



BUILDERS' ASSOCIATION OF INDIA

(All India Association of Engineering Construction Contractors and Builders)

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Ref: 241 /J/2021-22 dated 17th July, 2021

The Director General
Central Public Works Department (CPWD),
Room No. 101- Wing- A,
Maulana Azad Road,
Nirman Bhawan,
New Delhi 110011

Dear Sir,

Sub: Rules for Enlistment of Contractors in CPWD, 2021- Reg.

This is reference to the Rules for Enlistment of Contractors in CPWD, 2021 (hereinafter called Enlistment Rules, 2021) to be effective from 12th July 2021.

As aware **Builders Association of India (BAI)**, is the apex All-India body of engineering construction contractors and real estate companies founded in the year 1941 with more than 20,000 business entities as its members through nearly 200 chapters across the country.

The last Enlistment Rules 2020 were released in August 2020 and came into force from 17 August 2020. Therefore in a period of around 11 months the rules have been changed without actually asking for suggestions from the important stakeholders like us. What was the urgency is beyond the logical comprehension.

However comparing the Enlistment Rules 2020 and Enlistment Rules 2021, at the outset we have to praise the positive changes made in the Enlistment Rules 2021 which are :-

- 1) Clubbing the enlistment under composite, road, building, infrastructure category and making the new category as Building & Road.
- 2) Decreasing the requirement of magnitude of work experience and deleting the requirement of ongoing work for work experience.
- 3) Reducing the requirements of financial soundness
- 4) Requirement of Average Annual Turnover has been clarified.
- 5) Reduction in Enlistment fees
- 6) Online submission and processing of fees.

However the shortcomings which we have been representing for quite some time have not been incorporated. They are :-

- 1) In clause 5.3 in the new Enlistment Rules, 2021 on tendering limit, the upper limit for Class I (Super) has not been changed to "Unlimited". Please refer to our letter with no. 215/ M/ 2021-22 dated 7th June 2021 in which we have submitted the various enlistment rules being followed by the other premier organisations in India which do not have any limit for the Class 1 (super). This has not been taken into consideration in spite of BAI giving several examples. Therefore it is requested that for the highest class i.e Class I (Super) the tendering limit should be mentioned as "Unlimited" **OR** a new Class may be formed for the "Unlimited" category using the same parameters for work experience and financial soundness.

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B.A.I. Centres at:

Adilabad, Agra, Agra Cantt., Ahmedabad, Ahmednagar, Aligarh, Allahabad, Alleppy, Aluva, Amravati, Amaravathi, Andaman & Nicobar, Angamali, Aurangabad, Avadi, Baghpat, Bangalore, Baramati, Bareilly, Baroda, Bharuch, Bhopal, Bilaspur, Butibori, Calicut, Chandigarh, Changanacherry, Chengai, Chennai, Chettinadu, Chitradurga, Coimbatore, Delhi, Delhi East Shahadra, Delhi North, Delhi South, Delhi West, Dhanbad, Dharapuram, Dhule, Dindigul, Durgapur, Durg-Bhillai, Erode, Ettumanoor, Faridabad, Gautam Buddha Nagar, Gandhinagar, Ghaziabad, Goa, Greater Hyderabad, Greater Jaipur, Greater Noida, Guntur, Gurgaon, Guwahati, Haldia, Hapur, Hasan, Hyderabad, Ichalkaranji, Indore, Jabalpur, Jagdalpur, Jaipur, Jalgaon, Jaisalmer, Jamshedpur, Jodhpur, Kalpakkam, Kallakurichi, Kamareddy, Kanchipuram, Kanker, Kannur, Kanpur, Kanpur-South, Kanyakumari, Karaikal, Karimnagar, Karnal, Karnavati, Khammam, Kochi, Kodalkanal, Kodungallur, Kolhapur, Kolkata, Kollam, Kottayam, Kumbakonam, Kundli, Latur, Loni, Lucknow, Madhurantakam, Madurai, Mahaboobnagar, Malegaon, Mandya, Mangalore, Mayiladuthurai, Medachal, Medak, Meerut, Meerut Cantt., Modinagar, Moradabad, Moradabad Nor. Rly., Mumbai, Muvattupuzha, Muzaffarnagar, Mysore, Nagapattanam, Nagpur, Nalgonda, Namakkal, Nanded, Nandurbar, Nasik, Nellore, Neyveli, Nilgiri, Nizamabad, Ongole, Panipat, Parbhani, Patna, Perambalur, Phaltan, Pink City Jaipur, Pondicherry, Ponneri, Poonamallee, Por-Ramangandi, Pudukkottai, Pune, Raichur, Raigad, Raipur, Rajahmundry, Rajkot, Ramanathapuram, Ranchi, Ranga Reddy, Ravulapalem, Salem, Sangamner, Sangli, Satara, Shahda, Shimoga, Silchar, Sitapur, Solapur, Surat, Tambaram, Tanuku, Tenkasi, Tezpur, Thanjavur, Theni, Thirupur, Thiruthurai, Thiruvalla, Thiruvannamalai, Thiruvarur, Thripunithura, Thrissur, Tiruchirapalli, Tirunelveli, Tirupur, Tiruvallur, Thiruvananthapuram, Tuticorin, Udumalpet, Uthasagar, Vellore, Vijayawada, Vikarabad, Villupuram, Visakhapatnam, Vizag Steel City, Wai, Warangal, Western U.P. Electrical, Yadadri.

