

**GOVERNMENT OF INDIA  
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS**

**LOK SABHA  
UNSTARRED QUESTION NO. 3338  
ANSWERED ON 12<sup>TH</sup> MARCH, 2026**

**LOW BIDS BY ROAD CONTRACTORS**

**3338. MS. MAHUA MOITRA:**

**Will the Minister of ROAD TRANSPORT AND HIGHWAYS**

सड़क परिवहन और राजमार्ग मंत्री

**be pleased to state:**

**(a) whether it is true that road contractors have been quoting low bids that are significantly lower than the tender cost of Government road projects, if so, the reasons therefor;**

**(b) the details of projects awarded by the Government including the tender cost, the bids quoted by contractors since 2014 and the difference between tender cost and bid quoted (in percentage) since 2014, year-wise and project-wise;**

**(c) whether the quality and timely completion of road projects have suffered due to the extremely low bids quoted by contractors and if so, the details thereof;**

**(d) whether the qualification criteria have been relaxed for bidding for Government road projects including the old and new criteria, if so, the details thereof; and**

**(e) whether the Government has cancelled any tenders announced due to the extremely low tender bid, if so, the details thereof since 2014, project-wise and year-wise?**

**ANSWER**

**THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS  
(SHRI NITIN JAIRAM GADKARI)**

**(a) and (b) Government engages contractors for project works implementation through a transparent and competitive bidding process in accordance with the prescribed procurement guidelines. In certain cases, bids have been received at rates far lower than the estimated project cost put to tender, primarily due to competitive market conditions and aggressive bidding strategies adopted by the bidders.**

**To safeguard the interests of the Government and to ensure that quality standards are not compromised, suitable provisions have been incorporated in the bidding documents including requirement of Additional Performance Security. Further, all works are executed strictly in accordance with the relevant codes/manuals prescribed. Independent Engineers/Authority Engineers and regular field inspections ensure supervision and adherence to quality standards at every stage of construction. Independent Quality Audit is also taken up in certain projects where required.**

**Accordingly, necessary safeguards are in place to ensure that competitive bidding does not adversely impact the quality of National Highway works.**

**The average tender discount of ongoing works varies from 11% to 34% across States. Project-wise and year-wise data on the difference between tender cost and bid cost being voluminous in nature is being compiled and will be laid on the table of the House.**

**(c) It may not be possible to infer that the quality of works have suffered on account of low bids. Generally, works are being implemented as per laid down specifications and standards. The instances of poor quality have been observed even in bids without discount. It may be mentioned that the quality of work primarily gets affected based on quality of raw materials, quality of equipment, level of supervision, Quality Control measures and experience of workers/ engineers at the site.**

**(d) In 2019, relaxations in qualification criteria for Contractors / Concessionaires were given to promote competition. However, in**

**2025, the Government tightened the qualification criteria for bidding for NHs works under Hybrid Annuity Model (HAM) and Engineering, Procurement and Construction (EPC) modes, to prevent potential issues related to construction timelines and quality due to aggressive bidding. The modifications inter-alia include raising the minimum financial and technical requirement for bidders, introducing greater checks on sub-contracting experience and modification of the highways and core sector definitions. Further, provision of Additional Performance Bank Guarantee has been made stringent.**

**(e) Tenders are generally accepted or rejected based on qualification criteria as specified in Request for Proposal (RFP) in accordance with the guidelines and General Financial Rules GFR as per the recommendation of the tender evaluation Committee.**

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