

File No. Pc-14013/1/2026-PROCUREMENT NMCG

भारत सरकार
जल शक्ति मंत्रालय
जल संसाधन, नदी विकास एवं गंगा संरक्षण विभाग
राष्ट्रीय स्वच्छ गंगा मिशन

प्रथम तल, मेजर ध्यानचंद नेशनल स्टेडियम,
इंडिया गेट, नई दिल्ली

दिनांक: 27.07.2026

**NOTICE INVITING COMMENTS, SUGGESTIONS AND OBSERVATIONS ON
THE PROPOSED AMENDMENTS TO CONTRACTUAL PROVISIONS RELATING
TO LIQUIDATED DAMAGES FOR NON-COMPLIANCE EVENTS IN DBOT AND
HAM PROJECTS**

The National Mission for Clean Ganga (NMCG) proposes to introduce additional contractual provisions in the tender documents for Design-Build-Operate-Transfer (DBOT) and Hybrid Annuity Model (HAM) projects to strengthen environmental compliance and performance monitoring of Sewage Treatment Plants (STPs).

The proposed amendments provide for additional Liquidated Damages (LD) where treated effluent samples collected and tested by the Central Pollution Control Board (CPCB) or its authorized laboratories are found to be non-compliant with the prescribed CPCB or Contract standards. The proposal has been formulated in view of instances where variations were observed between compliance results reported by CPCB and those reported by SPCBs/NABL-accredited laboratories.

Under the proposed amendments, such non-compliance shall constitute a Non-Compliance Event and may attract deduction of O&M Payments (excluding power charges) for a specified period, in addition to the applicable Liquidated Damages under the Contract/Concession Agreement, subject to the prescribed due process.

The proposed framework also incorporates procedural safeguards, including sharing of the laboratory test reports with the Operator/Concessionaire, providing an opportunity to submit explanations or representations, and exclusion of liability in cases where the non-compliance is attributable to factors beyond the control of the Operator/Concessionaire.

The draft amendments to the relevant provisions of the tender/contract documents for HAM and DBOT projects are enclosed with this notice for inviting comments, suggestions, observations, and views from the general public, domain experts, Urban Local Bodies (ULBs), industry stakeholders, and all other interested stakeholders.

Interested persons may submit their comments/suggestions in writing within 10 (ten) working days from the date of publication of this notice through e-mail at ed.projects@nmcg.nic.in.

The changes proposed in the relevant provisions for the tender documents of HAM and DBOT projects are tabulated below:

Tender document provisions for HAM Project

	Existing Provision	Proposed Amendment in HAM Contract Provision									
HAM Project	-	<u>New Clause under 8.12 (b) (iii)</u> (F) Additional Liquidated Damages (LD) provision for ‘Non Conformance Event’ based on sampling collection by any agency nominated by NMCG including CPCB, Research Institutes, IIT etc.: Where any grab or composite sample of treated effluent collected by any agency nominated by NMCG including CPCB, Research Institutes, IIT etc. or its authorized laboratory, in the presence of the Concessionaire’s representative wherever practicable, is found non-compliant with the applicable CPCB standards or contract standards, such event shall constitute a ‘Non-Conformance Event’. The maximum number of such tests for a STP will not exceed 12 (twelve) in a year. No deduction or Liquidated Damages (LD) shall be imposed unless: (i) the concessionaire has been provided a copy of the test report; (ii) the concessionaire has been given reasonable opportunity of being heard. Upon confirmation of such ‘Non-Conformance Event’ attributable to the concessionaire, the Liquidated Damages may be imposed as below, subject to provisions of the concession agreement. <table border="1"> <thead> <tr> <th>Violation Type</th><th>Trigger Event</th><th>LD Rate per MLD</th></tr> </thead> <tbody> <tr> <td>First Violation</td><td>Treated Effluent not meeting Discharge Standards with the applicable CPCB standards or Contract standards</td><td>5 times the LD Rate as specified in Schedule 7A</td></tr> <tr> <td>Second Violation</td><td>Treated Effluent not meeting Discharge Standards with the applicable CPCB standards or Contract standards continuously two (2) times</td><td>10 times the LD Rate as specified in Schedule 7A</td></tr> </tbody> </table>	Violation Type	Trigger Event	LD Rate per MLD	First Violation	Treated Effluent not meeting Discharge Standards with the applicable CPCB standards or Contract standards	5 times the LD Rate as specified in Schedule 7A	Second Violation	Treated Effluent not meeting Discharge Standards with the applicable CPCB standards or Contract standards continuously two (2) times	10 times the LD Rate as specified in Schedule 7A
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	Existing Provision	Proposed Amendment in HAM Contract Provision		
		Third Violation and so on	Treated Effluent not meeting Discharge Standards with the applicable CPCB standards or Contract standards continuously three (3) times	20 times the LD Rate as specified in Schedule 7A
		Failure to comply with the Discharge Standards continuously more than three (3) times, it will be treated as a Concessionaire Event of Default and the consequences set out at Article 16 shall apply. Any environmental compensation, penalty, or regulatory liability imposed by CPCB, NGT, or any statutory authority shall be borne by the concessionaire only to the extent directly attributable to acts, omissions, negligence, or operational failure of the concessionaire. CPCB or laboratory reports relied upon for any deduction or liability under this clause shall be shared with all stakeholders as expeditiously as practicable.		

