for Acceptance of Tenders

54. There shall be following committees in each regional office/Head Office for giving their recommendations to the competent authority for acceptance of tenders for capital and maintenance works:

TABLE: III-4

COMMITTEE FOR ACCEPTANCE OF TENDERS

Composition	Each Region for RMA Works upto Rs. 30 M	For Capital / RMA Works	
		Up to Rs. 50 Million	Rs. > 50 Million
Chairman	GM (Region)	Member (Ops)/(Const.)	Chairman, NHA
Member I	Director / DD (RAMS)	Member (Finance)	Member (Finance)
Member II	DD (Accounts)	Member (Planning)	Member (Planning)
Member III/Secretary	Director (Ops)	GM (P&CA)	Member (Ops)/(Const.)

The Committees in addition to the above general instruction shall follow detailed instructions available in the Policies and Procedures Manual.

PROCEDURE /POWERS FOR ACCEPTANCE OF SPECIFIC TYPES OF BIDS/TENDERS.

1. ORIGINAL/NEW WORKS.

TABLE: III-5

POWERS FOR ACCEPTANCE OF SPECIFIC TYPES OF BIDS / TENDERS FOR CAPITAL / RMA WORKS

Nature of Power	Competent Authority	Maximum Monetary Limit (Million of Rs.)
A) Tenders for Construction of Roads/Highways bridges & RMA/deposit works	i. NH Executive Board	Full Powers
	ii. Chairman NHA	100
	iii. Member (Ops)/(Const.)	50
	iv. GM (Region)/(Ops)	30
B) Tenders for Construction of New Building (Residential / Non-residential)	i. Chairman NHA	Full Powers
	ii. Member (Ops)/(Const.)	25
	iii) GM (Region)/(Ops)	5

55. Chairman, NHA shall not accept any bids for construction of New Buildings (Residential or Non-Residential) unless financial concurrence of Member (Finance) is obtained.

2. DEPOSIT WORKS

TABLE: III-6

POWERS FOR ACCEPTANCE OF DEPOSIT WORKS

Nature of powers	Authority	Maximum Monetary Limit	Remarks
Tender for Deposit Works	Same powers as for the Authority's own works of construction of roads/buildings		

3. EMERGENCY WORKS.

56. Situations may crop up in exceptional circumstances where a particular work has to be carried out in such an emergency that the formalities mentioned for works to be executed in normal manner may not be possible. Such circumstances may arise / necessitate due to:

- a. Earthquakes, floods or heavy rains.
- b. Breakage of dam or a bund of a river or canal or nullah.
- c. Major damage caused by riots or strikes.
- d. Occurrence of accident (s) on roads.
- e. Need for removal of road safety hazards.
- f. Failure of culverts / bridge structures.
- g. Spillage of dangerous fluids causing hindrance to traffic flow or any other threat to safety of road users.
- h. Any other similar reason which affects the safety of road users.

Road user safety endangered due to reasons enunciated above should be met as follows:

- a. Operational Emergency; should be immediately taken up with the approval of GM (Region)/(Project). Later, however, approval in writing should be obtained from the Member (Ops) / (Const) (operational emergency qualify as restoration of traffic).
 - b. Work Emergency; should be taken up after obtaining formal approval from Member (Ops)/(Const) (work emergency qualify as the work carried out/required to restore the road to pre-emergency condition)
57. In the said situations, normal procedure laid down in this Code such as call deposits/performance security may be dispensed with under intimation to the Member (Ops)/Const.) and the emergency works in question may be undertaken by the General Manager concerned through one of the following methods:

-
- a) Tenders may be issued direct to a limited number of contractors already borne on the approved list of NHA for the category in which the proposed work falls, subject to the following conditions:
- i) The estimated value of the work does not exceed Rs. 2.0 million.
 - ii) The tenders are issued to at least five contractors borne on the approved list.
 - iii) Only those contractors are selected for issuance of tenders which are, in the opinion of the competent authority, in a position to mobilize the resources immediately.
 - iv) The exact nature of emergency involved in the case shall invariably be recorded.
- b) Work order may be issued without formally inviting any tenders to a single contractor born on the approved list, provided:-
- i) The estimated value of the work in question does not exceed Rs. 1.0 million in each case.
 - ii) The contractor selected for the purpose is considered by the competent authority to be in a position to mobilize on short notice.
58. The Member (Operations)/(Construction) may approve the emergency work after consulting Member (Finance) about the budget position.
59. a) Any emergency work valuing over Rs. 2.0 million shall be dealt with prior approval of Member (Operations)/(Construction) within the allocated budget in the approved maintenance plan (approved by Executive Board). However, in all such cases the Chairman NHA shall be informed in writing.

- (b) An annual allocation of funds amounting to Rs 0.3 million shall be given to the field DD (Ops) to meet emergency requirements on site, in the situation of public safety emergency works at site (as specified in Clause 56). The allocation of funds to each field DD shall be as per site requirement. It shall be recommended by the Director concerned with the approval of the GM (Region) and this fund shall be incorporated in annual maintenance plan prepared by RAMD from within their annual allocation of funds. Work order may be issued without formally inviting tender to a single pre-qualified contractor but the amount of work shall not be more than 0.02 million in each case (the rate of each item in the work order shall not be more than NHAs CSR).

4. MAINTENANCE WORKS

60. The pre-qualification of contractors and invitation to tenders for Road Maintenance Funds Works and evaluation / acceptance thereof shall be done in the manner laid down for new works.

A. Routine and Periodic Maintenance

61. The authority shall carry out routine and periodic maintenance of all National Highways and Strategic Roads assigned to it through maintenance contracts concluded with pre-qualified contractors for each reasonable reach of road.
62. Although lump sum contracts can be concluded in cases where the scope of work can be definitely determined in advance e.g. in the case of periodic maintenance, yet all contracts for routine maintenance or for works which cannot be quantified before hand, shall be Measurement Contracts based on the NHAs CSR. The CSR shall be updated on annual basis keeping in consideration the Consumer Price Index (CPI) & other authenticated data released by the Finance/ Statistics Divisions and the State Bank of Pakistan. The Executive Board shall be apprized after each revision.

-
63. A Standing Committee comprising of Member (Planning) as Chairman and assisted by Member (Operations)/(Construction) shall issue and update the NHA Schedule of Rates from time to time in consultation with Member (Finance) and approval by the Executive Board.
64. While issuing or updating the Schedule of Rates, those issued by other organizations such as PWD, MES, C&W and WAPDA, etc. shall be taken into consideration for guidance. The fact that the rate of the said department were duly considered shall be recorded in the file while issuing or updating the rates.

B. Emergency Maintenance.

65. Emergency maintenance is necessitated as a result of damages caused by abnormal circumstances such as floods, heavy rains, earthquakes etc. No emergency maintenance shall be carried out without prior approval of Member Operations or Member Construction, as the case may be.
66. For the purpose of budgetary control within the Authority, Director/Deputy Director (Accounts) shall inform General Manager (Finance) in writing about the nature of the emergency and the amount committed under the Emergency Maintenance Contract.
67. In the case of emergency maintenance:
- a) No contract for such a work shall be concluded on lump sum basis; rather it shall be on measurement basis priced at Nation Highway Authority Schedule of Rates.
 - b) If possible, work order for the work may be placed on the contractor already awarded contract for maintenance of the relevant reach as he may mobilize in relatively lesser time.
 - c) The officer ordering emergency works to a contractor shall immediately report complete details of the works, in this opinion required to be executed

on emergency basis, to the General Manager of the concerned region through Director (Maintenance). The GM of the concerned region shall then follow the procedure laid down in para-57 and 58 of this Chapter.

POWERS FOR ACCEPTING TENDERS FOR NORMAL MAINTENANCE

(This also constitutes acceptance of necessity, technical sanction and administrative approval of the work in question)

TABLE: III-7

POWERS FOR ACCEPTING TENDERS FOR NORMAL MAINTENANCE

Nature of Power		Competent Authority		Maximum Monetary Limit (Million of Rs.)
I	Tenders for Repair / rehabilitation / highway safety measures / maintenance (all types) of national highways and bridges	i)	Chairman, NHA	Full powers
		ii)	Member (Ops)	50
		iii)	GM (Ops) / (Region)	20
II	Tenders for repair of existing buildings (Residential / Non-residential) and one year term contracts for periodical repairs/ maintenance of residential / non-residential buildings	i)	Chairman NHA	Full powers
		ii)	Member (Ops) / Member/DG (Admin)	10
		iii)	GM (Ops) / (Region)	2
		iv)	PD/Director (Est) HQ / Director (RAMS)	1.0
III	Tenders for Term (one year) Contracts for Periodical Repairs/ Maintenance of Residential / Non-residential Buildings excluding privately hired buildings (of. clause 2/83)	i)	Member (Admin)	Full Powers
		ii)	GM (P&E)	2.00
		iii)	Regional GM Concerned	1.00
		iv)	Director (Admin)	1.00

PURCHASE OF STORE (INCLUDING TOOLS, PLANTS, COMPUTERS AND VEHICLES)

A) General Policy

68. Purchases of stores shall, as a policy, aim at encouraging development of the industries of the country to the utmost possible extent. It shall be consistent with economy and efficiency and the rules which are applicable to the purchase of stores for the Government.
69. While making purchases preference shall be given:
- **Firstly**, to articles which are produced in Pakistan provided the quality is sufficiently good for the purpose.
 - **Secondly**, to articles wholly or partially manufactured in Pakistan from imported materials provided that the quality is sufficiently good for the purpose.
 - **Thirdly**, to articles of foreign manufactured held in stock in Pakistan provided that they are of suitable type and requisite quality.
 - **Fourthly**, to articles manufactured abroad which need to be specially imported.
70. Any departure from the above order of preference shall require approval of the next higher authority.
71. As a general rule purchase of all indigenous articles is obligatory so long as the articles of the required quality are available. Option to purchase foreign manufactured stores shall only be resorted to if the articles of indigenous manufacture do not conform to the required quality.

CENTRALIZE AND DE-CENTRALIZED STORES

72. Member/DG (Administration) shall issue a list of the stores of each of the following types to enable control over purchase of items:

- Stores to be purchased centrally at head office of the Authority,
- Stores to be purchased at regional level but with prior approval from the head office of the Authority; and
- Stores to be purchased at regional level without involving the head office in the matter of approval.

73. Member/DG (Administration) shall issue instructions to be observed by the regional offices and the information to be supplied at the time of submission of the proposals for purchase of stores centrally or proposals seeking approval of the head office.

Powers for Purchase of Stores

74. Powers for purchase of stores shall be subject to the same procedures as specified in this Chapter.

75. The powers for purchase of stores are given in the following Table.

TABLE: III-8

POWERS FOR PURCHASE OF STORES

Nature of Power	Competent Authority		Maximum Monetary Limit (Million of Rs.)	Remarks
Acceptance of necessity & administrative approval for purchase of stores.	i)	NHA Executive Board	Full Powers	I n e a c h c a s e
	ii)	Chairman NHA	2.0	
	iii)	Member (Ops)/(Const.) and Member/DG (Admin)	1.0	
	iv)	G.M (Regional), G.M (Projects), G.M (Ops) and G.M (Finance)	0.500	
	v)	Director (Estab) HO	0.200	
	vi)	Project Director	0.020	
	vii)	DD (Admin) and DD (Maint Unit)	0.010	

PROCESSING OF INDENTS / DEMANDS

76. Whenever the necessity for procurement of a store item arises, the concerned Wing/Section shall prepare an indent indicating full particulars / specifications of the store along with an estimated cost and full justification for its purchase including the exact purpose for which the store item in question is to be used.
77. All indents having such an estimated value that requires purchase by open tender shall be initiated well ahead of the actual requirement in order to afford sufficient time to the section responsible for processing the indent and advertising necessary invitation to tenders in the newspaper(s), where necessary. When, however, an indent is not initiated in time, the G.M. concerned shall in the first instance certify that the necessity of the store in question has arisen in emergency.
78. All demands/indents shall, as far as possible, be so combined that the stores could be procured in reasonable lots in order to achieve maximum economy in the rates quoted by different tenderers.
79. All indents/demands shall be received in the Administration Wing and entered in a register known as “Indent Register” in approved format.

METHODS OF PURCHASE

80. Before taking any action to invite the tender or quotations, as the case may be, the concerned section of the Administration Wing shall, in the first instance, get administrative approval and technical sanction of the competent authority on the basis of indication of cost. Thereafter, subject to the general conditions of this Chapter, one of the following methods shall be adopted for their procurement keeping in view the estimated value of the indent: -

a) Open Tender.

- i All demands/indents which are valued at or above Rs. 300,000 and where either no supplier is enlisted with the Authority for the particular type of stores or the number of enlisted suppliers is, in the opinion of the competent authority, too small to afford a reasonable competition, shall, if time and other factors permit, be procured through open tender after due publicity in the newspapers.
- ii. If the response to any invitation to tender indicates that owing to inadequate publicity or some other reason favorable tenders have not been received, then fresh tenders may be invited and measures taken to bring the invitation to tender to the notice of all possible tenderers.
- iii. It shall be clearly stated in all invitations to tender that tenders must be for delivery in Pakistan and that payment of cost of stores shall be made in rupees in Pakistan. However, if the work order/contract is placed on a foreign firm, payment may be made in the agreed foreign currency.
- iv. Full payment for stores shall not be made until the stores have physically been delivered and are found to be satisfactory in every respect after due inspection/ prescribed tests.

b) Cash Purchase

Cash purchases can be made, dispensing with all the procedures for normal purchase in the NHA Code, except for administrative approval, if:

- a) The indent value does not exceed Rs. 20,000/- or the amount as notified by the Government from time to time.
- b) Item(s) for which no technically acceptable or economical offer has been received in response to open/limited tender; provided the value of the item(s) so extracted does not exceed that mentioned at (a) above.
- c) For which a repeat order cannot be placed, and/or

- d) Which cannot be bulked with other items/indents in hand.

The Purchase Officer, not below B-17, shall visit and locate the requisite item(s). After the stores have been located, purchase action shall be taken as follows: -

- a) The stores shall be procured and handed over to the concerned wing.
- b) The Cash Purchase Officer shall always endeavor to reduce the prices by negotiation whenever he considers the prices quoted by the dealer to be unreasonable. In case the item(s) are not available at reasonable prices, the purchase officer shall return the indent for normal procurement action with the certificate that the stores in question are not available at reasonable prices.
- c) An Indent Control Register shall be maintained by the officer responsible for cash purchase. The register shall show all the details of the purchases and delivery of stores to the concerned wings.

COMMITTEES FOR PURCHASE OF STORES, TOOLS AND PLANT

81. There shall be three purchase committees in the head office and two each in Regional Offices with the following composition:-

TABLE: III-9**COMMITTEE FOR PURCHASE OF STORES, TOOLS AND PLANTS**

Composition	Concerned Official
(a) <u>Head Office Committee-I (Bids Up To Rs. 0.050 Million).</u>	
Chairman	DD (Establishment)
Member	DD (P&CA)
Member	DD (B&A)
Member	DD (Welfare)
Secretary	AD (Establishment)
(b) <u>Head Office Committee – II</u> <u>(For Bids Above Rs. 0.050 Million but Not Exceeding Rs. 0.500 Million)</u>	
Chairman	GM (Ops)
Member	GM (P&CA)
Member	Director (Establishment)
Member	Director (MIS)
Member/Secretary	DD (Establishment)
(c) <u>Head Office Committee – III (For Bids Exceeding Rs. 0.500 Million)</u>	
Chairman	Member / DG (Administration)
Member	GM (Concerned)
Member	GM (Finance)
Member	GM (P&CA)
Member/Secretary	DD (Establishment)
(d) <u>Regional Office / Project Office Committee – I</u> <u>(For Bids Up To Rs. 0.050 Million)</u>	
Chairman	Director (Construction) / (Maintenance)
Member	DD (Accounts)
Member/Secretary	DD (Administration)

Composition	Concerned Official
(e) <u>Regional Office / Project Office Committee – II</u> <u>(For Bids Above Rs. 0.050 Million).</u>	
Chairman	GM (Region) / (Project)
Member	Director (Construction) / (Ops)
Member	DD (Accounts)
Member/Secretary	DD (Administration)

Note: In case of purchase of stores at project level, the function of the purchase committee shall be deemed to have been delegated to the Project Director concerned. The Project Director shall act as Chairman of the Purchase committee with two additional members, if available in the project office.

82. The purchase committee shall be responsible to ensure that:-
- a) All the relevant rules/procedures laid down in this Code have been duly observed.
 - b) The bids received from different contractors/bidders are comparable in as much as they are for the stores having same specifications. If not, the rates shall be re-computed after due adjustments for the different items included in one another.
83. Any change in the specification of stores recommended by the Purchase Committee after the receipt of bids shall require prior approval of the competent authority. No change in specification shall be made unless the officer indenting/demanding the stores has been consulted and his agreement obtained in black and white.
84. Paras 44 to 48 of this Chapter shall apply in the matter of Purchase Committee except that the recommendations of the Purchase Committee shall be submitted to the authority competent to accord sanction for the stores in question.

