

TWENTIETH REPORT  
PUBLIC ACCOUNTS COMMITTEE  
(2009-10)

(FIFTEENTH LOK SABHA)

DEVELOPMENT OF LAND BY  
DELHI DEVELOPMENT AUTHORITY

[Action Taken by the Government on the Observations/Recommendations of the  
Committee contained in their Fifty-fifth Report (Fourteenth Lok Sabha)]

MINISTRY OF URBAN DEVELOPMENT



*Presented to Lok Sabha on 29 April, 2010  
Laid in Rajya Sabha on 29 April, 2010*

LOK SABHA SECRETARIAT  
NEW DELHI

*April, 2010/Vaisakha, 1932 (Saka)*

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(2009-10)

\*Shri Gopinath Munde — *Chairman*

MEMBERS

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2. Shri Anandrao Vithoba Adsul
3. Dr. Baliram
4. Shri Khagen Das
5. Shri Naveen Jindal
6. Shri Satpal Maharaj
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12. Shri Yashwant Sinha
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*Rajya Sabha*

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17. Shri Sharad Anantrao Joshi
18. <sup>s</sup>Vacant
19. Shri Shanta Kumar
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22. Prof. Saif-ud-Din Soz

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- |                            |   |                            |
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| 3. Shri M.K. Madhusudhan   | — | <i>Additional Director</i> |
| 4. Shri S.L. Singh         | — | <i>Committee Officer</i>   |

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\* Appointed as the Chairman of the Committee *w.e.f.* 6th January, 2010 *vice* Shri Jaswant Singh resigned from the Chairmanship of the Committee.

<sup>s</sup> *Vice* Shri Ashwani Kumar retired from Rajya Sabha *w.e.f.* 9th April, 2010.

## INTRODUCTION

I, the Chairman, Public Accounts Committee (2009-10), having been authorised by the Committee, do present this Twentieth Report (Fifteenth Lok Sabha) on Action Taken by Government on the Observations/Recommendations of the Committee contained in their Fifty-fifth Report (Fourteenth Lok Sabha) on "Development of Land by Delhi Development Authority".

2. This Fifty-fifth Report was presented to Lok Sabha on 30.8.2007. Replies of the Government to the Observations/Recommendations contained in their Report were received on 23.10.2008 and updated replies on 15.9.2009. The Committee considered and adopted the Twentieth Report at their sitting held on 26th April, 2010. Minutes of the sitting are given at Appendix-I.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

5. An analysis of the Action Taken by the Government on the Observations/Recommendations contained in the Fifty-fifth Report (Fourteenth Lok Sabha) is given at Appendix-II.

NEW DELHI;  
26 April, 2010  
6 Vaisakha, 1932 (Saka)

GOPINATH MUNDE,  
*Chairman,*  
*Public Accounts Committee.*

## CHAPTER I

### REPORT

#### I. Introductory

This Report of the Committee deals with Action Taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their Fifty-fifth Report (14th Lok Sabha) on Chapter II of the Report of the Comptroller and Auditor General of India for the year ended March, 2005, No. 2 of 2006 (Performance Audit), Union Government (Civil—Autonomous Bodies) relating to "Development of Land by Delhi Development Authority".

2. Fifty-fifth Report of the Public Accounts Committee, which was presented to Lok Sabha on 30th August, 2007 contained 13 Observations/Recommendations. The Action Taken Notes in respect of all the Observations/Recommendations have been received from the Ministry of Urban Development and these are categorized as under:—

- (i) Observations/Recommendations which have been accepted by the Government:—  
Paragraph Nos. 95, 96, 99 and 100 - 106
- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:  
Paragraph Nos. 107
- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:  
Paragraph No. 97 and 98
- (iv) Observations/Recommendations in respect of which the Government have furnished interim replies:

-Nil-

3. In their Fifty-fifth Report, the Committee had examined execution of 6 developmental schemes undertaken by Delhi Development Authority in Dwarka and Rohini at a total expenditure of Rs. 605 crore. These schemes relate to—(i) Development of 1769.88 hectares of land for housing colonies at Pappan Kalan in Dwarka Phase I; (ii) Construction of master plan road in Dwarka Phase I; (iii) Maintenance of parks and plantation activities in the north zone; (iv) Development of 224.90 hectares of land for residential colonies in Dwarka Phase II; (v) Construction of master plan road in Dwarka Phase II; and (vi) Development of 472.20 hectares of land for housing colonies in Sectors 23,24 and 25 in Rohini. The Committee's examination of the subject had revealed

several deficiencies in the implementation of the schemes such as—mismatch in budget allocation and expenditure; lack of financial control over expenditure; non-adherence to codal provisions in award of works; award of work without ensuring availability of structural drawings, materials and clear sites; non-recovery of outstanding amount from the defaulting contractor; weak internal audit system; and lack of co-ordination with other concerned civic and public utility agencies etc.