Proposed Schedule -7A

Treated Effluent and Digested/dewatered Sludge liquidated damages for STP

Parameter	Liquidated Damages (INR) per MLD
For any single parameter violation (as per the design parameter/contract values of BOD, COD, TSS, Nitrogen Total, Phosphorus Total, Fecal Coliform)	2,500
For more than parameter violation (as per the design parameter/contract values of BOD, COD, TSS, Nitrogen Total, Phosphorus Total, Fecal Coliform)	5,000

Tender document provisions for DBOT Projects

	Existing Provision	Proposed Amendment in DBOT Contract Provision									
DBOT Project	-	<u>New Clause under Article 1 of Schedule 7 – Liquidated Damages – Operations</u> (5) Additional Liquidated Damages (LD) provision for ‘Non Conformance Event’ based on sampling collection by any agency nominated by NMCG including CPCB, Research Institutes, IIT etc.: Where any grab or composite sample of treated effluent collected by any agency nominated by NMCG including CPCB, Research Institutes, IIT etc. or its authorized laboratory, in the presence of the Operator’s representative wherever practicable, is found non-compliant with the applicable CPCB standards or contract standards, such event shall constitute a ‘Non-Conformance Event’. The maximum number of such tests for a STP will not exceed 12 (twelve) in a year. No deduction or Liquidated Damages (LD) shall be imposed unless: (i) the Operator has been provided a copy of the test report; (ii) the Operator has been given reasonable opportunity of being heard. Upon confirmation of such ‘Non-Conformance Event’ attributable to the Operator, the Liquidated Damages may be imposed as below, subject to provisions of the agreement. <table border="1"> <thead> <tr> <th>Violation Type</th><th>Trigger Event</th><th>LD Rate per MLD</th></tr> </thead> <tbody> <tr> <td>First Violation</td><td>Treated Effluent not meeting Discharge Standards with the applicable CPCB standards or Contract standards</td><td>5 times the LD Rate as specified in Table 1 below.</td></tr> <tr> <td>Second Violation</td><td>Treated Effluent not meeting Discharge Standards with the applicable CPCB standards or Contract standards continuously two (2) times</td><td>10 times the LD Rate as specified in Table 1 below.</td></tr> </tbody> </table>	Violation Type	Trigger Event	LD Rate per MLD	First Violation	Treated Effluent not meeting Discharge Standards with the applicable CPCB standards or Contract standards	5 times the LD Rate as specified in Table 1 below.	Second Violation	Treated Effluent not meeting Discharge Standards with the applicable CPCB standards or Contract standards continuously two (2) times	10 times the LD Rate as specified in Table 1 below.
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Second Violation	Treated Effluent not meeting Discharge Standards with the applicable CPCB standards or Contract standards continuously two (2) times	10 times the LD Rate as specified in Table 1 below.									

	Existing Provision	Proposed Amendment in DBOT Contract Provision		
		Third Violation and so on	Treated Effluent not meeting Discharge Standards with the applicable CPCB standards or Contract standards continuously three (3) times	20 times the LD Rate as specified in Table 1 below.
		Failure to comply with the Discharge Standards continuously more than three (3) times, it will be treated as a Operator's Default and the consequences set out at Contract Clause 11.2.3 shall apply.		
		Any environmental compensation, penalty, or regulatory liability imposed by CPCB, NGT, or any statutory authority shall be borne by the Operator only to the extent directly attributable to acts, omissions, negligence, or operational failure of the Operator.		
		CPCB or laboratory reports relied upon for any deduction or liability under this clause shall be shared with all stakeholders as expeditiously as practicable.		

Table 1:

Treated Effluent and Digested/dewatered Sludge liquidated damages for STP

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Proposed new clause under contract clause 11.2.3 (2):

(e) Failure to comply with the Discharge Standards continuously more than three (3) times, in accordance with clause 5 of Article 1 of Schedule 7.