85. Purchase Committee shall also be responsible for random inspection of the stores actually supplied in response to the supply order placed on the successful bidder/contractor with particular reference to the samples supplied by him at the time of opening of bids.

86. Member/DG (Administration) shall issue detailed instructions for working of the Purchase Committees.

6. Tools and Plants.

87. Procedure for purchase of vehicles brought out hereinafter shall also apply for purchase of tools and plants, where applicable. Similarly the general policy contained in Para 67 to 70 above shall apply mutatis-mutandis to the purchase of tools and plants too.

TABLE: III-10

POWERS FOR PURCHASE OF TOOLS AND PLANTS

Nature of Power		Competent Authority		Maximum Monetary Limit (Million of Rs.)
1.	Administrative approval for purchase.	i)	Chairman, NHA	Full Powers.
		ii)	Member (Ops)/(Const.)/(Planning)	1.000
2.	Technical Sanction to estimates for purchase.		Member (Ops)/(Const.)/(Planning)	Full Powers.

7. Vehicles.

A. Procedure

88. Subject to the provision of para **68 to 71** above, purchase of vehicles shall be regulated by the following instructions:-

- i) Purchase of vehicles of all types shall henceforth be made on standardized basis after approval of the Chairman, NHA, for its officers.

-
- ii) All proposals for purchase of vehicles of any type shall be submitted with full justification to the Chairman, NHA who shall accord approval after due satisfaction as to the necessity and availability of funds.
 - iii) Exercise of powers under this section shall be subject to prior financial concurrence from the Member (Finance).
 - iv) Tenders/Quotations shall normally be invited from the Government Controlled Organizations dealing with the import and sale of vehicles or from their local sub-offices, wherever they exist. In case there is no such government organization or its local sub office, purchase of vehicles shall be made directly from the manufacturer or its authorized dealer. Purchase from local dealers shall be resorted to only when it is not possible to purchase it from the manufacturer or its authorized dealer.
 - v) Preference shall be given to the purchase of vehicles manufactured or assembled in Pakistan.
 - vi) No project vehicle shall be purchased unless there is a provision thereof in the PC-1 of that project. Whenever such a vehicle is purchased by NHA, the procedure in (i) to (v) shall be followed.
 - vii) Any vehicle purchased for use by a consultant shall revert to the Authority immediately on completion of the construction/consultancy contract. The Project Director shall ensure at the end of the project that all duties and taxes have been paid and major maintenance of the vehicle/s has been carried out.
 - viii) As soon as a vehicle is purchased its complete details including make, model, price, registration number etc, is provided to Member/DG (Administration) with a copy to the Member (Concerned).

COMMITTEE FOR PURCHASE OF VEHICLES

89. The purchase committee for purchase of vehicles shall comprise the following:

TABLE: III-11

COMMITTEE FOR PURCHASE OF VEHICLES

a) In Each Regional Office / Projects

Composition	Concerned Official
Chairman	General Manager Region / Project
Member	An officer of Finance Wing not below B-19
Member/Secretary	B-18 officer from Administration Section of Region.

b) At Head Office.

Composition	Concerned Official
Chairman	Member/DG Administration
Member	An officer of Finance Wing not below B-20
Member/Secretary	B-19 officer from Administration Wing

90. The procedure mentioned for the committee for purchase of stores and tool and plants shall be followed by this committee, in so far as it is applicable to purchase of vehicles.
91. Where opening of tenders is involved, the same shall be governed by the procedure laid down for the committee for opening of tenders for works/stores.
92. Necessary procedure for regulating working of the committee shall be issued by Member/DG (Administration).

ISSUANCE OF LETTERS OF ACCEPTANCE / INTENT/WORK ORDER

93. After fulfillment of all the conditions in respect of administrative approval, technical sanction, calling tenders etc. and working of committees, the letter of acceptance/intent/work order containing terms and conditions for the work shall be issued by the General Manager/Project Director/Director concerned to the successful bidder. The terms and conditions of the work order shall be standardized wherever applicable.

REPAIRS AND OVERHAULING OF TOOLS/PLANTS, MACHINERY AND VEHICLES

94. Work orders shall be placed only to such public/private organizations/firms/workshops as are considered to be most reliable and are borne on the approved list of the Authority. The requirement of calling quotations may be dispensed with only in case of emergency or where there is only one approved firm/organization/workshop at a particular station and competition of rates is neither possible nor considered necessary (the fact to be expressly recorded by the competent authority at the time of placing work order).
95. Director (Administration) at head office and each regional GM shall issue an approved list of workshops for the head office and the respective regions respectively. Detailed procedure for regulating processing of the cases for enlistment shall be issued by the Member/DG (Admin).
96. The repair/overhauling of Tools & Plants, Machinery and Vehicles shall be governed by the general rule that the cost of such repair must not exceed 30 percent of the replacement value of the relevant item.

TABLE: III-12

POWERS FOR REPAIRS OF TOOLS, PLANTS, MACHINERY & VEHICLES

Nature of Power		Competent Authority		Maximum Monetary Limit (Million of Rs.)	Remarks
1.	Administrative approval for repair/overhauling of tools, plants, vehicles and light machinery.	i)	Chairman NHA	Full Powers	
		ii)	Member / DG (Administration)	1.0	
		iii)	Regional GM / GM (Ops) / (Project)	0.10	
		iv)	Director / DD (Estab)	0.050	
		v)	PD	0.020	
2.	Administrative approval for repair and/or over-hauling of tools & plants, vehicles and light machinery without inviting tenders/ quotations.	a. <u>With Financial Concurrence</u>			
		i)	<u>Chairman NHA</u>	0.100	
		ii)	Member / DG (Admin)	0.050	
		iii)	Member (Ops)/(Const.) / (Planning)	0.050	
		iv)	GM (Region)/Project/ Director (Estab)	0.020	
		b. <u>Without Financial Concurrences</u>			
		i)	Chairman NHA	0.050	
		ii)	Member / DG (Admin)	0.025	
		iii)	Member (Ops)/(Const.) / (Planning)	0.025	
		iv)	GM (Region)/(Project) / Director (Estab)	0.010	
		v)	PD	0.005	

VARIATION ORDERS AND AMENDMENTS TO CONTRACTS - PROCEDURES

97. Normally the designs, specifications, estimates and the bills of quantities shall be prepared on such a realistic basis and so accurately that necessity for issuance of variation/change orders at a later stage does not arise. Variation/change orders shall, as far as possible, be avoided as a matter of policy.

-
98. If, however, it is felt that issuance of a variation / change order is essential due to change in alignment, design or specifications, the same shall be issued with the approval of the competent authority (Table III-13). The aggregate value of all variation orders issued against a contract shall not exceed 30% of original contract cost. In case of projects financed through foreign loans/aid, procedures, if any, agreed with the donor agency concerned shall, however, be observed.
99. Any change in the scope of work, however, small, as well as variations in cost of contract beyond the above limit, either due to change in specifications or variation in quantities, shall require issuance of formal amendment to the contract in question with the approval of the competent authority within whose powers the value of contract as amended falls.
100. No variation order/amendment shall be required/issued for variation in quantities of each item less than 1% of the original value of each item included in the original contract. The contractor shall be deemed to have catered, in the rates quoted by him, for the said estimation difference. Necessary Provision to this effect shall be duly made in each contract for capital/maintenance work.
101. When it is found that a variation/change or order or amendment is necessitated owing to a defect in design, estimates or drawing etc., the engineer concerned/consultant who prepared the design, estimates or the drawing shall be called upon to explain reasons for preparation of a defective design. Issuance of variation orders in such a situation shall require reasons to be recorded clearly in writing. Necessary procedure specifying the action to be taken in different cases of this nature shall be issued by the Member/DG (Admin) in consultation with Member (Planning)/Member (Operations)/(Construction).
102. The variation orders/amendments not involving any change in over-all cost of contract shall also require the approval of competent authority as per Table III-13.

103. Inclusion of non BOQ items during the execution stage shall, as far as possible, be avoided. However, in case it is absolutely essential to get new items of work executed, proper rate analyses shall be carried out in consultation with consultants and contractors. Rates finally agreed among the contractor, consultant and the GM concerned shall be submitted for approval of the competent authority through the tender acceptance committee.

104. Issuance of all variation orders/amendments shall require financial concurrence before submission of the proposal to the Chairman NHA / Member (Ops) / (Const.) or GM (Region) / (Project) respectively for final approval.

Note: Various financial limits and level of financial concurrence are given in Table III-13:

TABLE: III-13

POWERS FOR VARIATION ORDERS AND AMENDMENT TO CONTRACTS

Nature of Power		Competent Authority		Maximum %age or limit	Financial Concurrence by
A	Acceptance of necessity, technical sanction and issuance of variation/change orders in consultation with consultant in original contracts	i)	NHA Executive Board	Full Powers	
		ii)	Chairman, NHA	* 30%	Member (Finance)
		iii)	Member (Ops) / (Const)	* 15%	GM (Finance)
		iv)	GM (Region) / (Project)	* 3%	Director / DD (Accts/Rev) concerned
* of construction cost or up to administrative approval limit whichever is greater					
B	Approval of rates of Non-BOQ Items inserted during the currency of contract	i)	Member (Ops) / (Const.) **	Full Powers	
** They will inform the Chairman and Member (Finance) along with justifications					

- Note**
- 1) The percentages given above represent aggregate of all variation orders issued under a contract.
 - 2) General Manager (Region) / (Project) shall issue variation orders under intimation to Member (Operations)/(Construction)
 - 3) Provision of Para 70 and 71 of Chapter 2 shall be fully adhered to.

ENHANCEMENT OF CONTRACT RATES / RE-RATING OF CONTRACTS

105. No re-rating of contracts/enhancement of contract rate shall be made without the prior approval in principal of the NHA Executive Board. When such a course of action is considered absolutely necessary, the same shall be restored to only on a formal request from the contractor with full justification for the proposed enhancement in the contract rate(s), and shall be worked out strictly in accordance with the terms of contract agreement in consultation with the contractor, consultant and the General Manger Concerned.
106. The agreed working, showing the financial effect of re-rating shall be submitted by the concerned General Manager to the re-rating committee constituted at NHA Head Office. This Committee shall carefully scrutinize the details of re-rating proposal and submit its recommendations to the Chairman NHA through Member (Finance). Chairman, NHA shall then put up the proposal to the Executive Board for approval.
- Note:** SOPs for dealing with such cases shall be prepared and got approved from the Board.
107. The Re-rating committee shall comprise the following:

TABLE: III-14

RE-RATING COMMITTEE

	Capital and RMA Works > Rs. 30 million	RMA Works < Rs. 30 million
Chairman	Member (Finance)	Member (Ops)
Member	Member (Ops) / (Const.)	GM (Finance)
Member	GM (Region) / (Projects)	GM (Ops)
Member	GM (P&CA)	GM (P&CA)
Secretary	Director (Construction) / (RAMS) HO	Director (RAMS) HO

TIME EXTENSION

108. Times extension for both capital and maintenance work shall only be accorded by the Chairman. Reasons for grant of extension in time shall invariably be recorded. No extension in time shall be granted until its financial implications are properly worked out and brought into the knowledge of the competent authority for the grant of extension.
109. The case for extension of time shall be initiated by the contractor/consultant with full justification, comments from the General Manager Concerned and shall be submitted to the Member (Operations)/(Construction) / Chairman, NHA through Member (Finance).
110. Chairman /Member (Finance) may issue detailed instructions to be observed for processing time extension cases.

TABLE: III-15

POWERS FOR GRANT OF TIME EXTENSION

Competent Authority	Maximum %age or limit
Chairman NHA	Full Powers
Member (Ops) / (Const.)	Full Powers for contracts within their administrative approval limit
GM (Region) / (Project)	Full Powers for contracts within their administrative approval limit
<p>Note: 1. Extension of time should be fully quantified in financial ie cost effect terms.</p> <p>2. A quarterly summary of all EoT cases shall be submitted to the Executive Board for information.</p>	

SETTLEMENT OF CLAIMS / DISPUTES

111. The SOPs approved by the Board shall be followed for settlement of contractual disputes/ claims. The composition of the settlement committees is given in Table III-16:

TABLE: III-16

STAGE-I: COMMITTEE FOR AMICABLE SETTLEMENT	
GM (P&CA)	Chairman
GM (Concerned)	Member
Director (Legal)	Member
Director (P&CA) *	Secretary
* He shall be a non-voting member	
STAGE-II: COMMITTEE FOR AMICABLE SETTLEMENT	
Member (Finance)	Chairman
Member (Planning)	Member
Member (Ops) / (Const.)	Member
GM (P&CA) **	Secretary
** He shall be a non-voting member	

CHAPTER - 4

ENGAGING CONSULTANTS & ADMINISTRATION OF CONSULTANCY SERVICES

I. ENGINEERING CONSULTANTS

GENERAL CONDITIONS / PROCEDURE.

1. The services of a consultant shall, as a general rule, be obtained for technical jobs, when:-
 - a) The required expertise/skill is either not available in the Authority; or
 - b) The concerned officials of the Authority possessing the required skill/expertise are not in a position to afford necessary time and effort for the job; or
 - c) Where an independent advisor is required for a particular job.

Provided that such officials, if assigned a task of this nature, can also be offered reasonable additional remuneration for the purpose, decided prior to entrusting the job, with the approval of Chairman, NHA and concurrence of Member (Finance), if such a course of action is in the interest of the Authority in as much as:-

- a) It is considered that the job will entail lesser time or cost to complete than if the work had been entrusted to an outside consultant.
 - b) The experience gained by the official will benefit the Authority in the matter of completion of tasks of the similar nature in future.
2. Detailed procedure to regulate such assignments shall be issued by the Member Planning.

3. In cases where employees of the Authority are not in a position to carry out the job owing either to the non-possession of the required qualifications or their inability to afford time for the purpose, engagement of an outside consultant may be considered in the following manner:-
 - a) As far as possible a local consultant be engaged.
 - b) A foreign consultant shall only be engaged when
 - i) It is not possible to get the job done in any of the ways mentioned above; or
 - ii) It is the requirement of a donor agency that a foreign consultant be engaged on a specific foreign aided project.
4. When a foreign consultant engaged/appointed by the Authority proposes to appoint a local sub-consultant such appointment shall require prior approval of the Authority. It shall be the NHA who shall provide him with a panel of the local consultants from within those borne on its approved list. The Authority shall thereafter cause a permanent record of the particulars of such local consultants to be maintained for various types of jobs completed by them in collaboration with the foreign consultants.
5. For all future jobs of the identical nature, these local consultants shall, in the first instance, be called upon to offer their bids.
6. All possible efforts shall be made by the Authority to impart necessary training to its own engineers/officers in the relevant fields whose expertise could be utilized in future and the engagement of consultants could be avoided as far as possible.
7. Contracts for consultancy services, where essential, shall be drawn up in such a way that the Authority is committed to pay only the fees for technical services rendered by the consultant in accordance with their Terms of Reference. All overhead costs of rendering services shall be considered to have been included in the rates of fees quoted by the consultants at the time of invitation to bidders. However, provisional and reimbursable expenditures may be allowed in

exceptional cases on merit on case to case basis. Such exceptions shall be carefully examined keeping in view the requirement of a particular project. Except for vehicles, tools and plant, and machinery, where applicable, no stores shall be purchased by the Authority, as a matter of policy, for a local consultant unless specifically provided in the contract. In case of foreign consultants, however, the Chairman, NHA may approve purchase of stores, if provided for in the consultancy agreement. The purchase procedure shall be the same as laid down for purchase of stores for the Authority.

8. The names, designation, qualifications and experience of the staff to be employed by the consultants shall be explicitly reflected in the Agreement. Any subsequent change and replacements in staff shall be considered fresh recruitment.
9. The following shall be subject to approval by the Board:-
 - (a) Technical/Financial proposals for engagement of foreign consultants.
 - (b) Enlistment of a local/foreign consultant on the panel of the Authority's approved local/foreign consultants.
 - (c) Technical/Financial proposals for local consultants exceeding Rs. 50.00 million each.
 - (d) Extension in Time exceeding three months in case of foreign consultants, and exceeding six months in the case of local consultants.
 - (e) Variations in the cost of the consultancy in case of foreign consultants, exceeding 15% of the original contract cost.
 - (f) Variations in the cost of the consultancy in case of local consultants, exceeding 25% of the cost of original contract.