4. The Action Taken Notes furnished by the Ministry of Urban Development have been reproduced in the relevant Chapters of this Report. In the succeeding paragraphs, the Committee have dealt with the Action Taken by the Government on some of their Observations/Recommendations made in the Original Report, which need reiteration or merit comments.

## **II. Lack of Financial Control over Expenditure**

*[Paragraph No. 97 of the 55th Report (14th Lok Sabha)]*

5. The Committee in their 55th Report had noticed that DDA had incurred an expenditure of Rs. 19.56 crore on four Master Plan road related work in Dwarka Project in February 2001 in anticipation of administrative approval and expenditure sanction in violation of Section 2.1 of CPWD Works Manual, which stipulate that no expenditure should be incurred without prior administrative approval and sanction of the competent Authority and that award or execution of works should be based on technical sanction. Even though, DDA claimed that normal procedure could not be followed while awarding these work ostensibly on grounds of urgency, scrutiny of record revealed that execution of these works was held up due to unresolved funding issues with the Delhi Government and there were delays ranging from 10 months to over three years in completing these works besides cost escalation. Worse, as many as 30 major work have been taken up by DDA as a matter routine by invoking the Clause of urgency over the last five years. While noting that the connotation of the circumstances that are deemed 'urgent' as envisaged in Rule 17 of the DDA Budget and Account Rules is vague and not properly codified and has the concomitant scope for its misuse or manipulation, the Committee had recommended that DDA should lay down a definite set of guidelines/parameters where under a particular work can be taken up as an emergent case. The Committee had urged upon DDA that the cases that are deemed emergent should be kept to the barest minimum possible and efforts should be made to ensure that work are executed after due process with prior approval and sanction of the competent Authority.

6. In their Action Taken Note, the Ministry of Urban Development have stated as under:—

"A Circular No. 610 has been issued by DDA *vide* No. EM 1(10)(2007/Cir./(PAC) Audit Paras/DDA/ 3916 dated 24.10.2007 wherein guidelines have been issued/reiterated for taking up the work in anticipation of AA & ES of AA & ES (Administrative Approval and Expenditure Sanction) on emergent basis."

**7. The Committee are dismayed to find that no concrete action had been taken by the Ministry of Urban Development on their recommendations for laying down definite set of guidelines/parameters for taking up a particular work as an emergent case**

and to keep such cases to the barest minimum possible. The DDA was just content with issuing a Circular of routine nature to the field Units/Offices reiterating that no works should be undertaken without proper administrative approval and expenditure sanction of competent authority. The Committee are of the opinion that mere issue of such Circulars will not yield desirable results unless these are backed by close and effective monitoring at the DDA level to ensure that the contents of Circulars are implemented/followed in the right earnest by the officials at field level obviously, DDA have chosen not to take any drastic measures to revamp their existing procedures so as to remedy this chronic malady. Such lackadaisical and half-hearted measures will not bear any fruit unless DDA view such deviations seriously and take stringent deterrent action against the delinquent/erring officials. The Committee, therefore, reiterate their earlier recommendations that DDA should lay down a definite set of guidelines/parameters, where under a particular work can be taken up as an emergent case, and the cases that are deemed urgent should be kept to the barest minimum possible.

