REGIONAL OFFICE - SHILLONG NATIONAL HIGHWAYS & INFRASTRUCTURE DEVELOPMENT CORPORATIONLTD. Ministry of Road Transport & Highways, Government of India First floor, Parkside Building, Near BSNL, Barik, Shillong, Meghalaya-793001 Email- edp.shillong@nhidcl.com, edproshillongnhidcl@gmail.com



CIN: U45400DL2014GOI269062

NHIDCL/RO-SHG/MR/2021/09/2/3014 .

Date: 11.01.2023

To,

The Authorised Signatory, M/s Tanor Engineering, P-Sector, Itanagar, Dist-Papum Pare,791111, Arunachal Pradesh GST no. - 12AVFPT6405Q2Z4 Email: <u>tanorengineering65@gmail.com</u>

Subject: Maintenance and repair of NH 40 between Shillong to Dawki road upto Bangladesh Border from km 81+740 to km 93+490, km 123+800 to 131+820, km 151+330 to 163+400 along the existing road (Package I, III, V) & km 61.800 to km 79.000 (Shillong - Barapani) in the State of Meghalaya in FY 2022-23 (Item Rate & Work Order Basis): **Declaration as a Non Performer and Debarment from participating in future projects of NHIDCL/ NHAI/MoRTH -reg.**

Ref: (i) PMU letter no. PMU-Mylliem/P/SD(Pkg-I,III&V)/M&R/1357 dated 05.01.2023

(ii) PMU letter no. PMU-Mylliem/P/SD(Pkg-I,III&V)/M&R/1331 dated 03.01.2023

(iii) PMU letter no. PMU-Mylliem/P/SD(Pkg-I,III&V)/M&R/1206 dated 01.12.2022

(iv) PMU letter no. PMU-Mylliem/P/SD(Pkg-I,III&V)/M&R/1135 dated 21.11.2022

(v) PMU letter no. PMU-Mylliem/P/SD(Pkg-I,III&V)/M&R/1032 dated 01.11.2022

(vi) PMU letter no. PMU-Mylliem/P/SD(Pkg-I,III&V)/M&R/960 dated 20.10.2022

(vii) RO-Shillong letter no. NHIDCL/RO-SHG/M&R/2021/09/2/2430-A dated 01.10.2022

(vii) Contract Agreement signed on 12.09.2022

(ix) LOA no. NHIDCL/RO-SHG/M&R/2021/09/2/2259 dated 13.08.2022

Whereas, NHIDCL vide letter dated 13.08.2022 at ref (ix) had awarded the subject work to your firm, M/s Tanor Engineering and accordingly Contract Agreement has been signed on 12.09.2022 (Appointed date) with a completion period of 180 days from the appointed date.

2 Whereas, NHIDCL vide letter at ref (i), (ii), (ii), (iv), (v) & (vi) has repeatedly highlighted your deficiencies and slackness towards your performance w.r.t. execution of subject-cited work. In addition, you have been directed to speed up the progress of work and rectify the defects, which are causing in-convenience to the commuters.

It is well-noted fact that the above said road is important and major traffic carrying roads for tourist as well as local public commuters. However, despite of knowing the fact, your firm is continuing the lackadaisical approach towards work and executing the work at snail's pace.

3. Whereas, your firm Contractor has failed to mobilise adequate Manpower, Machinery & Materials at site which causing delay in progress of work.

In addition, it has been observed that no technical person & authorised person is available at any time on site to monitor the work and progress on day to day basis and the site activities have been kept at the helm of site workers which clearly shows your unprofessionalism towards work.



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4. Whereas, Your firm has failed to achieve the stipulated target as per contract agreement and despite the lapse of 04 months, the Contractor has achieved only 18% of Physical Progress & 12.5 % of Financial Progress till date which is clear breach of clause 53.2 (J) i.e. <u>"...if the Contractor has not completed at least 30 (thirty) percent of the value of work required to be completed after half of the completion period has elapsed"</u>.