-
- (g) Variations in the cost of the consultancy due to replacement of an expatriate employee of the consultant at the rates exceeding 5% of those agreed in the original agreement.
 - (h) Variations in the cost of the consultancy due to replacement of a project manager of the local consultancy at the rates exceeding 10% of those agreed in the original agreement.
 - (i) Technical/Financial proposal for engaging a special consultant.
10. A detail procedure for submission of above cases to the Board shall be issued by the Member (Planning) in the Policies and Procedures Manual.
 11. No work order or request for technical services or advice shall be made to an outside consultant unless an agreement is signed.
 12. No variation in cost of consultancy services shall be allowed if no time extension is involved or unless there is a reasonable change in scope of work. In a case where time extension or change in scope of work is involved, it shall be strictly in accordance with the procedure for issuing variation orders notified by the Authority.
 13. Mobilization and demobilization of both local and expatriate personnel of the consultants shall be approved by General Manager. Mobilization/demobilization of Resident Engineers and Senior Resident Engineers shall require approval of Member (Operations) / (Construction) while that of Chief Resident Engineers shall entail approval of the Chairman, NHA.
 14. The rate(s) of technical fee for a particular type of consultant's personnel not provided in the original consultancy agreement shall require approval of Chairman, NHA.
 15. & 16. The consultancy documents prepared by PEC for procurement of different kinds of consultancies and services shall be used.

16. The standard documents mentioned above will be in conformity with the standard set by Pakistan Engineering Council.
17. Procedure contained in this chapter shall not only apply to the engineering consultants but it shall also be equally applicable in cases of appointment/engagement of Legal or Financial Consultants or Advisors or any other special consultants. The consultants in connection with Private Sector Financing shall also be governed by the procedure contained in this chapter.

ENLISTMENT OF LOCAL/FOREIGN CONSULTANTS

18. Only those reputable firms of consultants (both local and foreign) shall be enlisted who possess a vast experience and expertise in the related field, have the required technical skill and manpower and prove that they have completed, to the satisfaction of the Authority or other organization in Pakistan or abroad, similar works entrusted to them. The consultant shall be required to provide necessary documentary evidence in support of having completed the works of similar nature with required standard. The facts will be verified from the agencies/organization concerned as far as possible. Member (Planning) recommend prequalification of the consultants after due consideration of all relevant aspects as per SOPs of the Procurement & Contract Section approved by NHA Executive Board while following PPRA Rules, 2004 and standard consultancy documents of PEC approved by ECNEC.
19. All proposals for pre-qualification/enlistment of consultants shall be placed by the Member (Planning), with recommendations of the Chairman before the National Highway Executive Board for approval.

EVALUATION OF TECHNICAL/FINANCIAL PROPOSALS OF FOREIGN/LOCAL CONSULTANTS FOR THEIR ENGAGEMENT

20. Only technically sound and financially viable proposals shall be accepted. To achieve this objective, the technical and financial aspects of the proposal shall be evaluated by the Evaluation Committee.
21. The technical aspect shall be given a weight age of 80% while financial aspect shall entail a weight age of 20%.
22. The procedure to be followed by the technical and the financial committees and composition of these committees shall be as under:

a. TECHNICAL EVALUATION

23. The technical evaluation of the proposal shall inter alia entail verification and evaluation of the following aspects:-
 - a) the availability of qualified and experienced manpower with the Consultant and Hardware/Software;
 - b) the number of projects successfully completed by the consultants in the relevant field;
 - c) projects in hand and the comments of their present employers, if any.
24. The committee may interview any employee(s) of the consultant proposed to be employed.
25. All competitors shall be assigned ratings on the basis of weights allotted out of maximum weights assigned to each material event/activity involved, with full justification. Top three competitor obtaining maximum marks in the technical rating shall be recommended so far as technical aspect is concerned.

26. Criteria for evaluation provided in the Policies & Procedures manual shall be followed.
27. Two committees, headed by the General Manager (Planning) shall evaluate the proposals. For cases up to Rs. 10 million, the other members shall be Directors (P&CA), Design, Construction, Operation (for RMA only), Budget & Accounts/Establishment & Accounts and Planning. In cases above Rs. 10 million, besides General Manager (Planning), the committee shall comprise GM (Finance), GM (P&CA), GM (Design), GM (Construction), GM (Operation) (for RMA only), and Director (Planning).

b. FINANCIAL EVALUATION.

28. The financial evaluation shall be carried out by the same committee. The committee shall carefully examine and scrutinize in detail the requirements and the estimated cost of each item of expenditure, including fees, man months, requirement of vehicles, office equipment, machinery, utilities maintenance of facilities and other similar expenses included in each bid for consultancy services with proper analysis of rates/costs. Maximum weights shall be assigned to each material event/activity involved in the financial aspect of the proposal and each competing consultant shall be given the rating duly computed on the basis of the aggregate of weights obtained by him. The competitors getting the best rating shall be recommended for engagement.
29. Material events involved in the proposal, maximum weightage for each such event and the basis of weights shall be determined as per PPRA Rules, 2004 and standard consultancy documents of PEC approved by ECNEC.

II. POWERS

1. FOREIGN CONSULTANTS (Table: IV-1)

Nature of Power		Competent Authority	Maximum Limit (Rs. in Million)
A.	Technical/Financial Proposals for Engagement of Foreign Consultants / Approval of Cost of Consultancy	NHA Executive Board	Full Powers
		Chairman	20
B.	Extension in Time for completion of Consultancy Services with no financial effect	NHA Executive Board	More than Six months
		Chairman, NHA	Six Months
C.	Variation in Cost of Consultancy Services Due to Change in Scope of Work.	NHA Executive Board	Full Powers
		Chairman, NHA	30% of original cost
		Member (Planning)	15 % of original cost
D.	Approval to Employ Expatriate Employees of Consultants at more than the rates specified in the contract agreement	NHA Executive Board	Full Powers
		Chairman, NHA	5% of original rate
E.	Variation in consultancy cost due to time extension.	NHA Executive Board	Full Powers
		Chairman, NHA	30% of original rate
		Member (Planning)	15% of original rate
F.	Extension in time without cost effect	Chairman, NHA	Full Powers
		Member (Concerned)	Three Months

Note: The above percentages for variation in contract cost represent aggregate of all variation orders issued under a contract.

2) **LOCAL CONSULTANTS (Table: IV-2)**

Nature of Power		Competent Authority	Maximum Limit (Rs. in Million)
A.	Approval of Cost of Consultancy Services and Acceptance of Bid for Engagement of Consultant	i) NHA Executive Board	Full Powers
		ii) Chairman	50
		iii) Member (Concerned)	20
		iv) G.M. Concerned	10
B.	Extension in Time for completion of Consultancy Services with No Financial Effect	Chairman, NHA	Full Powers
		Member (Concerned)	Six Months
C.	Variation in Cost of Services due to change in scope of Work	NHA Executive Board	Full Powers
	(hired by approval of Chairman).	Chairman, NHA	40% of original cost
	(hired by approval of the Member)	Member (Concerned)	25% of original cost
D.	Approval to Replace Employees of Consultants at more than Agreed Rates.	NHA Executive Board	Full Powers
		Chairman, NHA	10% of original cost
E.	Variation in cost of consultancy services due to time extension	NHA Executive Board	Full Powers
	(hired with Chairman's approval).	Chairman, NHA	40% of original cost
	(hired with Member's approval).	Member (Concerned)	25% of original cost

Note: 1) Supervision consultancy scope, variation and extension of time to be linked with construction contract

II. SHORT TERM CONSULTANTS/ADVISORS

30. Occasions may arise where the Authority is required to seek or obtain advice or assistance of an outside expert, advisor or professional in a financial, legal or engineering matter (as distinct from preparation or execution of any plan,

program, or project dealt with above). In such a situation, the matter shall be brought to the notice of the Member concerned along with the proposed terms of reference to be issued to such expert, advisor or professional for his approval. Member concerned may himself approve the terms of reference or submit the same to the Chairman, NHA for approval, if he so feels.

31. No advice/assistance shall be sought unless the terms of reference for the same have been approved by the competent authority in advance.
32. The spirit of the general conditions mentioned in the beginning of this chapter shall also be kept in view in the case of petty consultants.
33. Rates/charges for such an advice/assistance to be paid to the expert, advisor or profession, as the case may be, shall also be settled in advance.
34. Subject to the above requirements, General Manager concerned shall be empowered to hire such consultants, professional or advisors if the cost does not exceed Rs. 100,000. Similarly, the Member concerned can hire such consultant, professional or advisor upto a cost of Rs. 500,000. All cases involving cost exceeding the above limits shall be referred to the Chairman, NHA for approval.

CHAPTER - 5

ESTABLISHMENT MANAGEMENT.

1. As per Section 14 of the NHA Act, the Authority shall with the approval of Council prescribe the procedure for appointment and terms and conditions of service of its officers and servants.
2. Notwithstanding the above terms and conditions including those for pension, CP/GP Fund, Leave etc., which shall be framed by Member / DG (Administration) and shall be notified by the Authority with the approval of the National Highway Council, different establishment matters of the Authority shall be subject to the following conditions/procedures as mentioned for each:

CREATION OF POSTS

3. A temporary post can only be created if:-
 - a) The expenditure can be met from within the lump sum budget provision or otherwise, from the head to which the expenditure is chargeable or the post can be accommodated within the budget provision by retrenchment of existing post(s) or by utilizing savings which accrue under the heads “Basic Salary of Officers” or “Basic Salary of Other Staff”, as the case may be.
 - b) Instructions issued by the competent authority regarding staff composition and work standards are strictly observed.
 - c) The post is created on a rate or scale of pay which has been approved by the Authority for other posts of the same character and designation in the Authority.

4. No temporary post shall be created without prior concurrence of the Member (Finance) and approval of the Executive Board.
5. A post in any wing or section which has remained vacant for a period of one year or more shall be deemed to have being abolished. The power for revival of that post shall not be exercised without obtaining approval of the Member (Finance).
6. The post of O.S.D. shall be created only for deputation or training purposes.
7. The Member (Finance)'s concurrence shall be sought for continuance of a temporary post in the next financial year well before the commencement of that year so that the posts not agreed to by the Member (Finance) are not continued in the next financial year even for a day.
8. For obtaining sanction for the creation of a post, the officer proposing the creation shall submit to the competent authority following documents/information to justify the creation of post:
 - a) A Statement, on the prescribed form, showing position of the existing posts of the same designation.
 - b) Nature and importance of the job for which post(s) are to be created.
 - c) Job description of each post.
 - d) Annual financial effect.
 - e) Certificate to the effect that necessary funds stand allocated for the purpose.
 - f) Certificate to the effect that posts to be created are in accordance with the yardstick, if any, approved by the Authority.

9. Subject to the above restrictions/conditions Chairman, NHA may approve creation of temporary posts upto B-16. All other cases shall be approved by the National Highway Executive Board.

CREATION OF POSTS OF WORK CHARGED ESTABLISHMENT

10. Pay of the work charged establishment shall not normally exceed what is admissible to the regular establishment of the same category, qualification and experience on initial appointment.
11. Ordinarily work charged establishment shall not be engaged for normal maintenance and repair works for which regular establishment already exists, except for works of emergency nature to be specified and reported to the next higher authority.
12. Provisions of para 8 of this Chapter shall also apply in the case of creation of posts of work charged establishment with the addition of a certificate to the effect that necessary provision for the post(s) does not exist in the relevant PC-I of the project.

TABLE: V-1

POWERS FOR CREATION OF WORK CHARGED POSTS

Basic Pay Scale		Competent Authority for		Remarks
		Proposal/ Recommendations	Approval	
1	BPS 1 to 10	General Manager Concerned	Member / DG (Admin) in Consultation with Member (Finance)	
2	BPS 11 to 15	Member (Concerned) in Consultation with Member (Finance)	Chairman, NHA	
3	BPS 16 to 18	Chairman, NHA	NHA Executive Board	
4	BPS 19 & above	NHA Executive Board	National Highway Council	Under intimation to MOC

CONVERSION OF TEMPORARY POST INTO PERMANENT

13. Temporary Posts which have been in existence continuously for five years or more and have been created for a work of permanent nature and are likely to continue for an indefinite period may be converted into permanent subject to the condition that:-
- a) The details of temporary posts converted into permanent posts during the course of a financial year, which are proposed to be transferred from Part II to Part-I of the budget for the next year, should invariably be reported to the Member (Finance) each year before first of October.
 - b) Permanent posts shall not be created abinitio.

TABLE: V-2

POWERS FOR CONVERSION OF TEMPORARY POSTS INTO PERMANENT

Basic Pay Scale		Competent Authority for		Remarks
		Proposal/Recommendations	Approval	
1	Upto BPS 16	Chairman, NHA	NHA Executive Board	Under intimation to MOC
2	BPS 17 to 21	NHA Executive Board	N. H. Council	

ABOLITION OF POSTS

14. The authorities competent to create a post shall also be empowered to abolish that post.

ENDORSEMENT OF ORDERS SANCTIONING CREATION/ CONVERSION/ ABOLITION OF POSTS TO VARIOUS AUTHORITIES

15. Copies of all orders sanctioning creation, conversion or abolition of posts shall be endorsed immediately to:-
- a) Next Higher Administrative Authority.
 - b) Member (Finance).
 - c) Accounts Section concerned
 - d) Budget Section

APPOINTMENT OF OFFICERS AND STAFF OF THE AUTHORITY

16. The powers for appointment of officers and staff of the Authority in various cadres shall be exercised in accordance with the NHA's Appointments & Promotions Rules, 1995.

TABLE: V-3

APPOINTMENT OF OFFICERS AND STAFF OF THE AUTHORITY

S.No.	Posts	Appointing Authority
1.	Posts in Basic Pay Scale 20 and above:	President National Highway Council.
2.	Posts in Basic Pay Scale 18 and 19:	NHA Executive Board.
3.	Posts in Basic Pay Scale 16 and 17:	Chairman, NHA.
4.	Posts in Basic Pay Scale 11 to 15:	Member/DG (Admin)
5.	Posts in Basic Pay Scale 1 to 10:	Regional G.M. / Director (Personnel)

POSTING / TRANSFERS

17. Except for Chairman and Members, the normal tenure for an officer on the same post would be three years and would not exceed five years in any case.
18. The above general principle may not apply in the case of technical officers/experts, who have been recruited for the same post in which they are working.
19. The officers acting as appointing authority of an employee as per National Highway Authority (Appointment, Promotion and Transfer) Rules, 1995 shall, as a general rule, have full powers in respect of posting and transfer of such employee. All posting/transfer orders shall formally be issued by the Administration Wing.

INTER-REGION/HEAD OFFICE PERMANENT TRANSFERS & VICE VERSA

TABLE: V-4

S.No.	Officers/Staff in	Competent Authority
1.	Basic Pay Scale 20 / 21	Chairman NHA in consultation with Member(s) concerned
2.	Basic Pay Scale 17 to 19	Chairman NHA in consultation with Member(s) concerned
3.	Basic Pay Scale 11 to 16	Member / DG (Admin) on the recommendation of the Member concerned
4.	Basic Pay Scale 1 to 10	Director (Personnel) in consultation with DG (Admin)

NOTE: Notification of transfer/posting shall be drafted by the respective competent authority in each case and issued mutatis mutandis by the Administration Wing.

TRANSFERS WITHIN THE SAME WING

Table: V-5

S.No.	Officers/Staff	Competent Authority
1.	Basic Pay Scale 20 & 21	Chairman NHA in consultation with Member(s) concerned.
2.	Basic Pay Scale 17 to 19	Member Concerned
3.	Basic Pay Scale 11 to 16	GM concerned in consultation with the Member concerned
4.	Basic Pay Scale 1 to 10	G.M. Concerned

NOTE: Notification of transfer/posting shall be drafted by the respective competent authority in each case and issued mutatis mutandis by the Administration Wing.

MOVEMENT ON TEMPORARY DUTY / TOUR

a) WITHIN THE COUNTRY (Table: V-6)

S.No.	Officers/Staff in	Competent Authority
1.	Basic Pay Scale 21 and above.	Chairman, NHA.
2.	Basic Pay Scale 19 and 20.	Member Concerned.
3.	Basic Pay Scale 17 and 18	Member/DG (Admin) / G.M. Concerned.
4.	Basic Pay Scale 1 to 16	Director Concerned.

ABROAD

20. The following conditions shall govern the approval of the competent authority for temporary duty/tour abroad:-

- i) either no expenditure in foreign currency on passage, daily allowance, registration fee and contingent items etc. is involved or if such an expenditure is involved, the same can be met from within the foreign exchange allocation made to the Authority for the period.
- ii) sanction for drawing of pay, daily allowance etc. shall be admissible under rules applicable to the Federal Govt. servants.
- iii) an employee is allowed to take his/her spouse with him/her to the place of visit at his/her own expense.

TABLE: V-7

S.No.	Officers/Staff in	Competent Authority
i)	Basic Pay Scale 21 and above.	Secretary Communications
ii)	Basic Pay Scale 1 to 20:	Chairman, NHA

TRAINING

a) Local Training.