### III. Construction of Master Plan Roads by DDA

*[Paragraph No. 98 of the 55th Report (14th Lok Sabha)]*

8. The Committee in their 55th Report had noticed that DDA had taken a unilateral decision to construct Master Plan roads in Dwarka Project, Narela sub-City and Rohini Sub-City and in the trans-Yamuna areas with it's own funds although the Construction of these Roads came under the purview of the Public Works Department of Delhi Government. This decision was taken on the plea that funds from PWD, Delhi were not coming up in the same pace as that of progress of development work in Dwarka. Subsequently, a policy decision was taken by DDA to construct Master Plan roads in the colonies developed by them on the condition that the cost thereof would be recovered from the land/house allottees. The Committee had expressed apprehension that continuation of this practice, if unchecked, would lead to a situation wherein DDA have to shoulder the entire responsibility for constructing all the roads in Delhi, being Master Plan roads, and the cost burden is unjustifiably passed on to the allottees and civic population. The Committee had, therefore, urged upon DDA to hold consultations with the Government of NCT of Delhi at the highest level so as to put an end to this practice. They had also recommended that an institutional coordinating mechanism should be set up in DDA and the Government of NCT of Delhi so that the Government of NCT of Delhi allots funds for construction of Master Plan roads expeditiously. In exceptional cases where it becomes imperative for DDA to Construct Master Plan roads, the Committee had called upon DDA to recover the cost from GNCTD at the earliest instead of overburdening the civic population.

9. In their Action Taken reply, the Ministry of Urban Development have stated as under:—

"The matter was taken up by DDA with GNCTD for refund of expenditure already incurred as well as future funding of MP Roads. But, PWD, GNCTD turned down the request saying that the expenditure on development of MP roads is borne by the allottees as DDA loads such expenditure on them while



working out the cost of the projects. It is felt that this system should continue. Hon'ble LG has agreed with the proposal submitted and decided that DDA should construct all Master Plan Roads including the Master Plan roads having ROW of 30 mtr. and above in its Development area. The matter, therefore, stands closed and the expenditure incurred by DDA on Master Plan roads has been/is being booked to the respective works/schemes."

**10. The Committee are not inclined to accept the stand taken by the Government of National Capital Territory of Delhi that expenditure on development of Master Plan roads has to be borne by allottees as DDA loads such expenditure on them while working out the cost of the project and that this system should continue. This is not only contrary to what the Committee had recommended in their 55th Report, but also illogical and totally unjustified. What is surprising to the Committee is the fact that let alone refund of expenditure already incurred by DDA on the projects completed, even in respect of future projects, the Government of National Capital Territory of Delhi have turned down the request of DDA to bear the expenditure on construction of Master Plan roads, which is anything but reprehensible. In the same breath, the Committee deprecate the lack of seriousness displayed by DDA to such an important issue. There is no evidence to suggest as to whether DDA had at any stage made any efforts to thwart the proposal of the Government of National Capital Territory of Delhi and have meekly surrendered/capitulated to the diktat of the Government of National Capital Territory of Delhi. The Ministry of Urban Development have also apparently not taken any initiative to intervene in the matter and plead the case of DDA before the Government of National Capital Territory of Delhi and rather chose to remain a mute spectator in the entire episode, which is anything but regrettable. At this stage the Committee can only urge upon the Ministry of Urban Development to take up the matter afresh with the Government of National Capital Territory of Delhi so that at least in respect of future projects undertaken by DDA, the expenditure incurred on construction of Master Plan roads is borne by the Government of National Capital Territory of Delhi and is not unjustifiably passed on by DDA to the allottees.**

#### **IV. Award of Work without ensuring clear site**

*[Paragraph No. 101 of the 55th Report (14th Lok Sabha)]*

11. The Committee in their original Report had observed that in respect of five cases of works relating to Dwarka Project, DDA not only failed to ensure clear site at the time of award of the works but also did not remove the various hindrances that came in the way of execution of Project, which is a clear violation of codal provisions of the CPWD Works Manual. This resulted not only in delay in execution of these works by 10 to 38 months but also avoidable cost escalation of Rs. 7.29 crore. The Committee's examination had also revealed that much of the so called unavoidable hindrances originated from lack of sound planning and institutionalized mechanism for coordination with concerned civic agencies and absence of a synchronized action plan for execution of the works in cooperation with other agencies in DDA. The Committee has recommended that all the five cases of works, which resulted in cost overrun of Rs. 7.29 crore and time overrun of more than 5 years, should be thoroughly investigated with a view to fixing responsibility on the concerned officials. The Committee had further recommended

that DDA should strictly adhere to the codal provisions for ensuring availability of clear and unhindered site before award of work and the clause for taking up works on emergency basis should be confined to the rarest of the rare cases. The Committee had also asked DDA to set up an institutionalized mechanism in coordination with other civic agencies so that the obstacles and hindrances are timely detected and expeditiously removed so that the works are taken up and completed on time.