- 2) In the same clause the tendering limit of Class 1 (A) has been revised to Rs 75 cr. from Rs. 65 Cr in Enlistment rules 2020 (an increase of 15.38%) . Similarly the tendering limit in Class 1 has been revised to Rs. 50 Cr from Rs. 40 Cr in the Enlistment Rules 2020 (an increase of 25%). Therefore taking the minimum hike, the tendering limit should be revised by at least 15% for all Classes.
- 3) In Clause 6.2, the value of works executed during the last 7 years shall be brought to current value by enhancing the actual cost of work at simple rate of 7% from annum from 6.5% in Enlistment Rules 2020. Considering the high inflationary cost this should be revised to 10% to bring actual parity.
- 4) Net Worth should be adjusted in line with the changed annual turnover.
- 5) Completed works with TOR (Time Over Run) more than 1 should also be considered, but to delete the sentence “in case levy of compensation is not decided, extended time period without levy of compensation shall be NIL”. This sentence (proposed sentence to be deleted) should be written afresh in the larger interest of the Contractors.

Further, it is requested that in case of any Contractor the one particular work, the EOT Case was decided with levy of compensation. Such cases should not be rejected out-rightly, because, in the case of any such Contractor, there may be some tough times for him, which may be beyond his control. In such situation he may qualified provisionally and may be given a chance to him to prove his worth by executive another given work, in time bond manner.

- 6) The concept of revalidation has been re-introduced by the department is appreciable, but the process needs changes. Because, in any given category of Contractors, the number of works for which tenders are invited and the number of Contractors winning these works is far less than the number of Contractors available (Registered) in that category.

In order to resolve this issue, it is proposed that any registered Contractor, in any category, who participates in tendering process at least in three cases in complete period of registration irrespective of being the lowest Contractor should be eligible for re-validation of registration in the same category of registration of Contractors, where already registered.

If, the above suggestions are taken on board, the Enlistment Rules will become fair, just and in line with what is being followed by other premier organisations. **Also as previously being followed, representatives from BAI should be included in the technical committee of CPWD which is formulating and issuing such Enlistment Rules.** This way all feedback from stakeholders like us would be duly considered by this technical committee.

We, therefore request CPWD to make these changes as well.

We look forward to an urgent meeting to discuss these and thank you in positive anticipation for the same.

Thanking you,

Yours faithfully,



R.N. Gupta
President
Builders Association of India
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