21. Every year an Annual Training Plan shall be prepared by the office of Secretary NHA in consultation with each wing for in country training of the employees of the authority in different relevant fields. The plan shall be got approved from the Chairman, NHA in anticipation of commencement of the year in which the implementation is to start.
22. Subject to the conditions mentioned below, where applicable, Secretary NHA shall issue detailed instructions/procedure to regulate the processing of cases of training in the country.

TABLE: V-8

S.No	Officers/Staff in	Competent Authority
i)	Basic Pay Scale 1 to 20	Member (Concerned)
ii)	Basic Pay Scale 21 & above	Chairman, NHA

b) Training Abroad.

23. The powers for approval of training of the employees abroad are subject to the following conditions: -

- i) Budget provision exists,
- ii) Procedure prescribed by the Authority or in its absence, by the Federal Government is observed,
- iii) Foreign exchange expenditure is met out of sanctioned allocation for the period,
- iv) Sanction for not more than one month's pay in foreign exchange is accorded; that too, if rupee cover is provided by the employee himself.

24. Permission to the employee to take spouse on training abroad shall be granted in the following cases:-

- 1) When the period of training is more than one year,
- 2) The employee gives an undertaking that the expenses on passage etc. of family shall be borne by him/her.

Provided that in both the cases at (1) and (2) above, the employee shall draw full pay (excluding compensatory allowances) in foreign exchange for the period of stay of his wife abroad.

25. Permission to the employee to take spouse abroad shall be granted by the Chairman, NHA.
26. Member/DG (Administration) shall issue detailed instructions for regulating cases of training abroad.

TABLE: V-9

POWERS FOR APPROVAL OF CASES OF TRAINING ABROAD

S.No	Officers/Staff in	Competent Authority
i)	Basic Pay Scale 20 and above:	Chairman NHA
ii)	Basic Pay Scale 1 to 19	Member (Concerned)

DEPUTATION OF NHA EMPLOYEE

27. When a demand is received from a Government/Semi-government department/body or an autonomous/semiautonomous body for posting of an NHA employee on deputation to that department/body, the terms and conditions of deputation of the employee shall be settled with the borrowing department/body concerned.
28. In the matter of posting of an employee of B-19 and below on deputation to another autonomous body, Chairman, NHA shall be fully empowered to approve such a deputation besides settlement of the terms and conditions with the borrowing department. Where services of NHA employee of B-20 and above are to be lent to an autonomous body or placed at the disposal of a Federal or Provincial Government department, the terms shall be decided by the Ministry of Communications with the government department concerned. Approval of Secretary (Communications) shall be necessary in such cases.
29. Normal tenure for each type of deputation shall be three years extendable upto five years. No further extension in the period of deputation shall be permissible.

30. Deputation of an employee to any other department on a lower post shall not be allowed.
31. All cases of deputation abroad shall be referred to Ministry of Communications/Establishment Division, as the case may be, according to the government rules.
32. Before recommending cases for deputation, Member concerned shall, in consultation with Member/DG (Administration), satisfy himself that the work of the Authority will not suffer in any respect due to lending of an employee's services to other department/body.
33. Member / DG (Administration) shall issue detailed procedure for regulating cases of deputation.

GRANT OF LEAVE

34. Powers under this caption shall be regulated by Revised Leave Rules, 1980 circulated by the Finance Division for employees of the Federal Government as amended from time to time.

TABLE: V-10

GRANT OF LEAVE

S. No	Officers/Staff		Competent Authority	
			<u>Upto 10 Days</u>	<u>Exceeding 10 Days</u>
A.	CASUAL LEAVE.			
	i)	Chairman, NHA	Secretary, MOC.	Minister In-charge
	ii)	Basic Pay Scale 21 and above.	Chairman, NHA	Secretary, MOC.
	iii)	Basic Pay Scale 20:	Member Concerned.	Chairman, NHA
	iv)	Basic Pay Scale 19:	G.M. concerned.	Member Concerned.
	v)	Basic Pay Scale 18:	Director concerned	G.M. concerned.
	vi)	Basic Pay Scale 17:	Dy. Director Concerned	Director concerned
	vii)	Basic Pay Scale 11 to 16:	Assistant Dir. Concerned	Dy. Director Concerned
viii)	Basic Pay Scale 1 to 10:	Superintendent Concerned	Assistant Director Concerned	

S. No	Officers/Staff		Competent Authority	
			<u>Upto 45 Days</u>	<u>Beyond 45 Days</u>
B.	LEAVE WITH FULL/HALF PAY.			
	i)	Chairman, NHA	Secretary, MOC.	Minister In-charge.
	ii)	Basic Pay Scale 20 and above.	Chairman, NHA	Secretary, MOC.
	iii)	Basic Pay Scale 19:	Member Concerned.	Chairman, NHA
	iv)	Basic Pay Scale 18:	G.M. concerned.	Member Concerned.
	v)	Basic Pay Scale 17:	Director concerned	G.M. concerned.
	vi)	Basic Pay Scale 11 to 16	Dy. Director concerned	Director concerned
	vii)	Basic Pay Scale 1 to 10:	Assistant Dir. Concerned	Deputy Director Concerned
C.	STUDY LEAVE.		<u>Upto Two Years</u>	<u>Beyond Two Years</u>
	i)	Basic Pay Scale 17 and above	Chairman, NHA	Secretary, MOC.
	ii)	BPS 1 to 16	Member Concerned.	Chairman, NHA
D.	MEDICAL LEAVE		<u>Upto 2 Years</u>	<u>Between 2 to 5 Years</u>
	i)	Chairman, NHA	Secretary, MOC.	Minister In-charge.
	ii)	BPS 17 and above.	Chairman, NHA	Secretary, MOC.
	iii)	Basic Pay Scale 1 to 16	Member Concerned.	Chairman, NHA
E.	LEAVE EX-PAKISTAN		<u>Upto 2 Years</u>	<u>Between 2 to 5 Years</u>
	i)	BPS 21 and above	Secretary MOC	Minister In-charge
	ii)	BPS 17 to 20	Chairman, NHA	Secretary. MOC
	iii)	BPS 1 to 16	Member/DG (Admin)	Chairman, NHA
F.	LEAVE PENDING RETIREMENT/ EN-CASHMENT OF LPR.		Authority competent to sanction pension.	Provided that LPR/En-cashment to an employee on deputation to the Authority shall be sanctioned/paid by his parent department / organization.
G	EXTRA ORDINARY LEAVE		<u>Upto 2 Years</u> (Subject to Min. 5 years Service)	<u>Between 2 to 5 Years</u> (Subject to Min.10 years Service)
	BPS 17 and above		Chairman, NHA	Secretary MOC
	BPS 1 to 16		Member/DG (Admin)	Chairman, NHA

GRANT OF PENSION

35. The Rules/Regulations applicable to the Federal Government Servants, as amended from time to time, shall apply mutatis mutandis to the employees of the Authority in toto.
36. However, terms and conditions of all NHA employees shall be prepared and got approved from the National Highway Council by the Member/DG (Administration) in terms of Section 14 of the NHA Act in due course of time.

TABLE: V-11

POWERS FOR GRANT OF PENSION, MEDICAL CHARGES TO PENSIONERS

Nature of Power	Competent Authority	Maximum Limit of Powers	Remarks
A Superannuation, Retiring Compensatory, and Invalid Pension including Commuted Value of Pension.	i) Member/DG (Admin)	B-17 & above	
	ii) Director (Personnel)	B-1 to 16	
B Gratuities (Where Pension is not mature.)	i) Member/DG (Admin)	B-17 & above	
	ii) Director (Personnel)	B-1 to 16	
C Reimbursement of Medical Charges to Pensioners when admissible under NHA Medical Rules.	i) Member/DG (Admin)	Full Powers	
	ii) Director (Establishment)	Rs. 10,000	
D Condonation of interruption in service	i) Chairman, NHA	B-17 & above	Subject to the Condition that:-
	ii) Member/DG (Admin)	BPS 1 to 16	a) each spell is qualifying b) no condonation shall be sanctioned in case of voluntary retirement or resignation.

Nature of Power	Competent Authority	Maximum Limit of Powers	Remarks
E Condonation of deficiency in qualifying service for pension.	i) Member/DG (Admin)	B-17 & above	Subject to the condition that:-
	ii) Director (Personnel)	BPS 1 to 16	a) deficiency is less than one year.
			b) the deceased or the employee is retiring under circumstances beyond his control such as invalidation or abolition of his post, would have completed another year of service had he not retired or died.
			c) the service rendered by the employee was meritorious.
			d) the employee has rendered a service not less than five years.
			e) No condonation beyond 30 years of qualifying service permissible.

LOANS AND ADVANCES TO THE AUTHORITY'S EMPLOYEES

37. All the relevant rules governing grant of loans and advances to the Federal Government Servants shall also apply mutatis mutandis to the employees of the Authority.

TABLE: V-12

Nature of Power		Competent Authority		Extent of Power	Remarks
A ADVANCE FOR HOUSE BUILDING, PURCHASE OF MOTOR CAR, MOTOR CYCLE OR BICYCLE					
i)	Advance for Purchase of Plot, Purchase/ Construction of House	i)	Chairman, NHA	B - 21 & above	Subject to production of Surety bond, fulfillment of Conditions prescribed by Rules of Govt. regarding Mortgage etc. and Certification of Availability of funds by Finance Wing.
		ii)	Member /DG (Admin)	B-17 to B-20	
		iii)	Director (Establishment)	B-1 to B-16	
ii)	Advance for Purchase of Motor Car	i)	Chairman, NHA	B – 21 & above	
		ii)	Member/DG (Admin)	Up to B-20	
iii)	Advance for Purchase of Motor Cycle/ Scooter/Bicycle	i)	Director (Establishment)	Full Powers	
B OTHER ADVANCES					
i)	TA/DA Advance on:				
	• Temporary Duty	Authority competent to approve temporary duty.			
	• Permanent Transfer	Authority competent to approve permanent transfer		Upto 75 % of the total amount of TA/DA admissible under the rules.	
ii)	Advance of Pay on Permanent Transfer.	Authority competent to approve permanent transfer		Equal to one Month's pay	

HONORARIUM

38. Honorarium shall be admissible to an employee of the Authority who has performed a work which is occasional and exceptional in character and either so laborious or of such special merit as to justify special reward.
39. Grant of honorarium shall be subject to the condition that: -

- a) The work for which an honorarium is offered shall be undertaken only after prior approval of the Member (concerned) who shall record full details of the work and the reasons justifying the grant of honorarium.
 - b) The Chairman, NHA may on specific recommendations of the Member concerned and fully satisfying himself as to the nature, volume and importance of the work performed by an employee, sanction grant of honorarium of an amount as deemed fit.
40. Grant of honorarium is subject further to the following conditions:-
- i) the relevant rules/policy instructions if any issued by the Authority from time to time have been duly observed.
 - ii) grant of honorarium is not used as a source of compensation to an employee for special pay etc. not otherwise admissible under rules.
 - iii) no honorarium in excess of the specific provision made in the sanctioned budget shall be sanctioned. A certificate to this effect shall be obtained from the Finance Wing and attached with the proposal for obtaining prior approval of the Member concerned for undertaking the work involving grant of honorarium.

MEDICAL CHARGES

41. The exercise of power for sanctioning medical charges are subject to observance of the NHA's Medical Regulations, 2002 unless repugnant to the provisions contained hereunder:-.

TABLE: V-13

Nature of Power		Competent Authority		Extent of Power	Remarks
A	Sanction of Advance for medical treatment. (Subject to payment of the advance to the Hospital direct or reimbursement of the amount of advance on the authority of a valid evidence supporting payment by the employee).	i)	Member /DG (Administration)	Full Powers	On specific recommendations of MO, NHA to the effect that patient must be admitted in emergency in an hospital such as CMH etc. where the hospital authorities demand such an advance.
		ii)	G.M. Region / Project	Upto Rs. 50,000	
B	Reimbursement of medical Expenses to Employees over and above the ceiling prescribed by the Authority.	i)	Member/DG (Admin)	Full Powers	Reimbursement shall always be
		ii)	G.M. Region / Project	Upto Rs. 20,000 above the ceiling.	subject to recommendation of the MO, NHA
C	Approval for enlistment of Doctors/Hospitals/ Laboratories on NHA Panel.	i)	Member/DG (Admin)	Full Powers	
		ii)	Regional GM	Full Powers	For his region only
D	Sanction of claims submitted by doctors / hospitals / laboratories on NHA panel in accordance with approved rates and on recommendations of Medical Officer	i)	Member /DG (Administration)	Full Powers	
		ii)	General Manager Region / Project	Rs. 50,000	
		iii)	Director (Establishment)	Rs. 200,000	

WRITING/COUNTERSIGNING OF ACRs /PERs

42. The following procedure shall be followed in the matters of writing/initiating of Annual Confidential/Performance Evaluation Reports of the employees of the Authority:-

- a) ACR dossiers of all employees, irrespective of grade, shall remain in the custody of Director (Personnel). However, duplicate dossiers in respect of the employees in BPS 1 to 15 shall be maintained in the respective region/head office, as the case may be.
- b) ACRs/PERs of all employees shall invariably be forwarded to the concerned administration section by the end of February every year, duly written and countersigned by the officers competent to initiate and countersign them as per table given below.
- c) If some adverse remarks are contained in and ACR/PER, a copy of the whole ACR/PER shall be communicated by the Director (Personnel) to the employee concerned within the prescribed period. Representations against the adverse remarks shall be dealt with in accordance with publications/instructions mentioned in para (d) below.
- d) All the instructions contained in the Guide to Performance Evaluation, 1986 and orders issued by the Federal Government from time to time. Instructions printed on reverse of the ACR/PER form shall also be kept in view while writing/countersigning the ACRs/PERs.

TABLE: V-14

Employee/Officer Reported Upon	Reporting Officer	Countersigning Officer
Officers in B-21	Chairman, NHA	Secretary Communications
Officers in B-20	Member Concerned	Chairman, NHA
Officers in B-19	GM Concerned	Member Concerned
Officers in B-18	Director Concerned	GM Concerned
Officers in B-17	Deputy Director Concerned	Director Concerned
Officers in B-16	Assistant Director Concerned	Deputy Director Concerned
Employees in B-1 to 15	Superintendent Concerned	Assistant Director Concerned

MISCELLANEOUS

43. With regard to the establishment matters included in section “Miscellaneous” of this chapter, various rules/regulations/condition applicable on government side shall apply in the case of Authority as well.

TABLE: V-15

	Nature of Power	Competent Authority	Conditions to be fulfilled.
1	Sanction to sit late after normal office hours.	Asstt. Director incharge of the Section	Subject to entry of all such sanction in a register prior to sitting late under intimation to the Deputy Director concerned.
2	Approval to Overtime Claims.	Director (Admin)/Regional GM/PD/Director concerned.	Subject to the ceilings prescribed for each category of employees and recommendations of the Deputy Director concerned.
3	Payment for Arrears of Pay, Allowances etc.	Director (Accounts) concerned	Subject to a valid authority such as an amendment to rules/orders regarding pay and allowances effective from a retrospective date, in support of the claim or recording of reasons for not claiming the amount on becoming admissible.
4	Sanction of Honoraria to Employees in connection with Departmental Examinations in accordance with rules.	Member/DG (Admin)	Subject to the rates/scales approved by the Authority/Federal Government from time to time
5	Sanction to the undertaking of a work for which a fee is offered and acceptance of the fee including exemption from crediting a portion to Authority.	Chairman, NHA	<ol style="list-style-type: none"> 1. In respect of fees paid for services rendered in Pakistan. 2. One third of the fees in excess of USD 1000 or equivalent received by an employee for consultancy outside Pakistan, shall be credited to the Authority's revenues. 3. The powers delegated for grant of fees shall be exercised only after:- <ol style="list-style-type: none"> a) the work has been undertaken with prior consent of the competent authority b) the amount of the fee has been settled in advance 4. The fees shall normally be payable to non employees. However, the Chairman, NHA may allow undertaking of a work by an employee of the Authority if he is satisfied that the work can be performed without detriment to the public service.