12. In their reply, the Ministry of Urban Development have stated as under:—

- (i) All the files relating to award of work have been sent by DDA to the Chief Vigilance Officer *vide* No. FO to CE (DWK) 3(41) 2005/6/pt. 3651 dated 22.10.2007.
- (ii) Instructions have been issued by the Engineer Member's office *vide* Circular No. 611 issued *vide* No. EM (10) 2007/Cir. (PAC) Audit Paras/DDA/3914 dated 24.10.2007.
- (iii) Instructions have been issued by the Engineer Member's Office *Vide* Circular No. 610 issued *vide* No. EM (10) 2007/Cir. (PAC) Audit Paras/DDA/3916 dated 24.10.2007.

13. Subsequently, in their updated Action Taken Note, the Ministry have stated that the cases are still under investigation in the Vigilance Department of DDA.

**14. The Committee note that pursuant to their recommendation, DDA have initiated action for investigation into the five cases of works, wherein substantial cost and time overruns were involved. However, to their utter dismay, the Committee find that even after more than two years of the presentation of their 55th Report, the cases are still under investigation in the Vigilance Department of DDA. The Committee deplore the lack of urgency shown by DDA in this regard, which is anything but regrettable. The Committee urge upon DDA to expedite the vigilance investigation in the cases so that the same are completed within a definite timeframe and responsibility fixed to the concerned officials. They would like to be apprised of the precise action taken in this regard within three months from the presentation of this Report to Parliament. The Committee are constrained to note that except for issuing routine instructions by the Member-Engineer's office to the filed units, no concrete remedial steps appear to have been taken by DDA to prevent recurrence of this chronic malady of time and cost overrun in the execution of works. The Committee regret that no action has been taken on their recommendation for putting in place an institutionalized mechanism for coordination with other civic agencies for timely execution of the works. The Committee reiterate that DDA in coordination with other civic agencies should set up such a mechanism within three months for expeditious detection and removal of the obstacles/hindrances, failing which responsibility be fixed on the officials concerned.**

#### **V. Injudicious Decision to Reverse Rescission of Contract**

*[Paragraph No. 103 of the 55th Report (14th Lok Sabha)]*

15. In their original Report, the Committee had observed lack of a definite policy in DDA to deal with cases arising out of the failure of its contractors to complete the work

within the stipulated timeframe as manifested in imprudent handling of the work of construction of peripheral storm drain in sectors 1 and 2 of Dwarka, which was awarded to M/s N.R.B. Associates at a tendered amount of Rs. 1.46 crore with stipulated date of start and completion as 8 October 1996 and 7 October 1997 respectively. However, the work was rescinded on 5 August 1998 due to delay in completion of the work. Strangely, relying on assurances given by the firm for expeditious completion of the work, it was subsequently decided on 7 June 2001 to revoke the decision to rescind the contract and allowed the contractor to resume the work. As the firm could not complete the work, the contract was finally rescinded on 1 March 2003 and the proposed civic amenity could not be put in place for over 5 years. The Committee had noted that at the time of final rescinding of the contract, the contractor had completed work worth Rs. 1.14 crore and the balance of the work was awarded to another firm in October 2003 at their tendered amount of Rs. 96.09 lakh against estimated cost of Rs. 84.15 lakh. The work was finally completed in September 2005. The Committee were surprised to note that Work Advisory Board of DDA had decided to reverse the rescission of the contract merely on the basis of assurances given by the contractor and without conducting any due diligence and realistic assessment of the capabilities, track record and intention of the firm and hence was injudicious. The Committee had asked DDA to recover the amount of Rs. 28.03 lakh compensation leviable, along with interest, under the terms of the contract from the contractor without any further delay and also to have a provision for black listing such defaulting contractors.

16. In their Action Taken Note, the Ministry have replied that a recovery suit has been filed in the Court and the successive hearings of the case have been held in the Court and action to debar the agency has since been taken and the agency stands debarred from further tendering in DDA for indefinite period *vide* Orders issued *vide* No. F. 4(8) 172/Secy/CRB/2003/Pt./954 dated 18.9.2003.