5. Whereas, NHIDCL vide letter at ref (ii) dated 03.01.2023 has issued Cure Notice to the Contractors to improve the progress of work and mobilise sufficient Manpower, Machinery & Materials at site within the Cure Period of 7 days, failing which, the Contractor shall be deemed to be in default of the Contract Agreement and further necessary action for the termination of the work contract shall be initiated against the Contractor as per provisions of the Contract Agreement.

However, the contractor has not taken cognizance of the Cure Notice till date and neither any representation from the contractor's end has been received nor any assurance has been given by the contractor till date for improving the performance and expediting progress at site which clearly highlights your lacklustre approach and non-seriousness towards execution of work.

6 Whereas, NHIDCL vide letter at ref (i) dated 05.01.2023 has directed the Contractor to immediately take the Bituminous Work on priority without any further delay by taking the advantage of the ongoing season, failing which necessary penal action shall be initiated against Contractor including blacklisting/ termination & debarment of Contractor for participating in future bids of MoRTH/NHAI/NHIDCL besides imposing financial liability on Contractor as per provisions of Contract Agreement. However, no reply has been received by the Contractor's end nor any action visible on ground till date.

7. Whereas, it is pertinent to highlight that the Maintenance Contractor, M/s Tanor Engineering has breached to the relevant Clauses of the Contract Agreement i.e., Clause 53, Section-V of the Contract Agreement and various defaults of stipulated categories of MoRTH circular RW/NH-33044/76/2021-S&R(P&B) dated 06.10.2021 which reads as under:

Clause 53, Section-V of the Contact Agreement, i.e., Termination

53.1 Section-V of CA, "The Employer may terminate the Contract if the Contractor causes a fundamental breach of the Contract".

53.2 Fundamental breaches of Contract include, but shall not be limited to, the following:

53.2 (c), Section-V of the CA i.e., "the Engineer/Employer gives Notice that failure to correct a particular defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Engineer";

53.2 (j), Section-V of the CA i.e., "....if the Contractor has not completed at least 30 (thirty) percent of the value of work required to be completed after half of the completion period has elapsed"

53.3 Notwithstanding the above, the Employer may terminate the Contract for convenience.

MoRTH Circular "SOP to Debar/ penalize/ declare the contractor/ concessionaire as Non performer in National Highways and other centrally sponsored road projects"



Si. No. 1 "Failure to set up institutional mechanism and procedure as per contract" Si. No. 2 "Fails to complete or has missed any milestone and progress......."

8. Therefore, In view of the above and taking into consideration all facts & records, it is concluded that the Contractor is working with lackadaisical & unprofessional approach, breach of stipulations of Contract Agreement and prevailing MoRTH circular and has no intention against the fulfilment of its obligation as per Contract Agreement which is causing severe inconvenience to the commuters and inviting criticism & ire from all corners to NHIDCL, the Contractor, M/s Tanor Engineering is hereby declared as "Non Performer" and debarred for a period of one (01) year from participating in the future project of NHIDCL/MoRTH/NHAI, directly or indirectly, in any form, in any work.

9. This letter is issued without prejudice to any other right or remedy available with the Authority under the Contract Agreement and or applicable Law.



Yours faithfully

(Ajay Verma) **Executive Director (Project)**

Copy to:

- (i) Director Genral (RD&SS), MORTH
- (ii) Director General (Border Roads), Seema Sadak Bhawan, Ring Road, Narayana, New Delhi
- (iii) Chairman, NHAI
- (iv) Chief Secretaries (PWD Roads) of all State Govt. / UT with National Highways and Centrally Sponsored Schemes
- (v) PS to MD, NHIDCL/ Director (T), NHIDCL/ Director (A&F), NHIDCL New Delhi
- (vi) All offices of NHIDCL HQ/ Branch Offices
- (vii) Media relation/ IT Division/ Infracon cell with request to get it posted on NHIDCL Website.