	Nature of Power	Competent Authority	Conditions to be fulfilled.
6	RELAXATION OF PRESCRIBED TIME LIMIT:-		
	a) For submission of TA/DA Bill.	GM (Finance)	Where no TA/DA advance was drawn. Where, however, such an advance was drawn the adjustment TA/DA claim must be submitted within 12 months of the performance of the journey, failing which advance shall be recovered in lump sum.
	b) Where the family of an employee could not join him within one year due to education of children, on medical grounds or on compassionate grounds.	GM (Finance)	Subject to the condition that:- a) any advance drawn in respect of the family member not accompanying the employee, shall be refunded within one year b) relevant rules are observed.
	c) In respect of a member of family of a transferred employee preceding him.	GM (Finance)	Provided that the family member performed journey after issuance of transfer orders of the employee concerned.
7	Power to decide the amount of Permanent Travelling Allowance to be drawn by a govt. servant holding more than one post to which this allowance is attached.	Member (Finance)	Provided that the amount of the allowance shall not exceed the aggregate of the permanent travelling allowance admissible to all such posts.
8	Grant of travelling and daily allowance to non-official members of commissions/ committees etc. set up by the Govt/ Authority and to foreign experts.	Member (Finance)	Subject to the condition that :- a) TA / DA does not exceed maximum rate admissible to NHA employees of B-20. b) Where the person concerned has of necessity to stay in a hotel, reimbursement of single room rent up to the maximum admissible to NHA employees shall be made on production of receipts/voucher of the hotel.
9	Grant of daily allowance for compulsory/ forced halt due to dislocation of communications.	Member (Finance)	Full Powers
10	Grant of Advances to Employees of the Authority from provident fund.	Member/DG (Admin)	Full Powers subject to NHA Provident Fund Rules.

Nature of Power		Competent Authority	Conditions to be fulfilled.
11	Authorisation of final payment of fund dues of a deceased employee to the members of his family, dispensing with production of succession certificate and guardianship certificate in the case of minor heir(s).	Member /DG (Administration)	Subject to production of indemnity bond or in accordance with relevant provisions of Treasury Rules of the Government.
12	Question of deciding the real legal heirs in case where there is no nomination or the nomination is incorrect or invalid.	Member /DG (Administration)	In consultation with the Legal Advisor/Law Division.
13	Grant of Conveyance or Permanent Travelling Allowance to an employee of the Authority whose duties require him to travel extensively within a short distance from his headquarters.	Member (Finance)	Full Powers
14	Drawl of Leave Salary abroad in Foreign Exchange.	Chairman, NHA	Subject to the condition that the salary does not exceed 120 days and the foreign exchange provision is available in the approved budget.

DISPOSAL OF OLD RECORD

44. Member/DG (Administration) shall issue a detailed procedure for regulating disposal of old records of different categories defining these categories, declaration thereof as old, period of retention of each, method of transfer to old record room, subsequent disposal and the authorities competent thereof.

CHAPTER - 6

CONTINGENT EXPENDITURE

GENERAL PROCEDURE

1. Subject to observance of the rules/procedure applicable in each case, the officers of Administration Wing at the Head Office and Regions shall be fully authorised to sanction, from time to time, expenditure, to the extent of the allocations made to them, in accordance with the powers delegated to them.

Provided however, that the onus of keeping an up-to-date record of head-wise appropriations, to avoid any possible excess over allocations, shall, in this case, be that of the Administration Wing/Region concerned. The Accounts Section concerned shall also keep a close watch on the appropriations through an Appropriation Register. No bill on account of establishment charges shall be passed by any Accounts Section for payment until the space allocated therein for appropriations is duly filled in correctly.

2. Following powers shall be applicable in respect of each of the items of contingent expenditure mentioned hereunder or included in this chapter except the items of expenditure for which the powers have been mentioned separately:
 - Repair of Office Equipment including computers, Furniture/ Fixtures, Drawing/Surveying Articles
 - Transportation of Goods /Records (Freight, Cartage & Coolly Charges including Hiring of Transport, for the purpose, if NHA Transport is not available.)
 - Conveyance Charges.
 - Binding of Official Records.
 - Purchase of Uniforms & Liveries
 - Hot and Cold Weather Charges.
 - Expenditure on Security of VIP's.
 - Copying and Translation Charges

- Other Contingent Expenditure not covered under specific items.(including Postage, Telegraph, Telex, Tele-printer, Courier, Pilot Service, Money Order Charges, Utilities bills comprising Gas, Water, Electricity, telephone etc).

TABLE: VI-1**POWERS**

Nature of Power	Competent Authority		Maximum Monetary Limit (Million of Rs.)
Expenditure Specifically Shown Item-wise in the Approved Establishment Budget in Detail.	i)	Member/DG (Admin)	1.0
	ii)	General Managers	0.3
	iii)	Director (Estab) H.O.	0.10
	iv)	Project Director/ Director*	0.050
	v)	D.D. (Admn.) H.O.	0.030
	vi)	D.D. (Maint)	0.020

- * Director includes Project Director (Maintenance), Director Land Management, Director Accounts, or any other officer designated as Director in the region or Self Accounting Project.

HIRING OF OFFICE FURNITURE AND SPECIAL TOOLS & PLANTS

- Hiring of office furniture and special tools and plants shall ordinarily be avoided. The maximum period for which the furniture or tools and plants can be hired shall be six months. Within this period necessary purchase of the relevant items shall be completed and the hired ones returned.
- Where, however, the period of hiring exceeds six months but does not exceed twelve months, approval of the next higher authority shall be obtained.

5. Member/DG (Administrations) shall issue detailed instructions governing hiring of furniture, tools and / or plants.

HIRING OF BUILDINGS

A. Office Buildings

6. While hiring private buildings for use as office, the per square foot rates of rent, applicable to the area, fixed by the Federal Government from time to time would generally be adhered to. Other rules/conditions applicable for hiring of office buildings by the Federal Government shall also apply mutatis mutandis to those hired for the Authority's offices.
7. Barest minimum accommodation shall be hired for office for the limited periods so long necessity is there. As soon as the funds position permits, efforts shall be made to process the case for construction of the Authority's own offices.

B. Residential Buildings

8. As regards the hiring of residential buildings for the employees of the Authority, all the rules as to scales and standards laid down by the federal government from time to time for hiring of residential accommodation for employees of different categories/classes shall be applicable for the purpose.
9. The hiring of residential buildings shall however be subject to the rental ceilings approved by the Authority for various categories of its employees and assessment of rent by a Board constituted by it for the purpose, from time to time, with the approval of Member/DG (Admn).
10. Composition of the Assessment Board shall be as under:-
 - i) Chairman: An officer of the Finance Wing not below B 18
 - ii) Member I: An engineer of the level of AD (B-17).
 - iii) Member II: An officer of the level of Superintendent from Administration Wing.

11. The Board shall inspect the accommodation physically before recommending its hiring.

POWERS FOR HIRING OF BUILDINGS

Type of Building		Competent Authority	Maximum Limit
1.	Office Buildings	Chairman, NHA	Full Powers
		Member/DG (Admin)	Rs. 100,000 per month
		G.M. (Region)/(Project)	Rs. 30,000 per month
2.	Residential Building	G.M. (Region)/ (Project)	Full Powers according to scales
		Director (Estab)	Rs. 25,000 per month

12. Work charged establishment appointed on monthly rates of pay shall also be allowed this facility. However, advance rent upto one year shall be admissible only if the work charged employee has completed a minimum continuous service of three years.

C. Rest Houses

13. Hiring of a private residential building for use as rest house shall only be made after prior approval of the Chairman NHA.
14. Each such proposal shall contain detailed justifications regarding necessity of the rest house proposed to be established.
15. A comprehensive and complete record relating to allotment of different rooms of each rest house along with the rent recovered from the occupants shall be caused to be maintained by the officer entrusted with the management of the rest houses under monthly intimation to the concerned Regional Accounts Officer.

16. All receipts of the rent shall be deposited immediately in the NHA Fund before the close of the office on the next working day.
17. Rates of Room rent and the allotment policy shall be got approved from the Chairman NHA. Rent of furnishings shall be duly included separately in the daily rates chargeable from the occupants/allottees.
18. A monthly Income and Expenditure Account shall be prepared and forwarded to the senior most representative of the Finance Wing working at the station in respect of each rest house showing the details of amounts recovered from the allottees and the expenditure incurred on minor repairs etc. of the rest house, its monthly rent paid to the owner and the utility bills paid in respect of the rest house. A monthly report about the income and expenditure shall be forwarded monthly to the General Manager Finance.
19. Every possible effort shall be made to make the rest houses a source of revenue by enhancing the room rent etc. chargeable from the occupants keeping in view the expenditure incurred by the Authority on their maintenance.
20. Any deficit in the monthly account shall be enquired into and reasons therefore, recorded besides proposing remedial measures to reduce the deficit in future.

D. Period of Lease Agreement

- 21 All buildings shall normally be hired for a period not less than three years. Lease Agreement entered into with the owner of the building shall be on “Non Repairing Basis”, i.e. the owner shall be responsible for all repair/maintenance of the building during the period of the lease and no such repair shall be carried out to hired buildings at the cost of the Authority.
- 22 Maximum two years’ advance rent may be paid to the owner at the time of initial hiring if the funds are available. Thereafter, not more than one year’s advance shall be paid on subsequent extensions.

- 23 Lease agreements for the residential buildings shall be signed by the General Manager concerned/Director (Admn). As for the lease agreements in respect of buildings hired for use as office or rest house, the same shall also be signed by the General Manager concerned/Director (Admn) but after approval from the Chairman, NHA.

Note: National Highway Executive Board may relax any of the conditions/restrictions stated at A to D above.

**APPOINTMENT OF ESTABLISHMENT CHARGEABLE TO
“CONTINGENCIES” (B 1 TO 4).**

24. Appointment of establishment chargeable to contingencies shall be subject to the condition that:-
- a) The staff in question shall, as far as possible, be employed on daily wages for the minimum number of days for which their services are required.
 - b) The pay allowed to the contingent establishment does not exceed that admissible to regular employee of the same category.
 - c) The budget allocation, in lump sum or otherwise, exists therefore under the relevant head.
 - d) General Manager concerned shall have full powers to appoint contingent paid staff subject to the above conditions. However, he shall submit a quarterly report to the Chairman, NHA justifying the appointment of such staff.

**UTILITY BILLS SUCH AS TELEPHONE CHARGES,
FAX, ELECTRIC, WATER, GAS ETC****A. Telephone Charges**

25. Monthly ceilings, for both office and residential telephones, shall be fixed by the NHA in respect of officers in different pay scales.
26. Any excess of expenditure on residential telephones over the monthly ceilings shall be borne by the officer concerned. However, any excess over the ceiling meant for office telephone may be condoned by the Member (Finance) on the basis of full justification in each case.
27. Before making payment, the telephone bills shall be verified and accepted by the officer under whose control the telephone is installed.

B. FAX

28. Every possible effort shall be made to keep the FAX bill to the barest minimum. A complete record of the FAX messages sent to various locations should be kept in a register, to be maintained by the personal staff of the officer concerned, containing fax number of destination, Particulars of Addressee, No and date of letter, its pages, with the name of Section sending the FAX message.
29. The officer provided with the Fax Machine shall be responsible for controlling the expenditure to the minimum. Any excess over Rs. 15,000 per month shall require approval of General Manager (Finance) on submission of the case with full justifications.
30. The bills on account of FAX shall be verified and accepted by the officer under whose control the FAX is placed.

C. Gas, Water, Electric Bills etc.

31. The bills for gas, water and electricity etc. shall be paid expeditiously to avoid any penalty for late payment. In case of uncontrollable delays and consequent imposition of penalties by the utility agencies, efforts shall be made to get the penalties waived off from the concerned utility agency.
32. The utility bills shall be verified and accepted by the head of the office concerned to which the bill pertains.

PRINTING CHARGES

33. The powers for printing charges shall be exercised subject to the condition that:-
- a) All printing work will ordinarily be got done from Government Printing Press, if located at the station.
 - b) If there is no such printing press at the station or the press authorities express their inability to carry out printing within the desired period and of desired quality, the work may be got done from the private market.

TABLE: VI-2

Nature of Power	Competent Authority		Maximum Monetary Limit (Rs. in Million)
Printing & Publication Charges	i)	Chairman, NHA	Full Powers
	ii)	Member/DG (Admin)	0.500
	iii)	G.M. (Finance)	0.200
	iv)	Director (Admn.) /GM Regional and Project	0.050
	v)	D.D. (Admn.)/PD	0.005
	vi)	DD (Maint)	0.002

PURCHASE OF NEWSPAPERS & TECHNICAL JOURNALS

34. The maximum number of newspapers to be purchased for each wing in the head office and every field office shall be determined by the General Manager concerned.
35. Technical Journals to be purchased and the maximum number thereof to be purchased for a wing shall be approved by the General Manager concerned.
36. All old newspapers/journals no longer required shall be auctioned periodically and sales proceeds deposited in NHA Fund.

BOOKS & PERIODICALS

37. The selection of the books and periodicals to be purchased for NHA Central Library shall be got approved from the Chairman, NHA before the same are purchased.
38. All books and periodicals purchased shall invariably be brought on charge in the Register of Library Books and properly maintained by the Librarian in-charge of NHA Central Library. The purchase price of the book shall also be noted in this register besides endorsement of its price on each book.
39. A comprehensive record of books issued to various officers/staff of the Authority shall be maintained by the Librarian.
40. No book shall be issued to any person for more than 15 days time. The same may be re-issued if required for a further period. No one shall be allowed to retain a book for a period exceeding one month continuously.
41. Any book issued to an employee and lost by him shall be charged for at double its price.

ADVERTISEMENT CHARGES

42. As per definition of the term “Publicity” advertisement of an event in one national English, one national Urdu dailies that are published simultaneously from two of the capital cities including Islamabad and one local language newspaper having reasonable circulation is considered as sufficient. This rule should generally be observed while deciding the number of newspapers in which advertisement should be given.
43. Where, however, it is felt that advertisement in more than the said number of newspapers is essential, specific approval of the Chairman NHA shall be obtained with full justification being recorded in advance.
44. Advertisement in weeklies and monthlies shall be avoided as a general rule. In case advertisement in such a journal is considered in the interest of wide publicity, it shall be done with prior approval of Member/DG (Administration) with full justification as to circulation of the journal based on number of copies published annually.
45. Size of each advertisement should be neither so small that it does not reasonably attract the attention of the reader, nor should it be unduly so large so as to entail un-necessary expenditure.
46. Every time an advertisement is required to be given in a newspaper having international circulation, prior approval of the Member/DG (Administration) shall be necessary.
47. All advertisements shall be given to different newspapers/through the advertisements agencies appointed by the Press Information Department (PID) of the Federal Government. Rates shall be got verified from the PID.

48. All bills shall be routed through the Director (PR) who shall obtain approval of the Chairman NHA before forwarding them to the accounts authorities for payment.

TA/DA

49. Exercise of powers under TA/DA shall be subject to observance of Travelling Allowance Rules of the Federal Government as amended from time to time. However, the Authority may make its own rules within three months of the approval of this Code.
50. In every wing of head office and every regional/field office, the head of the wing or office, as the case may be, shall appoint a suitable officer of the rank of Director (B-19) to perform the duties of Controlling Officer in accordance with the rules mentioned in the preceding para.

Provided, however, that every officer of the head office in B-20 and the head of each regional/field office (B-20 or B-19) shall be his own controlling officer.

51. The controlling officer so appointed shall not delegate his powers in relation to signing/countersigning of the TA/DA claims and other duties, to any of his subordinates.

LAW CHARGES

52. In all litigation cases regarding disputes of seniority and other matters involving dispute of mutual rights of the employees as a result of an action taken by the Authority, decisions of the Services Tribunal/honourable courts are supposed to be acted upon and necessary action taken to give effect to the decision of a court/tribunal. The Authority, not being an aggrieved party, is therefore not supposed, in accordance with the existing law, to go into appeal in any higher court at its own cost and expense.

-
53. In cases where interest of the Authority is at stake, all necessary legal action may be taken by the Authority, including going in appeal against the decision of a lower court if it is considered that such a course of action is expected to bear any fruit.
54. The powers under this caption are subject to the general Schedule of Fees approved by the Authority as under:-
- | | |
|--------------------------------------|-------------------------------|
| Cases in Supreme Court of Pakistan: | Upto Rs. 50,000 in each case. |
| Cases in any High Court of Pakistan: | Upto Rs. 30,000 in each case. |
| Cases in Lower Courts of Pakistan: | Upto Rs. 10,000 in each case |
55. Member/DG (Admin) shall, in consultation with the Legal Department of the Authority, be competent to sanction actual fees for each case in accordance with the above general schedule of fees.
56. Miscellaneous Charges if any actually incurred and claimed by the lawyer shall be reimbursed on the authority of original receipts, where possible with the approval of Member/DG (Administration)
57. The powers delegated for sanction of legal fees shall be subject to the condition that:-
- The amount of legal charges has been settled with the lawyer in advance.
 - The case has been finally disposed of by the court.
 - Advance payment of fee may be made upto 50% of the amount agreed.
58. There may be cases of special nature in any of the above courts or in arbitration which may require higher compensation to an attorney. Chairman, NHA shall sanction fees in all such cases in consultation with Member (Finance) and Director (Legal).