**17. The Committee note that DDA have filed a suit in the Court for recovery of the compensation from the defaulting firm, M/s NRB Associates and have also debarred it from participating in further tendering in DDA for an indefinite period. They expect the DDA to pursue the case vigorously in the Court of Law and would like to be apprised of the outcome in this regard. The Committee, however, find that the Action Taken Reply of the Ministry is conspicuously silent with regard to measures taken by DDA to put in place a definite policy and guidelines to deal with cases of default of contractors to complete the work on time. Further, the Action Taken Reply is also silent with regard to setting up a mechanism by DDA whereby due diligence of the contractor is conducted so as to assess realistically his/her financial capacity and capability to undertake works with a view to obviate the cases of default by them. The Committee recommend that the Ministry of Urban Development should take up the matter with DDA so that they put in place comprehensive manual/guidelines whereunder works are awarded to only those contractors whose financial status and track record is proven. An appropriate clause should also be incorporated in the tender document as well as in the agreement for imposition of penalty in the event of any time and cost overrun in the completion of the Project as well as for abandoning the Project midway. Besides, a provision for blacklisting such contractors from**

**participating in any future tenders should be suitably incorporated in the tender document.**

**18. To sum up, the Committee find from the Action Taken Notes furnished by the Ministry of Urban Development that despite being the administrative Ministry, they have not been able to prevail upon the DDA to streamline its Rules/Procedures with a view to prevent recurrence of various lapses/deficiencies and shortcomings etc. that were brought to light by Audit from time to time. The Committee note that instead of urging upon the DDA to take measures for cleaning up the mess in DDA, the Ministry have rather regrettably endorsed all the actions taken by DDA. The Committee recommend that the Ministry of Urban Development should not let the things go a drift in DDA and take proactive and result-oriented steps to set the DDA house in order. If need be, the DDA Act should be suitably amended to this effect.**

## CHAPTER II

### OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Observations/Recommendations

During the period from 2000-01 to 2004-05, DDA spent Rs. 2,061.56 crore on development of land under various developmental schemes. The specific works undertaken under these schemes included construction of master plan roads, development of green belts, levelling and dressing of land, construction of storm water drains, internal drains and water supply lines, construction of connected underground water tanks and pump houses and maintenance works. The Committee note that expenditure on 19 such developmental schemes exceeded Rs. 10 crore each. Out of these, 6 developmental schemes involving a total expenditure of Rs. 605 crore and constituting about 29 per cent of the total expenditure were taken up in Dwarka and Rohini. These schemes relate to— (i) Development of 1769.88 hectares of land for housing colonies at Pappan Kalan in Dwarka Phase I; (ii) Construction of master plan road in Dwarka Phase I; (iii) Maintenance of parks and plantation activities in the North Zone; (iv) Development of 224.90 hectares of land for residential colonies in Dwarka Phase II; (v) Construction of master plan road in Dwarka Phase II; and (vi) Development of 472.40 hectares of land for housing colonies in sectors 23, 24 and 25 in Rohini.

[Para 95 of 55th Report of PAC (Fourteenth Lok Sabha)]

#### Action Taken

This relates to facts of the matter and no specific action needs to be taken.

Sd/-

(Dr. M.M. Kutty)

Joint Secretary to the Government of India.

#### Observations/Recommendations

The Committee note with concern that the execution of the aforesaid six developmental schemes in Dwarka and Rohini by DDA revealed mismatch in budget allocation and expenditure; lack of financial control over expenditure; non-adherence to codal provisions in award of works; award of works without ensuring availability of structural drawings, materials and clear sites; inadmissible payments due to non-adherence to specifications; non-recovery of outstanding amount from the defaulting contractor; poor planning and coordination of works, inadequate quality control; and weak internal audit and lack of co-ordination with other concerned civic and public utility agencies. The specific instances of irregularities/lapses as highlighted by Audit

are—(i) Expenditure of Rs. 19.56 crore was incurred in anticipation of administration approval and expenditure sanction, which was irregular; (ii) Lack of adequate scrutiny of tender rates and comparison with rates accepted for similar works during the same time leading to an additional expenditure of Rs. 7.43 crore; (iii) Delay in completion of works ranging up to over three years as well as cost escalation of Rs. 7.29 crore; and (iv) Construction of command tanks and water reservoirs without linking with the actual availability of water so as to enable their utilization leading to idling of an expenditure of Rs. 33.78 crore incurred on construction of these tanks and reservoirs due to lack of water. These along with other issues have been dealt with in details by the Committee in the succeeding paragraphs.

[Para 96 of 55th Report of PAC (Fourteenth Lok Sabha)]

#### **Action Taken**

These issues have been dealt in the reply given in various other paras.

Sd/-

(Dr. M.M. Kutty)

Joint Secretary to the Government of India.

