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No.E-in-C/PWD/Works /OO/2026/ 486 Dated: 9 09.2026

OFFICE ORDER

Reference: 1. Ministry of Road Transport & Highways (MoRTH), Government of India, vide Circular No. NH-24028/03/2026-H dated 17.04.2026

2. Ministry of Housing and Urban Affairs (MoHUA) letter No. O-17024/53/2026-Works-3-MoHUA (E-9216406) dated 13.05.2026

3. Ministry of Road Transport & Highways (MoRTH), Government of India, vide Circular No. NH-24028/03/2026-H dated 29.07.2026

Subject: Introduction of one-time Cost Escalation Compensation Mechanism for ongoing Bituminous Road Works in PWD, GNCTD – regarding.

In line with the mechanism prescribed by the Ministry of Road Transport & Highways (MoRTH), Government of India, and letter issued by Ministry of Housing and Urban Affairs (MoHUA) referred to above, **one-time Cost Escalation Compensation Mechanism** is, hereby, introduced in respect of eligible ongoing bituminous road works being executed by the Public Works Department, GNCTD, having **bid due date prior to 01.04.2026** and where no contractual price adjustment mechanism exists, subject to the satisfaction of all other eligibility conditions and safeguards prescribed under Para-5 of this Order.

2. The mechanism shall be applicable for the road strengthening works (approx. 400 kms) being undertaken under CRIF and State Fund for the period **from 01.04.2026 to 30.11.2026**.

3. The price adjustment shall be admissible only for the Bitumen component and shall be calculated strictly in accordance with the formula prescribed by MoRTH, as under:

$$V = Q \times (Wf - Wo)$$

Where:

V = Price Adjustment for payment on Bituminous Work;

Q = Quantity of Bitumen actually consumed/incorporated in the work, not exceeding the quantity permissible as per the approved Job Mix Formula, in MT;

Wo = Price of Bitumen at the nearest IOCL refinery prevailing on **01.03.2026**, per MT; and

Wf = Price of Bitumen at the nearest IOCL refinery corresponding to the period of work done, as supported by the relevant GST invoice(s), per MT.

4. No price adjustment shall be admissible for any item/component other than Bitumen.

5. The implementation of the Cost Escalation Compensation Mechanism shall be subject to the following safeguards and conditions:

   a) Relief shall be restricted only to admissible quantities actually consumed during the eligible period.

   b) Cases involving contractor default, avoidable delay or breach of contractual obligations should not automatically qualify for relief. Such cases shall continue to be dealt with independently under the provisions of the contract, including levy of compensation, issuance of notices or other contractual action, wherever applicable. Price adjustment, wherever admissible, shall be limited only to the quantities actually consumed during the eligible period and shall not dilute the Department's right to enforce contractual obligations.

   c) price adjustment shall be admissible only for actual quantity of Bitumen consumed in the work, supported by GST invoices of **nearest** Oil PSUs/refineries.

   d) Appropriate verification mechanism shall be adopted by applying approved Job Mix Formula supported by GST invoices along with consumption records verified by field engineers.

   e) Contractors shall be required to furnish work-wise consumption statements, GST invoices, refinery source details and utilization certificates duly certified by Executive Engineer.

   f) Cross-verification with procurement records and invoices shall be undertaken to ensure that no duplication or overlapping claim is entertained in respect of any other work or agency.

   g) As an additional safeguard, Bitumen procured for the eligible works during the relevant period shall mandatorily be utilised within 15 days. Accordingly, no invoice of Bitumen dated earlier than 15 days from the date of execution of the corresponding work shall be accepted/entertained for the purpose of price adjustment under this mechanism.

h) Details of awarded cost, balance work/quantity as on 01.04.2026, eligible bitumen quantity, applicable base/reference rate, actual procurement rate and estimated compensation, duly reconciled with the awarded quantities shall be maintained by the Executive Engineer of the concerned Division.

6. All the concerned Chief Engineers/Superintending Engineers/Executive Engineers shall ensure strict compliance with this Order.

7. This issues with the approval of Competent Authority.

A.K. Singh
Director (Works)

To:

1. All Chief Engineers (Road Maintenance), PWD.
2. All Superintending Engineers (Road Maintenance), PWD.
3. All Executive Engineers (Road Maintenance), PWD.
4. IFA, PWD.
5. System Analyst, PWD with the request to upload the Order on the website of PWD under relevant section.

Copy to:

1. Secretary to Hon'ble Minister (PWD), GNCTD
2. S.O. to Chief Secretary, GNCTD
3. Pr. Secretary (PWD), GNCTD
4. Pr. Secretary (Finance), GNCTD.
5. Principal Secretary (Planning), GNCTD.
6. E-in-C, PWD, GNCTD.
7. Guard file.

9/9/26

A.K. Singh
Director (Works)