ENTERTAINMENT AND GIFTS

59. Entertainment and gifts include the following:-

a) Expenditure on Ceremonial Functions

i) Serving Meals to visiting VIP Guests attending Formal Ceremonial Functions.

ii) Serving Light Refreshments to Participants.

b) Expenditure on Other Functions

i) Serving Meals to visiting VIP Guests attending Formal Ceremonial Functions.

ii) Serving Light Refreshments to Participants.

c) Official Meetings

i) Serving Light Refreshments to Participants.

ii) Serving Meals to Departmental Labour (B-1 to 4) camped at site of work when called upon to work on unforeseen emergency or breakdown of serious nature likely to last for 24 hours or more.

d) Illumination of office Buildings at the instance of Government on Occasions of National Importance, like Independence Day', 'Pakistan Day' etc.

e) Other expenditure on fairs, exhibitions, and other national celebrations.

60. The authorities competent to sanction the expenditure on entertainment and gifts must have proper estimates of the expenditure before it is sanctioned.
61. Where it is necessary to entertain or present gifts to foreign persons, teams, Pakistani VIPs, , the Members, Regional General Managers may initiate proposals for such an entertainment or gifts for the prior approval of the Chairman, NHA, inter alia giving the following information:-
- a) The number of persons to whom it is proposed to entertain or present gifts.
 - b) Type of entertainment e.g. dinner or lunch/gifts etc.
 - c) In case of presentation of gifts, the number and value of gifts.

TABLE: VI-3

POWERS FOR SANCTIONING EXPENDITURE ON ENTERTAINMENT AND GIFTS

<u>Authority</u>	<u>Monetary Limit</u>	<u>Maximum for the Year</u>
Chairman, NHA	Full Powers	

COMPENSATION PAYABLE UNDER LAW

62. In order to expedite compensation claims, payments may be post-audited. However, cases in which there is a doubt as to applicability of the Workmen Compensation Act or any relevant law, shall be referred to legal advisor for legal advice before making any payment.

63. All cases of compensation involving expenditure exceeding Rs. 20,000 in each case shall be brought to the notice of the Board.

64. Member/DG (Admin) shall have full powers to sanction the compensation in consultation with Legal Advisor of Authority.

CHAPTER - 7

LAND ACQUISITION

1. Unless anything contained in its subject or context is repugnant to the provisions of the Land Acquisition Act, 1894, as adopted in Pakistan, or the rules made thereunder, the following procedure shall be followed in the matter of acquisition of land as above

A) Preparation of Design/Drawings

2. Irrespective of the method to be ultimately adopted for acquisition of the land, the Project Director of each project for which the land is to be acquired, shall prepare detailed project design /drawings and define the public purpose of acquisition with full justification. He shall forward them along with complete details of the land coming in the ROW of the Authority, to the officer incharge of the Land Management Section/Wing located at the station, who shall in turn forward them for further necessary action as per this procedure to the Land Acquisition Collector/Officer concerned. The design/drawings must be comprehensive, covering all details of the project and entire land required for the project.
3. Piecemeal acquisition shall not be undertaken as price of land acquired at a later stage may be many times higher.

B) Demarcation of Alignment Fixation of Row Markers

4. The Project Director/Consultant shall demarcate the alignment in co-ordination with the Land Acquisition Collector and his staff. To ensure accurate acquisition of required strip of land, the permanent survey mark/pucca burjis shall be fixed.

C) Notification U/S 4 of The Land Acquisition Act

5. On receipt of Design Drawing and after demarcation of alignment, the Land Acquisition Collector shall request the Deputy Commissioner/Collector of the District for assistance in acquiring the land required by the National Highway Authority for public purpose. The Land Acquisition Collector and his staff shall collect the revenue record (Jamabandi-Aks Shajra etc) and submit the draft notification for approval and publication in the govt. Gazette. Funds availability certificate from General Manager (Region)/Project Director shall be appended with the notification.

METHOD OF ACQUISITION

6. After publication of notification u/s 4 of the Land Acquisition Act, the land may be acquired through either of the two ways (paragraph 15 of Standing Order No.28).
 - a. By Private Negotiations (in accordance with the provisions of paragraph 31 to 35 of Standing Order No.28).
 - b. By compulsory Acquisition Act under the provision of Land Acquisition Act 1894.

NOTE:- Publication of notification u/s 4 is essential in both the cases (paragraph 32 of Standing Order No.28).

DUTIES OF LAND ACQUISITION COLLECTOR

7. The Land Acquisition Collector shall draft notifications for the land required by National Highway Authority and submit the same to competent authority for approval and publication. He shall pursue the land acquisition case at all level. Any hindrance and complication shall be brought to the notice of Project Director.

The Project Director shall co-ordinate with the Provincial authority for speedy disposal of pending cases.

8. After publication of notification under section-4 of the Land Acquisition Act, the Land Acquisition Collector shall:-
 - (i) Survey the land under acquisition and prepare the list of damages i.e. superstructures, trees, crops etc falling within acquisition limit as per the Land Acquisition Act/Rules.
 - (ii) Request the Deputy Commissioner/Collector of the District for average as well as prevailing market price as required under Rules 10 of the Land Acquisition Rules 1983.

ACQUISITION BY PRIVATE NEGOTIATION

9. On the basis of compensation proposed by the Project Director/Director (LM for super structures/trees etc and price of land proposed by the Deputy Commissioner, the estimate for the village shall be worked out.
10. The estimation shall be sent to the Chairman, NHA and Member (Finance) for information and also to Member (Operations)/(Construction) for permission to commence negotiations. After approval, the matter shall be negotiated with affectees by the Land Acquisition Collector or any officer authorized by the Chairman, NHA. If the efforts are successful, permission of the Chairman, NHA shall be sought for concluding the negotiation. Compensation to the affectees shall be paid by the Project Director or officer authorized by the Chairman, NHA after observing all codal formalities in accordance with the provision of Land Acquisition Act/Rules etc.

NOTE: During all this process, the time limit required for publication of next notification shall be kept in mind. Time factor is very important in acquisition cases (Rule 7 of the Acquisition Rules 1983).

ARRANGEMENT OF FUNDS

11. The funds allocated for acquisition of land shall be distributed by the Finance Wing through General Manager of the Project / Region to the Land Acquisition Collectors of the project according to their requirements duly supported by detailed estimates and all relevant revenue record. GM (LM & IS) shall forward his monthly demand to Member (Finance) for his approval.
12. The funds credited to the Land Acquisition Collector's account shall be treated as an advance. The LAC shall be responsible for rendering complete accounts and supporting documents on quarterly basis to the accounts section concerned for settlement of advance.
13. The timely deposit of funds in the Treasury under head "Revenue Deposit" plays a vital role, because the acquisition cases are time limited. Expiry and re-publication of notification causes financial loss due to increase in the price of land in the vicinity of the project.
14. Project Director or his representative shall keep close liaison with Land Acquisition Collector or his staff at all stages of acquisition, especially at the time of assessment of compensation for damages and price of land and shall argue his views before the competent authorities. He shall also put his signatures along with that of the LAC on all the awards.

COMPULSORY ACQUISITION

15. In case private negotiations fail or were not thought expedient, the General Manager Land Management shall request Member (Finance) for deposit of sufficient amount (on the basis of estimation already prepared) in the Treasury under head "Revenue Deposit" (R.D).
16. The Land Acquisition Collector in the meanwhile shall prepare the draft for next notification u/s 5 or 17(4) of the Land Acquisition Act as desired by the National

Highway Authority. In case of urgency composite notification under section 17(4) and u/s 6 of the Land Acquisition Act shall be initiated.

17. After publication of notification under Section 17(4) of the Act, if the data for estimated cost of land was approved by the competent authority (Rules 12 of the Land Acquisition Rules 1983), the Land Acquisition Collector shall immediately announce Award under Section 11 of the Land Acquisition Act after approval from GM (Project)/Project Director and handover possession to NHA/contractor.
18. In case of delay in approval of data for estimated cost, if immediate possession desired by National Highway Authority/contractor, the Land Acquisition Collector shall arrange possession of land under section 17(3) and u/s 23 of the Act on payment of compensation for damages on the basis of estimation already proposed/assessed. The land so handed over shall thereupon vest absolutely with the NHA, free from all encumbrances. The Land Acquisition Collector in due course shall get transfer the land in favour of NHA through mutation.
19. Before release of payment u/s 17(3) or Award u/s 11 of the Act the Land Acquisition Collector shall discuss salient features with Director (Land Management) NHA, who shall in turn get necessary approval from General Manager Land Management.

MAINTENANCE OF RECORD

20. Upon taking over from the Land Acquisition Collector/Officer, the concerned officer incharge of the Land Management Section/Wing shall cause proper records of the land to be prepared in the format used by the Revenue Authorities in consultation with the Land Acquisition Collector. The record so prepared shall be a permanent record and shall never be destroyed. Every time the officer entrusted with the custody of the record is transferred, he shall properly hand over the record to the incoming incumbent. The Land Management Wing shall be responsible for carrying out the mutation of the acquired land in the name of the Authority.

21. Any loss of the record pertaining to the land, by any cause, shall be investigated in accordance with the relevant rules/procedure and the responsibility for the loss fixed. Besides taking appropriate action against the person held responsible for the loss, necessary action to re-construction the record, as early as possible, shall also be taken. Necessary remedial measures shall be adopted to avoid recurrence of such a loss.
22. The land acquisition record so prepared shall be the permanent and auditable record. To preserve the land acquisition record of all projects of NHA a regional record room under the control of Director (LM) shall be established on the pattern of record room at Tehsil and district head quarter. An experienced Revenue Officer well versant with acquisition work shall be the incharge and shall be responsible for proper arrangement and safe custody of the record. The complete acquisition record of all the projects shall be consigned gradually in the regional record room. The incharge of the record room shall also help in production of record for court cases and for audit purpose.

PRODUCTION OF RECORD FOR AUDIT

23. Immediately on publication of notice and announcement of Award, payment of compensation shall be made as per Land Acquisition Act and the rules made thereunder.
24. The expenditure shall be subject to audit and all necessary records evidencing payments in connection with the land shall be produced to Auditors for necessary check, as and when required. Justification for payments questioned by the auditors shall have also to be provided by the Land Acquisition Collector.

CHAPTER - 8

MANAGEMENT OF RIGHT OF WAY OF NATIONAL HIGHWAYS

Full Chapter replaced with Regulatory Framework & Standard Operating Procedures For Preservation and Commercial Use of NHA's Right of Way as per Approval of Executive Board in its 104th Meeting (Revised approved copy of RF and SOPs attached as Annex-4 of the code)

Financial and Administrative Powers

Nature of Power

To Whom Delegated

- | | | | | | | | | |
|-----------------|---|---|-----------------|--|----------|---|--------------|--|
| (i) | Determination of Building Line under Rule-5, along sides of National Highways, Motorways and Strategic Roads and Bridges. | Executive Board | | | | | | |
| (ii) | Fixation of ground rental/lease charges For CNG/filling stations, hotels/motels, nurseries, shops, khokhas and other structures & other amenities etc. under Rules-12, 13 & 14. | Executive Board | | | | | | |
| (iii) | Payment/fixation/grant of compensation under Rule-7. | Chairman | | | | | | |
| (iv) | Approval of lease of government land under Rules-13 & 14. | <table border="0" style="margin-left: 20px;"> <tbody> <tr> <td style="padding-right: 10px;">Executive Board</td> <td>Above Rs. 20.0 million (in each case) for lease period</td> </tr> <tr> <td>Chairman</td> <td>Upto Rs. 20.0 million (in each case) for lease period</td> </tr> <tr> <td>Member (Ops)</td> <td>Upto Rs. 5.0 million (in each case) for lease period</td> </tr> </tbody> </table> | Executive Board | Above Rs. 20.0 million (in each case) for lease period | Chairman | Upto Rs. 20.0 million (in each case) for lease period | Member (Ops) | Upto Rs. 5.0 million (in each case) for lease period |
| Executive Board | Above Rs. 20.0 million (in each case) for lease period | | | | | | | |
| Chairman | Upto Rs. 20.0 million (in each case) for lease period | | | | | | | |
| Member (Ops) | Upto Rs. 5.0 million (in each case) for lease period | | | | | | | |
| (v) | Permission to construct or layout any means of access to or from a National Highway, Motorway, Strategic Road and Bridge under Rules-8, 11 & 12. | Member (Ops) | | | | | | |

- | | | |
|-------|---|-------------------------|
| (vi) | Orders for Removal of Encroachments within ROW and preservation of Building Line under Rules-3, 4, 6, 9 & 11. | GM (Region) / (Project) |
| (vii) | Determination and recovery of cost of removal of encroachment, from the person making the encroachment under Rules-10 & 11. | GM (Region) / (Project) |

Revision of Rates

The Regulatory Framework and SOPs for preservation and commercial use of RoW was approved in 2002.

However, the rates for processing of NOC/ lease cases, approach rentals and annual rentals for laying of utility lines, etc, have not been revised by NHA since then. Meanwhile, the Provincial C&W Departments have enhanced the rates charged by them.

To bring the NHA rates at par with other departments, rationalization of rates are given as under:

No Objection/Registration Fee for NOC/Lease Cases
for CNG/Filling Stations: Rs 50,000

<u>APPROACH/ACCESS ROAD RENTAL CHARGES</u> (All Figures in Rs)			
Route	Rs PER YEAR		
	Major Cities	Minor Cities	Rural
N-5	100,000	75,000	50,000
N-55	75,000	50,000	35,000
Others	50,000	35,000	25,000

<u>RoW USAGE CHARGES</u>		
Sr No	Description	(Rs/Linear Meter)
1	Diameter of utility line upto 12"	10.00
2	Diameter of utility line upto 18"	16.00
3	Diameter of utility line upto 24"	24.00
4	1 meter x 1 meter duct of corridor	20.00

CHAPTER - 9

DISPOSAL OF NHA PROPERTY

GENERAL

1. Various officers of the Authority shall exercise powers for disposal of NHA property including Land, Buildings, Stores, Plants, Equipment's, Machinery, and Vehicles etc. delegated to them if:-
 - a) The property in question has formally been declared as surplus, obsolete or unserviceable by an authority competent to do so in accordance with the powers given under the relevant section of this chapter.
 - b) In case of surplus/unserviceable buildings, other government departments with local interests have been consulted and none of them has shown any interest with regard to the use of the building.
 - c) In case of surplus property other than buildings, the property in question was offered for use to other projects, regions or head office as the case may be, and they have not shown any intention to use it.

DECLARATION OF PROPERTY AS SURPLUS, UNSERVICEABLE OR OBSOLETE

2. A schedule of expected useful life of various categories of properties, excluding Land, and the rate and method of depreciation to be charged for each shall be prepared, in consultation with the concerned Members and issued by the Member/DG (Administration) with the approval of Board.

3. The persons responsible for holding charge of an asset shall be responsible to update its record of book value by charging due depreciation in accordance with the above schedule, periodically.
4. At the time of submission of proposal for declaring a property/asset as surplus, unserviceable or obsolete complete information including its book value worked out after charging the depreciation for the period it remained in use, shall be brought to the knowledge of the competent authority. The same book value shall be used as one of the inputs in the matter of fixation of the reserve price of the asset in question by the Finance Wing.
5. The various authorities competent to declare the different assets as surplus, unserviceable or obsolete shall be as under. The monetary limits given below refer to the book value of the property under disposal.

TABLE: IX-1

Nature of Power	Competent Authority	Maximum Monetary Limit (M)
A. <u>Buildings and Land</u>		
i) Declaration of a Building or land as surplus	i) NHA Executive Board.	Full Powers
	ii) Chairman, NHA	7.000
ii) Declaration of a building as unserviceable or dangerous.	i) NHA Executive Board.	Full Powers
	ii) Chairman, NHA	2.000
B. <u>Stores, Tools & Plants, equipment, Vehicles and spares:-</u>		
i) Declaration of stores etc. as surplus	i) Chairman, NHA.	Full Powers
ii) Declaration of stores etc. as unserviceable/obsolete.	i) Chairman, NHA.	Full Powers
	ii) Member (concerned)	0.500

METHOD DISPOSAL

6. Having been declared as surplus/unserviceable/obsolete, action shall be initiated to dispose off the property by one of the following methods, to be decided by Member/DG (Administration):-
 - a) By transfer to other priority government indenters,
 - b) By sale through Public Auction; or
 - c) By calling sealed bids.
7. Finance Wing shall be consulted in all cases of disposal with regard to any of the method of disposal to be adopted and for fixing the reserve price, where applicable i.e. in respect of surplus/unserviceable vehicles, plant, equipment and machinery etc.
8. When the concurrence of the Finance Wing has been obtained as to the method of disposal and the reserve price has been fixed, their concurrence will not be necessary for subsequent stages of disposal except when the highest bid in a public auction is less than the reserve price and it is proposed to accept that offer rather than re-auction the property. Member (Finance) shall be the Authority in the matter.
9. All public auctions of NHA property shall be conducted by an Auctioneer, appointed by the Authority in the head office and each region, for conducting all auctions during a financial year.
10. Member / DG (Administration) shall be the authority competent to appoint the auctioneer and will issue detailed procedure for regulating disposals by each method.