#### **Observations/Recommendations**

The Committee note that 3 works relating to the strengthening of roads at Dwarka Phase II Group I, Phase I Group III and Phase I Group II were awarded by DDA at rates higher than that of a similar work awarded around the same time in Dwarka Phase I Group I in as much as that the cost difference in these cases were Rs. 3.08 crore, Rs. 1.93 crore and Rs. 2.42 crore respectively. These works were awarded in the same months and the nature of the items of works were identical in all the cases. This, in fact, resulted in an additional expenditure of Rs. 7.43 crore. The Ministry have contended that though works were similar, the actual site condition, scope and quantum of work differed in all cases. It was further stated that in the first tender M/s Unitech, the contracting firm, inadvertently quoted a rebate of 14.1 per cent on the quoted rates and the firm was not prepared to reduce the rates for the other two works. However, after negotiations Rs. 73 lakh was reduced in one tender and in another tender, Rs. 2.18 crore was reduced by the contractor. All the three tenders were considered to be more nearer to the market rate than the first tender. The Ministry further stated that at the instance of Vice-Chairman, DDA the Works Advisory Board held five meetings and the rates were reduced to a reasonable level. The Committee, however, find that in these three cases the works were awarded at rates above the estimated cost by 11.46, 9.98 and 11.72 per cent respectively whereas the works in Dwarka Phase I Group I was awarded above the estimated cost by 1.30 per cent only. This means that these three works were awarded at rates higher than that of the work in Dwarka Phase I Group I by 10.16, 8.86 and 10.42 per cent respectively. The Committee are surprised to note that how a private firm like M/s Unitech could inadvertently quote the rates at rebate without calculating the margin of profit from the work. The Committee do not accept the DDA's contention that all the three tenders were considered to be more nearer to the market rate than the first tender.

The Committee recommend that in future a mechanism should be put in place whereby the rates offered for works by the contractors are invariable compared with the rates accepted for similar works within the same timeframe and the number of items in each work are clearly quantified so that the quantum or scope of the work is properly specified with a view to ensuring that deals are made transparent and no extra payments are paid to the contractors and that the financial interests of the Authority are secured needless to point out that such efforts would help the common man as DDA adds all costs to plot/flat allottees.

[Para 99 of 55th Report of PAC (Fourteenth Lok Sabha)]

**Action Taken**

DDA has reported that the Chief Engineers are observing the guidelines already laid down in CPWD Manual-II which provide for comparing the rates with similar nature of work awarded in immediate past while deciding the tenders. However, as recommended a Circular No. 612 has already been issued *vide* No. EM 1(10)2007/Cir. (PAC) audit Paras/DDA/3915 dated 25.10.2007 for emphasizing the necessity of adherence to the codal provisions. A copy of the Circular is attached as Annexure 'B'.

Sd/-

(Dr. M.M. Kutty)

Joint Secretary to the Government of India.

ANNEXURE 'B'

DELHI DEVELOPMENT AUTHORITY  
ENGINEER MEMBER'S SECTT.

No.: EM 1(10)2007/Cir. (PAC AUDIT PARAS) DDA/3915

October 25, 2007

**CIRCULAR No. 612**

**Sub: Award of the work higher than the prevailing market rate of similar work.**

The CAG during the audit of "**Development works in DDA**" observed that some of the works were awarded by DDA on rates higher than that of a similar works awarded around the same time in nearby location and this resulted in an audit inspection of substantial action. DDA's contention was not accepted and has been criticized by Public Accounts Committee (14th Lok Sabha). The PAC has recommended that in future a mechanism should be put in place whereby the rates offered for a work by contractors are invariably compared with the rates accepted for similar works within the same timeframe and scope of work is properly specified with a view to ensure that the deals are made transparent and no extra payments are allowed to the contractors.

In this regard, the attention is drawn to instructions contained in Para 18.4 to 18.17 of CPWD Works Manual 2003 which are self-explanatory. It is emphasized that apart from the justified market rates, the rates should be compared with those accepted for similar works at the same time; and large variations should not be allowed. If the rates are quoted higher even after repeated call of tenders, the negotiations may be conducted within the guidelines of CVC and the detailed reasons for accepting higher rates may be recorded invariably.

Non-compliance of the instructions shall be viewed seriously.

This issues with the approval of EM, DDA.

Sd/-  
[A.P. SINGH]  
Chief Engineer [HQ]

Copy to:—

1. All CEs (Civil/Elect.), DDA with 20 spare copies for further distribution amongst SEs and EEs Jt. CAO/FO & CE (HQ), DDA.
2. CE (QC), DDA with 10 spare copies for circulation among SEs & EEs under his control.



