

Delay in implementation of Projects of NTPC

*333. SHRIMATI SHOBHANA BHARTIA: Will the Minister of POWER be pleased to state:

(a) whether in view of concerns over inordinate delays in implementation of many long pending projects of NTPC, C&AG has been asked to look into the contractual agreements signed between NTPC and its suppliers and contractors for various projects;

(b) if so, the details thereof;

(c) whether implementation of several NTPC projects has been stalled due to loopholes in the agreements entered into by it; and

(d) if so, the details thereof and the steps Government proposes to take to resolve such disputes?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE) : (a) The Office of the C&AG has informed that it has not received any communication to this effect.

(b) Does not arise in view of (a) above.

(c) Implementation of large power projects is a process involving several contractors and suppliers, supplying various equipments, machinery and materials for the project spanning a period of 4-5 years from the time of award of main plant contract. During the process of implementation, the major factors contributing to delays are issues relating to slow progress of works, delay in supply of materials, change in scope of work, geological surprises etc.

(d) NTPC has informed that its procurement procedures are based on the principles of economy and efficiency which have been developed in line with widely accepted "Standard Bidding Document" adopted by the Government of India for World Bank Projects in India.

Based on the standard bidding documents, bidding document for a particular package is prepared and bids are invited from prospective bidders. In response bidders submit their proposal in line with the terms and conditions stipulated in bidding documents and after evaluating the bids, contracts are awarded to successful bidder.

NTPC has further informed that any contractual issue arising during the course of execution of a project in NTPC, is generally dealt with as per the provisions stipulated in the contract for amicable resolution; as such, there are no loopholes *i.e.*, omissions or ambiguity in contracts awarded by NTPC.