RESERVE PRICE

11. The administration section/accounts authorities, as the case may be, shall indicate, the book value (Where known) or estimated disposal price of important stores such as vehicles, plants, equipment and machinery etc. Finance advisor will fix the reserve price of these stores irrespective of their method of disposal.

COLLECTION OF EARNEST MONEY

12. The earnest money equal to 25% of the bid price of the property shall be collected by the Auctioneer from the purchaser at the spot in the form of a Pay Order in favour of the Authority, which shall be deposited in the NHA Fund on the next working day. Earnest money equal to 10% of the bid price may be obtained in the case of auction of grass, trees or other agricultural produce.
13. In cases of disposal of stores other than through open auction, offers for purchase/disposal of the property shall not be considered unless accompanied by earnest money to the extent of 25% of the bid price in the form of a Bank Draft/Pay Order.

COLLECTION OF BALANCE AMOUNT AND EXTENSION DATE FOR FINAL PAYMENT

14. The normal period to be allowed for collection by the auctioneer of the balance amount of the offer having been accepted at the spot will be six days from the date of auction. The auctioneer will deposit the money into the NHA Fund Account on the next working day.
15. The period for collection of the balance money in respect of bids which are subject to approval will be six days from the date of receipt by the bidder of intimation regarding acceptance of his bid.

16. Under special and peculiar circumstances, the authority may, on receipt of an application from the successful bidder, grant extension of date of final payment of balance amount of the sale price as under:-
- | | |
|-------------------------|---|
| a) Member / DG (Admin): | Upto 30 days beyond the normal period of 6 days permissible without Finance Wing's concurrence. If extension beyond this period is proposed to be granted, concurrence of the GM (Finance) shall be obtained. |
| b) GM Concerned. | Upto 20 days beyond the normal period of 6 days permissible without concurrence of Finance Wing. |
| c) Director (Admin) | Upto 10 days beyond the normal period of 6 days permissible without concurrence of Finance Wing. |

PERIOD OF REMOVAL OF STORES ETC

17. The normal period allowed for removal of stores etc. by the purchaser at his expense shall be 10 working days from the date of receipt of final payment from the purchaser. This period may be extended by 15 days by the auction supervising officer. A further extension of 30 days may be granted by the GM Concerned.
18. If the stores etc. are not removed within the extended period, ground rent @ 0.5 % of the original sale price of the stores per day shall be recovered from the purchaser before the stores are removed. The amount of ground rent recovered as above shall be deposited in the NHA Road Maintenance Account the next day.

<u>POWERS FOR DISPOSAL</u>

TABLE: IX-2

Nature of Power	Competent Authority	Maximum Monetary Limit (M Rs.)
A. Buildings and Land		
i) Auction of Surplus Land.	i) NHA Executive Board. ii) Chairman, NHA	Full Powers 10.000
ii) Demolition of a building already declared as un-serviceable or surplus and auction of the materials obtained from demolition.	i) Chairman, NHA ii) Member / DG (Admin) iii) Regional G.M. iv) Director (Admin).	Full Powers 5.00 2.00 1.00
iii) Lease of a Building, Land or a portion thereof already declared as surplus.	i) Chairman, NHA ii) Member / DG (Admin) iii) Regional G.M. iv) Director (Admin)	Full Powers 1.00 0.50 0.10
iv) Auction of a Surplus/ Unserviceable Building along with Land it stands upon.	i) Executive Board ii) Chairman, NHA iii) Member / DG (Admin)	Full Powers 15.000 5.000
B. Stores, Tools & Plants, Equipment, Vehicles and Spares		
i) Auction of Stores, Tools & Plants, Equipment & Spares already declared as surplus un-serviceable or obsolete.	i) Member / DG (Admin) in consultation with Member (Concerned) ii) Regional GM	Full Powers 1.000
ii) Auction of Vehicles already declared as un-serviceable.	Member/DG (Admin)	Full Powers
C. Auction/Sale of Trees		
Agricultural Produce or Grass	Regional GM	Full Powers
D. Allowing felling of Trees		
Causing obstruction in ROW and colonies etc. and to auction the wood obtained.	Regional GM	Full Powers

CHAPTER - 10

PROCEDURES AND POWERS TO WRITE OFF LOSSES

PROCEDURE

General Rules

1. All losses, whether of public money or of stores, shall be subjected to a preliminary investigation by the officer in whose charge they were, to ascertain the cause of the loss and the amount involved. For the purpose of the procedure to be followed thereafter, losses are classified as under:-
 - (1) Losses of Stores
 - (2) Losses of Public Money.
2. Questions involving write-off of losses shall be dealt with promptly by all concerned. It is of the greatest importance that there should be no delay in dealing with any loss due to fraud, negligence or financial irregularity. Every important case shall be brought to the notice of superior authorities as soon as possible.
3. Every loss shall be sanctioned by the competent financial authority in consultation with the Member (Finance) even if the entire loss is made good by the individual (s) held responsible by the competent executive authorities.
4. The loss statement shall be prepared in quadruplicate in each case of loss. One copy will be retained as office copy and triplicate copy will be sent to the local internal audit officer for the purpose of audit and pairing with the sanction copy. Original and duplicate copies, after necessary pricing, shall be submitted under normal channels to the competent financial authority through Member (Finance).

The competent financial authority shall after approving the loss statement, return original copy to the originating wing and the duplicate copy to the Accounts Section concerned for effecting recovery or for record as the case may be.

5. When an investigation into a case of loss due to theft, fraud or neglect discloses a defect of system and when irrecoverable debts of the Authority are attributable to this cause, a report shall be made to the Chairman, NHA through normal channels and to the Member (Finance) together with a recommendation for rectifying the defect. Petty defalcations or petty thefts need not be reported.
6. The monetary limits of sanction specified refer to each separate case of loss and it shall not be permissible to subdivide a case of loss with the object of bringing the amount within the powers of the authority dealing with it
7. The value of such losses shall be checked by the Financial Advisor before action is taken for regularization.
8. In all cases of losses, whether of stores or of public money or of any other type, the circumstances leading to loss shall be thoroughly investigated and result of investigation recorded in writing.

LOSSES OF STORES

A) Procedure

9. When stores are lost, destroyed, found to be deficient through wastage or otherwise, or damaged by fire or otherwise, the storekeeper concerned shall make an immediate report to his next senior officer. The latter shall investigate the cause of the loss, the amount involved and circumstances of the case, simultaneously reporting the case to the Member concerned through usual channels. The Member concerned shall himself carry out an investigation or constitute an inquiry committee if considered necessary. The results of the investigation shall then be

communicated to the competent financial authority through usual channels for further action as envisaged in the following sub-rules:

a) Losses not due to Theft, Fraud or Neglect.

10. If the investigation shows that the loss is not due to theft, fraud or neglect, it shall be written off by the competent financial authority in consultation with the Member (Finance).

b) Losses Due to Theft, Fraud, or Neglect.

11. If it is found that the loss is due to theft, fraud or neglect, the competent financial authority shall in consultation with the Member (Finance), according to circumstances of the case, take action as under:

i) If the Persons Responsible are not NHA Employees

- 1) If the persons responsible are not the employees of the Authority, the competent financial authority may write off the entire loss for reasons to be recorded in writing.
- 2) Competent financial authority may allow, but shall not compel, the individual or individuals concerned to make good the loss in whole or in part. If the loss is made good in part, he may sanction the write off of the balance for reasons to be recorded in writing.
- 3) Competent financial authority may lodge a report in writing at the nearest police station in cases of serious nature involving loss of large amounts of public money or of valuable property with a copy to the Superintendent of Police concerned for prompt investigation and prosecution of the accused. He may also, file a recovery suit against the person responsible for the loss in a court of law.

- 4) Any one or more of the above courses of action may at the discretion of the competent financial authority, be taken against the persons responsible.

ii) If the Persons Responsible are NHA Employees

- 1) If the persons responsible are employees of the Authority, the competent financial authority may write off the entire loss for reasons to be recorded in writing.
- 2) Competent financial authority may allow, but shall not compel, the individual or individuals concerned to make good the loss in whole or in part. If the loss is made good in part, he may sanction the write off of the balance for reasons to be recorded in writing.
- 3) The competent financial authority may take departmental action against the individuals responsible.
- 4) Competent financial authority may lodge a report in writing at the nearest police station in cases of serious nature involving loss of large amounts of public money or of valuable property with a copy to the Superintendent of Police concerned for prompt investigation and prosecution of the accused. He may also, file a recovery suit against the person responsible for the loss in a court of law.
- 5) Any one or more of the above courses of action may, at the discretion of the competent financial authority, be taken against the persons responsible.

B) Supplementary Instructions Regarding Treatment of Losses of Stores

- 12 The following supplementary rules shall be observed in addition to those laid down above:

- a) The amount to be shown on the loss statement shall be the book value of the stores lost, or in the case of damages to stores, the estimated or actual cost of repairs. The cost of making good any loss or damage other than that due to wear and tear to the public property shall be assessed in accordance with the relevant procedure and it shall rest with the competent financial authority to decide the degree of liability for the loss attaching to the individual or individuals concerned.
- b) When on stock taking, stores are found surplus or deficient, the surpluses shall at once be credited to the government on proper voucher and the deficiencies shall be dealt with in accordance with the foregoing rules under the orders of the competent financial authority.

Losses to other Moveable / Immovable Property.

13. Losses or damages to NHA's movable or immovable property by fire, flood, earthquake, accident or any other cause shall also be dealt with under the above rules

Losses of Public Money

14. All losses shall be reported to the Chairman, NHA who shall arrange assembly of an inquiry committee to investigate the loss.
15. If the committee finds that the loss is not due to theft, fraud or neglect, it will be written off by the competent financial authority in consultation with the Member (Finance).
16. If it is decided that the loss is due to theft, fraud or neglect, the competent financial authority shall, in consultation with the Member (Finance), take action according to the circumstances as laid down for the losses of stores in the foregoing paragraphs.

Remission or Abandonment of Claims to Revenue

17. Money due in respect of lands, rent of other properties, license fees, sale of goods or on any other account, which has been ascertained to be irrecoverable, may be written off the accounts with prior sanction of the competent authority.

In fructuous Expenditure

18. In fructuous expenditure already incurred shall be allowed to stand in the books but the irregularity in respect thereof may with the sanction of the competent authority, be condoned or recovery waived off in an individual case.

POWERS

19. Powers governing losses due to fraud, theft or neglect are provided in the following tables. These powers shall be used in compliance with the general and specific provisions of this Chapter.

TABLE: X-1

LOSSES DUE TO THEFT, FRAUD OR NEGLIGENCE

Nature of Power		Competent Authority		Maximum Monetary Limit (Rs. in million)
A	Loss of Public Money.	i)	NHA Executive Board.	Full Powers
		ii)	Chairman, NHA	0.050
B	Loss of Stores	i)	NHA Executive Board.	Full Powers
		ii)	Chairman, NHA	0.075
		iii)	Member (Finance).	0.020
C	Loss of Official Record (including Measurement Books, Ledgers, Accounts Books) lost or destroyed:			
	Un-audited record	i)	NHA Executive Board	Full Powers
	Audited record	i)	Chairman	Full Powers

TABLE: X-2**LOSSES NOT DUE TO THEFT, FRAUD OR NEGLECT**

Nature of Power		Competent Authority		Maximum Monetary Limit (Rs. in million)
A	Loss of Public Money	i)	NHA Executive Board.	Full Powers
		ii)	Chairman, NHA	0.100
B	Loss of Stores	i)	NHA Executive Board.	Full Powers
		ii)	Chairman, NHA	0.150
		iii)	Member/DG (Admin) / Member (Finance).	0.040
C	Loss of Official Record (including Measurement Books, Ledgers, Accounts Books) lost or destroyed:			
	Un-audited record	i)	NHA Executive Board	Full Powers
	Audited record	i)	Chairman, NHA	Full Powers
D	Loss due to Demurrage and Wharfage Charges	i)	Chairman, NHA	Full Powers
E	Loss of Moveable/ Immovable Property Due to Fire, Floods, Earthquake, Accident etc.	i)	NHA Executive Board.	Full Powers
		ii)	Chairman, NHA	0.500
		iii)	Member (Concerned).	0.100
F	Remission or Abandonment of Claims to Revenues	i)	NHA Executive Board.	Full Powers
		ii)	Chairman, NHA	0.010
		iii)	GM (LM & IS)	0.002
G	In fructuous Expenditure	i)	NHA Executive Board.	Full Powers
		ii)	Chairman, NHA	0.005

TABLE: X-3

**REMISSION OF OVERPAYMENTS MADE TO THE
EMPLOYEES OF THE AUTHORITY DUE TO OVERSIGHT OR
MISINTERPRETATION OF RULES**

Authorities Competent		Monetary Limit
i)	NHA Executive Board.	Rs. 20,000 in each Case
ii)	Chairman, NHA in consultation with Member (Finance).	Rs. 10,000
iii)	Member (concerned) in consultation with G.M. (Finance)	Rs.5,000

CHAPTER - 11

ARRANGING FINANCES FOR THE AUTHORITY

PROCEDURE

1. General

1. In the matter of finances required for Development, Construction and Maintenance of National Highways and management of its related affairs, the National Highway Authority depends mainly on the following sources of income:
 - i) Loans from the Federal Government
 - ii) Other loans obtained by the Authority
 - iii) Foreign aid, grants and loan negotiated and raised by the Authority
 - iv) Grants made by the Federal Government
 - v) Private Sector Financing
 - vi) Income from Tolls
 - vii) Funds from Floating Bonds, Shares or through any other means.
 - viii) Other sources including Fees, damages, costs, refunds, forfeitures, sale proceeds, lease money, rentals and fines
 - ix) Income from sale of assets, land or vehicles; and
 - x) Income from investments with Banks and Financial institutions.
 - xi) Commercial use of Right of Way (ROW)

2. NHA Act, 1991 requires that funds received from any of the above sources shall be deposited into NHA Fund Accounts to be maintained with a scheduled bank.

2. Loans from Government/Foreign Donors

3. The Annual Development Program of the Authority is for the present being financed out of the Cash Development Loans advanced every year by the Government of Pakistan, Foreign loans and Foreign relent loans and the Suppliers'/Buyers' Credits obtained in accordance with the contract agreements signed by the Authority with various local/foreign firms for constructions of projects. Each loan has its own terms and conditions as to repayment and the rates of interest.
4. While chalking out the Annual Development Program, priority in respect of fund allocation shall be given to those ongoing projects which are nearing completion so that necessary funds for repayment of the loans and the interest accrued thereon could be generated through levy of tolls/other charges on these completed projects.

3. Grants made by the Federal Government.

5. The Federal Government is at present providing funds in the form of grant as well, for maintenance of the National Highways and Establishment Charges for approved regular strength of the Authority. Since these funds are not sufficient to meet the maintenance charges, a Dedicated Highway Fund shall be created.

4. Private Sector Financing

6. Article 10 of the Act permits the Authority to exercise of power to award negotiated contracts for projects to be undertaken through Private Sector Financing Program.
7. As far as possible, known methods of procurement of finances, e.g. open tendering after wide publicity of the proposals, should be preferred. Award of contracts through private negotiations should only be resorted to in individual cases when the circumstances so warrant and that too in strict compliance with the

procedure issued with the approval of the Authority and recognised practices. The governing principle should be that whenever negotiations are carried out, the event should be publicised in such a way that other interested persons/companies have also an opportunity to come forward.

8. NHA Executive Board shall issue detailed instructions in this regard.
9. Until detailed procedures are framed, contract for a project to be financed under Private Sector Financing Programme shall not be awarded without prior approval of the Board.
10. Member (Finance) shall be involved at all stages of negotiations.

5. Operation & Management Contracts

A. Procedure

11. a) The exercise of powers regarding income from tolls shall be subject to the detailed provisions contained in the RMA Rules, 2003, notified by GOP amended by the Authority from time to time with subsequent notification by the Government.

Road Maintenance Account (RMA)

- b) The NHA shall maintain a commercial non-lapsable account in Pakistani scheduled banks designated as Roads Maintenance Account (RMA).
- (c) All revenues from road users accruing to the NHA, from the following sources, net of collection costs, shall be expeditiously transferred into the RMA, namely:-
 - (i) Tolls on roads and bridges;

- (ii) road use related fines (e.g., overloading, traffic offence);
- (iii) axle load charges;
- (iv) supplementary heavy vehicle fee;
- (v) international transit fees; and
- (vi) border fees.

Review and Revision of RMA

- d) The RAMD shall regularly review the level of tolls, and other levies being channeled into the RMA and recommend adjustments to the Chairman, to match revenues with expenditures needed to fully address the network-level maintenance needs of the NHA.
- e) Toll levels shall be adjusted over time to reflect the following as far as possible, namely:-
 - (i) Extent of road use;
 - (ii) damage caused to network; and
 - (iii) level of service provided.
- f) Any upward or downward adjustment or revision in the level of tolls and other levies shall be duly disseminated to the public through the press.

