

The contract documents and many procedures are archaic and need drastic changes : Kamal Nath

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INVC, Delhi, Union Urban Development and Parliamentary Affairs Minister, Shri Kamal Nath has asked for adopting best practices in contract management and execution in the construction sector. He said the contract documents and many procedures are archaic and need drastic changes. He was speaking at the Workshop on 'Unified Standard Contract Document' jointly organized by the Ministry of Urban Development and Builders' Association of India in New Delhi today. Kamal Nath said a mindset change is required for preparing enabling policy framework to make the contract document acceptable to all concerned. A contract document has to be a fair document with the provision of 'completion bonus' along with the penalty clause, he added. He said that delay in payment amounts to 'financing by the contractor'. The Minister said that the cost escalation factor and delay in payment to the contractor should also be taken into consideration in the unified standard contract document. Kamal Nath asked the Builders' Association of India to emulate the contract documents of NHAI, Delhi Metro and other such organizations and take enabling clauses for preparing the unified standard contract document. He also asked CPWD to present a contract document within three months for consideration of the Ministry. Dr. Sudhir Krishna, Secretary, Ministry of Urban Development also spoke on this occasion. Representatives from all over the country attended the day-long deliberations.

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