3. CE (Design), DDA with 10 spare copies for circulation among SEs & EEs under his control.
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5. CAO, DDA.
6. Project Manager (Flyover) GR.-I and II, DDA with 7 spare copies each for circulation among EEs and FOs.
7. Director (System) for necessary action.
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Sd/-  
Director [Works]

#### **Observations/Recommendations**

As per CPWD Works manual, no tender shall be invited unless stipulated material are available or are likely to be received before the works commences and essential architectural and structural drawings together with specifications are ready for being made available to the contractor at the time of invitation of tenders. The Committee note that DDA awarded the works construction of a peripheral storm water drain in Sectors 1 and 2 of Dwarka without ensuring availability of structural drawing and material to a contractor, M/s NRB Associates in September 1996 for completion by October 1997. As the firm failed to complete the work, the contract was rescinded and the remaining work was awarded in October 2003 to another contractor namely M/s Sushil Kumar & Company at tendered amount of Rs. 96.09 lakh for completion by 17 July, 2004. The work was finally completed in September 2005 after lapse of more than one year due to non-availability of structural drawings and non-availability or short supply of steel and cement, which were to be supplied by the Department. The

contract value for M/s NRB Associates was Rs. 1.47 crore and the cost over run thereof was approximately Rs. 28.03 lakh. The Ministry have informed the Committee that the Work Advisory Board of DDA gave approval for the remaining works to be taken up based on using M-25 Grade as mandatory requirement as per revised concrete code IS 456-2000. This necessitated revision of structural design/drawings based on revised code and thus led to some delay in the work. A steep rise in the prices of steel and cement during this period had also resulted in delay in execution of the work. The works were delayed due to reasons beyond the control of DDA. Only a part of site was not available and accordingly only some part of the work was held up due to hindrance beyond control, while the work was in progress in the rest of the available site. The Committee are not convinced by the reply of the Ministry for the reason that the new IS Code was revised way back in July 2000 whereas the balance work was awarded in October 2003. Hence the structural drawings should have been prepared as per the new IS Code well before the award of the work to the second contractor. Further, as per Section 15.2.1.3 of the CPWD Works Manual, it was incumbent upon the DDA to ensure availability of the materials before commencement of the work. Based on the facts of the circumstances, the Committee cannot but come to the conclusion that the works were not delayed due to reasons beyond the control of DDA but due to lack of proper planning as well as concerted efforts. It is grossly erroneous on the part of DDA to justify the delay on the ground that only a part of the site was not available and, accordingly, only a part of the work was held up while the work was in progress in the rest of available site which is nothing but to trivialize the issue to defend its lapses.

The Committee recommend that DDA should set up a monitoring cell which should meet at frequent intervals to take stock of the progress of works with particular reference to ensuring strict adherence to codal provisions of ensuring availability of structural drawings and unhindered site before award of work.

[Para 100 of 55th Report of PAC (Fourteenth Lok Sabha)]

#### **Action Taken**

Engineer Member, DDA conducts detailed review of the progress of works/schemes provided in the Budget at Zonal level every month wherein concerned Chief Engineers, Superintending Engineers, Executive Engineers, superintending Engineers (P), Dy. Chief Accounts Officers, Finance Officers, including officers of Planning/Design, Architectural, and Horticulture Wings of the Zones remain present. Detailed review is also conducted by the concerned Chief Engineers every month in respect of other works (not covered in EM's review). Thus the monitoring is being done at both the levels. However, Chief Engineers have already been directed *vide* letter No. EM 1(10) 2007/Circular (PAC Audit Paras/DDA/217, dated 24.12.2007 (Attached as Annexure 'I') to constitute a Cell at Zonal level for close monitoring and providing feedback to E.M.

Sd/-

(Dr. M.M. Kutty)

Joint Secretary to the Government of India.

ANNEXURE I

DELHI DEVELOPMENT AUTHORITY  
ENGINEER MEMBER'S OFFICE

No.: EMI (10) 2007/ Circular (PAC Audit Paras) DDA/217

Dated 14.12.2007

Sub: **Monitoring of the Construction Projects by Project Monitoring Cell at Zonal Level.**

The Public Accounts Committee (14th Lok Sabha) made observations on "Development of Land, DDA" as contained in the Fifty-Fifth Report that a work of construction of peripheral drain was awarded to the agency without ensuring the availability of drawings and materials, and the work was delayed due to lack of proper planning and concerted efforts on the part of DDA, which resulted into cost overrun.