Revenue Collection arrangements for RMA

- g) The NHA shall ensure cost-effective, transparent, and accountable arrangements for the collection of the RMA revenues.
- h) Contract-based revenue collection arrangements shall be pursued to the extent possible and such arrangements shall include:
 - (i) payments through bank transactions directly into the RMA in designated bank by various public and private sector agencies

responsible for the collection of the RMA revenues after deduction of their commission, charges and expenditure in accordance with the terms and conditions of the contract; and

- (ii) an effective internal control system and regular internal audit for verifying amounts collected and for resolving any dispute between the NHA and its collecting agents and any other concerned party.
- i) The RAMD shall oversee implementation of all arrangements for collecting revenues in the RMA and advise the top management of the NHA where changes are needed in such arrangements.

Financial Management for RMA

- j) Subject to Section - 24 of the Act, a firm of chartered accountants appointed as independent auditors by the Executive Board shall audit the RMA and financial statements annually. In addition, the Executive Board shall periodically engage an independent, reputable professional firm or individual for undertaking a technical audit of the activities financed by the RMA.
- k) Subject to statutory provision in the Act, the auditors shall complete the audit within three months of submission of financial statement to them but not later than the 31st December each year.
- l) The auditors shall include in their report, assessments relating to achievement of the objectives of the RMA, compliance with approved policies, rules and the SOPs.
- m) The report of the auditors shall contain detailed appraisements on the following, namely:-
 - (i) The accuracy of the record and financial accounts of the RMA;

- (ii) the completeness of income of the RMA;
- (iii) whether the level of tolls and other revenues are in accordance with Rule 5;
- (iv) whether disbursements are in accordance with Rule 7;
- (v) the conformity of payments with eligible expenditures as laid down in Rules 7 and 9;
- (vi) the conformity of payments with the priorities laid down in Rule 10;
- (vii) accuracy of accounting and internal control procedures;
- (viii) the effectiveness of the administration of the RMA; and
- (ix) analysis of variances between the budgeted and actualities.

TENDERING PROCESS

12. Broad guidelines/procedure for levy of tolls and Operation & Management Contracts are contained in the following paragraphs.

- a) The toll should be viewed as a mechanism for recovery of capital cost and cost of maintaining the asset in good condition during its useful life. Hence, while proposing the toll rates to be imposed on any road, bridge etc. it should be ensured the rates are such that all construction costs incurred on the project would be paid back within the useful life of the project. For this purpose, careful studies shall be conducted by the concerned wing of the Authority with regard to the useful life of the road/bridge, the number of different types of vehicles expected to use the road/bridge during the said life and the rates to be charged from different types of vehicles.
- b) As a general rule, tolls shall be collected through an O&M contractor procured under PPRA/RMA Rules as a service contract or as a maximum guaranteed bid. In the event of an emergency arising from the premature termination of contract or due to suspension of the toll collection by the contractor for reasons beyond his control, the General Manager (Region) after seeking approval of the Chairman, NHA, shall collect the toll revenues departmentally till award of a fresh contract. General Manager concerned shall employ such establishment on work charge basis. Expenditure on pay

and allowances of such establishment shall be a legitimate charge against toll revenues.

- c) For open tendering of the toll collection at various toll plazas on National Highways and closed loop system on Motorways all over the country, a procurement plan shall be issued, by the Member (Operations), after approval of the Chairman, NHA.
- d) Upon finalisation of the procurement plan and preparation of the tender documents, a notice for procurement of O&M Contractor shall be issued in the leading daily newspapers, preferable 30 days before the day fixed for holding the proposed procurement. The notice shall contain the following details:-
 - i) Place, date and time of tender opening with description of O&M Contract
 - ii) Names and addresses of the concerned officials of the Authority who could be contacted for further clarifications, if any, and providing the tender documents / RFPs on due payment on duly specified dates and time.
 - iii) Place, date, time and mode of delivery of bids by the bidders
 - iv) Amount/ mode of payment of retention and release of Earnest Money.
 - v) Schedule of Toll Rates
 - vi) Reservation of right of the Chairman, NHA for acceptance or rejection of any bid(s) without assigning reasons.
 - vii) Name, designation, address and telephone number of the official signing the notice.
- e) Normal duration of every contract for collection of tolls shall be the financial year commencing on the 1st of July each year and ending on 30th of June the following year.

- f) Standard forms of tender documents/contracts shall be used for collection of tolls all over the country already cleared by the Executive Board as O&M Contract in 1999.
- g) **Earnest Money:** The amount of the earnest money to be realized from the bidders shall be fixed by the competent authority every time bids are being invited but it shall not be less than 2% of the bid. The earnest money of the top three bidders shall be retained till satisfactory procurement of contract with the successful bidder while those of all other unsuccessful bidders shall be refunded immediately on completion of the auction proceedings. In case of default by the highest bidder, his earnest money shall be forfeited and the contract shall be awarded to the second highest one. If however the second highest bidder also goes in default, the re-auction of the toll rights shall be resorted to. The earnest money of the second highest bidder shall also be forfeited in case of default on his part.
- h) Composition of the Tender Opening & Evaluation Committee for procurement of O&M Contracts/Service Providers shall be as under:

	<u>HO</u>		<u>Region</u>
1	GM (Operations)	Chairman	GM (Region)
2	GM (Contracts)	Member	Director (Ops)
3	Director (Revenue)	Member	Director (OMU) HQ
4	Director (RAMS)	Member	DD (Accounts) RMA
5	Director (OMU)	Secretary	DD (Ops)

Acceptance Committee of O&M Contracts

Member (Finance)	Chairman
Member (Operations)	Member
Member (Planning)	Member
GM (Operations)	Secretary

-
- i) **Security Deposit/Performance Guarantee.**
The highest bidder shall be required to provide a security deposit equal to 10% of the Bid or a performance bank guarantee of an equal amount issued by a bank designated by the Authority. The Security deposit/performance bank guarantee shall be valid for the period of the contract plus three month thereafter which shall be released only after discharge of all liabilities by the contractor subject to approval by the Regional General Manager concerned.
- j) **Rescission of contract:** The conditions for rescission of contract shall be recorded in detail in the General Conditions of Contract so that subsequent disputes could be avoided as far as possible. No contract shall be rescinded unless a notice of default in prescribed form has been issued in writing before encashment of the performance guarantee and taking possession of the toll outlet.
- k) **Toll Rates** applicable to the National Highway shall be approved by the National Highway Executive Board. It shall be ensured that toll is collected in accordance with these rates which shall be duly published in a notification to be issued by the Authority before implementation.
- l) **Transfer of Toll Collections to Head Office**
As per RMA Rules and Conditions of the O&M Contract.
13. No expenditure, whatsoever shall be incurred out of the receipts unless specifically authorized by the Chairman in this respect.

B. Powers.**TABLE: XI-1**

Nature of Power		Competent Authority	Maximum Monetary Limit (Amount of the Bid)
i)	Fixation of Earnest Money	Chairman, NHA	Full Powers
ii)	Acceptance of Bids and Award of Contract	Chairman, NHA	Full Powers
iii)	Re-tendering	Chairman, NHA	Full Powers
iv)	Termination of Contract	Chairman, NHA	Full Powers

TABLE: XI-2

Nature of Power		Competent Authority	Maximum Limit
A	Acceptance in principle, necessity, Admin approval, expenditure sanction & technical sanction	NHA Executive Board	Full Powers
		Chairman NHA	Up to Rs. 100 million
B	Issuance of Variation / Change Orders in original O&M contracts & services	NHA Executive Board	Full Powers
		Chairman NHA	* 25% of O&M Contract
		Member (Ops)	* 15% of O&M Contract

* With the prior concurrence of Member (Finance)

6. Generation of Funds From Capital Markets, Private Placements, and Public Private Partnership etc.

14. The rules and procedures in this regard shall be framed for incorporation in this Code through an amendment in due course.

7. Other Sources.

15. For the powers with regard to the other sources of income of the Authority, including that from fees, damages, costs, refunds, forfeitures, sale proceeds, lease money, rentals, fines etc., the relevant rules, under which the said fees and fines etc. are imposed, issued by the Authority from time to time, shall be referred in addition to this Code.

16. As regards income from sale of assets, land and vehicles of the Authority, necessary rules are contained in the relevant chapters of this Code.

CHAPTER - 12

RELOCATION OF UTILITIES

1. Construction of new roads etc. involves relocation of utilities & services like electric, gas, telephone & water supply lines and poles and construction of bridges etc. over railway tracks. Relocation of these utilities is executed by the departments / organizations concerned. The Authority has, therefore, to make requests for shifting of their lines etc. to these departments/organizations well in time. The concerned departments in response give detailed estimates of costs of such relocation and demand notices which are required to be deposited by the Authority with the department concerned.
2. These estimates will be scrutinized at the appropriate level in the Operation/Construction Wings of NHA or by a representative of that Wing in the concerned regional office. Sanctions for payments against such demands shall be accorded by the Member (Operations)/Construction) or the concerned General Manger.
3. It shall be ensured that the percentage of departmental charges applied by the Department as part of the estimates to be paid to them is strictly in accordance with any rules/regulations of the department/organization concerned.
4. The officer of the authority initiating the sanction for relocation of utilities shall be responsible for obtaining detailed account of actual expenditure incurred by the utility organizations and getting the advance payments adjusted after the utility stands relocated.
5. Member (Operations)/(Construction) shall issue detailed instructions in this area of working.

CHAPTER - 13

MISCELLANEOUS MATTERS

PERMANENT ADVANCE (OR IMPREST)

A. Procedure.

1. Imprest is a standing advance of a fixed sum of money given to an officer to enable him to make certain classes of disbursements involved in the management of day to day affairs of the Authority entrusted to him. The imprest shall be used in accordance with the rules and restrictions notified by the Authority from time to time. Whenever a permanent advance i.e. Imprest Advance or Revolving Fund is proposed to be sanctioned for an officer by the Member/DG (Administration) , the following aspects shall be clearly mentioned:-
 - a) The amount of the advance (Which shall not be greater than that absolutely required).
 - b) The minimum period of time e.g. one month or more before which the imprest should not be recouped.
 - c) Exact nature of items of expenditure to be incurred out of the advance.
 - d) Whether the powers of sanctioning the expenditure up to the amount of the advance have also be deemed to have been delegated or only payment of the expenditure shall be made out of the advance after due approval of the authority competent to sanction the expenditure in normal routine.
2. An Imprest or revolving fund shall be allowed to an officer of the Authority for making day to day payments, only where:

- a) The officer is working at a location away from a main office where arrangement for payment of the expenditure in normal manner does not exist; and
 - b) Certain petty payments are required to be made by the officer frequently in connection with the affairs of the Authority which neither warrant processing of each and every payment in the normal manner, nor does the time factor allow such a processing.
3. All permanent advances/Imprests shall be recorded in separate register by the concerned accounts authorities showing the Sanction Order, Name and Designation of the Officer for whom sanctioned, Amount, Date of Draw, Date it was recouped, and the Amount outstanding at the close of each Financial Year.
 4. Norms of Financial Management/Accounting require that each payment should be made after exercising due pre-audit checks. As the payments out of permanent advances allowed to different officers cannot be pre-audited, sanctioning of such advances should be discouraged normally and all the expenditures should be incurred only after they have been thoroughly checked as to their bona fide and accuracy before hand. Permanent advance may be sanctioned in exceptional cases where situation actually so demands.
 5. All imprests shall be sanctioned by Member (Finance) for a specific amount and at no time shall its balance exceed the approved ceiling. Imprest account shall not be used to deposit monies other than through recoupment of imprest.

RULES, REGULATIONS AND PROCEDURES

6. Detailed procedures and instructions for matters mentioned at appropriate places in this Code shall be prepared and issued by the Authority within a reasonable time of four months. A list of these matters has been brought out in the Annexure to this chapter for ready reference.

7. The Authority shall also prepare/frame necessary rules in all the matters, where such rules are required to be prepared in accordance with the provisions of the Act, within the said period of four months and submit them to the Federal Government for notification where required.
8. Regulations and procedures in the following matters shall also be issued within four months after approval of the National Highway Executive Board:
 - a) Financial Procedure
 - b) Technical Procedure
 - c) Internal Audit Procedure
 - d) Administrative Procedure
 - e) Rules for Use of Transport.
9. While making the said rules, regulations, procedures and instructions, it shall be ensured that they contain the details of duties and responsibilities of different categories of officers and the organizational set up of the Authority.
10. A Book of Standard Forms shall also be issued which shall contain all the forms prescribed in any of the above rules, regulations, procedures and instructions, including a standard form for Interim Payment Certificates by the contractors/consultants for use within the various offices of the Authority in their day to day work.

TABLE: XIII-1

POWERS DELEGATED TO OFFICERS OF THE FINANCE WING

A. General Powers

	Nature of Power	Authority Competent	Remarks
A	Sanction for Permanent Advance i.e. Imprest/Revolving Fund irrespective of amount of advance.	Member (Finance)	

Nature of Power		Authority Competent	Remarks
B	Opening of Bank Account for transacting the day to day business of subordinate offices.	Member (Finance)	
C	Approval for Refund of Security Deposits, Earnest Money, Retention Money On Completion of the Work as per Agreement. (Unclaimed Security Deposits shall be credited to revenue of Authority. Thereafter sanction for refund shall be accorded by the Member (Finance))	GM (Concerned)	Subject to the conditions of the Contract, or on completion of 12 months of the completion of the work whichever is earlier.
D	Approval for Release of Bank Guarantee	GM (Concerned)	Subject to conditions of contract/rules on the subject.
E	Designation of Banks Whose Guarantees Shall be Acceptable	NHA Executive Board	As approved by the Board for the purpose and amended from time to time.
F	Acceptance of Bank Guarantee Provided by a Contractor	Director (Accounts) Concerned	

TABLE: XIII-2

GRANT OF NOC TO GOVERNMENT DEPARTMENTS/ AGENCIES FOR CROSSING UTILITY LINES OVER/UNDER THE NATIONAL HIGHWAYS

Nature of Powers		Competent Authority
i)	Grant of NOC	Member (Operations)
ii)	Determination of Charges Recoverable from the Utility Organization/Agency Concerned	GM (Ops) / GM (Region)/(Project)

TABLE: XIII-3**POWERS FOR PASSING BILLS**

<u>Nature of Power</u>	<u>Authority Competent</u>	<u>Maximum Monetary Limit (Million Rs.)</u>
i) WORKS		
<ul style="list-style-type: none"> • Advance Payment 		
<ul style="list-style-type: none"> ▪ Release of mobilization advance 	Director (Accounts) concerned	Full Powers
<ul style="list-style-type: none"> ▪ Other advances covered under the relevant contract 	Director (Accounts) concerned	Full Powers
<ul style="list-style-type: none"> • Interim Payments 		
<ul style="list-style-type: none"> ▪ GOP/Aided Project 	○ Member (Finance)	Above Rs. 50 M in each case
	○ GM (B&A)	Upto Rs. 25 M but not exceeding Rs. 50 M in each case
	○ Director B & A and E & A	Above Rs. 10 M but not exceeding Rs. 25 M in each case
	○ DD Accounts	Between Rs. 2 M and Rs. 10 M
	○ AD Accounts	Up to Rs. 2 M if delegated by DD.
<ul style="list-style-type: none"> ▪ Self Accounting Projects 	○ Director Accounts	Above Rs. 10 M but not exceeding Rs. 25 M in each case
	○ DD Accounts	Between Rs. 2 M and Rs. 10 M
	○ AD Accounts	Up to Rs. 2 M if delegated by DD.
<ul style="list-style-type: none"> ▪ RMA (Region) 	○ DD Accounts	Not exceeding Rs. 20 M
	○ AD Accounts	Up to Rs. 5 M

<u>Nature of Power</u>	<u>Authority Competent</u>	<u>Maximum Monetary Limit (Million Rs.)</u>
<ul style="list-style-type: none"> ● Final Payments 	○ Member Finance	Full Powers
	○ GM (B&A)	Rs. 50 M
<ul style="list-style-type: none"> ● Provisional Payment 		
<ul style="list-style-type: none"> ▪ First 	○ Member (Concerned)	Full Powers
<ul style="list-style-type: none"> ▪ Second 	○ Member (Finance)	Full Powers
<ul style="list-style-type: none"> ▪ Third 	○ Chairman	Full Powers
ii) ESTABLISHMENT CLAIMS	○ Director (Accounts) Concerned.	Full Powers
	○ DD (Accounts Concerned)	Rs. 0.5 M
	○ AD (Accounts) Concerned	Rs. 0.1 M
Safe Custody of Guarantees	○ AD Concerned	