The Committee recommended that DDA should set up a monitoring cell which should meet at frequent intervals to take stock of the progress of works with particular reference to ensuring strict adherence to codal provisions of ensuring availability of structural drawings and unhindered site before award of work.

The above observations of the PAC have been examined at Headquarter and it has been decided by Engineer Member, DDA that all the Chief Engineers shall evolve Monitoring mechanism within their Zones with representative from Finance for the above purpose so as to ensure adherence to codal provisions before and after award of the work as directed by PAC. The Monitoring Cell shall meet every month and keep the office of EM apprised of the action taken on the subject.

Non-compliance of instructions shall be viewed seriously.

NZ, EZ, SEZ, SWZ, DWK (Rohini, Elec.)  
Chief Engineer  
DDA, New Delhi.

Sd/-  
(A.P. Singh)  
Chief Engineer (HQ)

**Observations/Recommendations**

Section 15.2.1.3 of the CPWD Works Manual provides *inter-alia* that availability of clear site, funds and approval of local bodies should be ensured before approval of the Notice Inviting Tenders. These are necessary to ensure that works once awarded are executed without any hindrance of delay, which may entail escalation in costs. The Committee are concerned to note that despite this codal provision, in five cases of work relating to Dwarka Project, DDA not only failed to ensure clear site at the time of award of the works but also could not get removed hindrances such as pipe line running below the site, electric duct sewer work in progress, shifting of electric pole and MTNL cable, non-availability of drawings of a bridge etc. This resulted in delay in execution of these works by 10 to 36 months and avoidable cost escalation of Rs. 7.29 crore.

The Committee's examination of the five cases of works revealed that much of the so called unavoidable hindrances were manifestation of lack of sound planning and institutionalized mechanism for coordination with concerned agencies and absence of a synchronized action plan for execution of the works in cooperation with other agencies in DDA. Even though DDA was very much conscious of the possible cost escalation and felt that early award of works was necessary for avoiding the same, however, the benefits of taking up projects early on were nullified due to total lack of initiative in taking timely efforts to remove the hindrances resulting in avoidable time and cost overruns. The Committee observe that frequent invoking of clause 10 CC of tender agreements which sanctifies extra payment for cost escalation to the contractors on account of delays in execution of the works arising from the hindrances, give raise to the suspicion about the possibility of deliberate exploitation of this very clause by DDA officials in nexus with the contractors, whereunder DDA would sanction the works without ensuring clear sites and removing obstacles and hindrances that may arise in the course of execution of the works so that the works may get delayed and the constructors could be extended undue favours in the form of cost escalation.

The Committee recommend that all the five cases of works, which resulted in cost overrun of Rs. 7.29 crore and time overrun of more than 5 years, should be thoroughly investigated with a view to fixing responsibility on the concerned officials. The Committee further recommend that DDA should strictly adhere to the codal provisions for ensuring that clear and unhindered site is available before award of work and the clause for taking up works on emergency basis should be confined to the rarest of the rate cases and is not resorted to on a regular basis. In this regard, the Committee concur with the view expressed by the Secretary, Ministry of Urban Development during evidence that ideally the project must be taken up only after the site clearances are available. To achieve this, Committee would like DDA to set up an institutionalized mechanism in coordination with other civic agencies so that the obstacles and hindrances are timely detected and expeditiously removed so that the works are taken up and completed on time.

[Para 101 of 55th Report of PAC (Fourteenth Lok Sabha)]

#### **Action Taken**

- (i) All the files relating to award of work have been sent by DDA to the Chief Vigilance Officer *vide* No. FO to CE (DWK) 3(41) 2005/6/Pt. 3651 dated 22.10.2007. (Copy Attached as Annexure 'C')
- (ii) Instructions have been issued by the Engineer Member's office *vide* Circular No. 611 issued *vide* No. EM(10) 2007/Cir.(PAC) Audit Paras) DDA/ 3914 dated 24.10.2007 (Copy attached as Annexure 'G')
- (iii) Instructions have been issued by the Engineer Member's office *vide* Circular No. 610 issued *vide* No. EM(10) 2007/Cir.(PAC) Audit Paras) DDA/3916 dated 24.10.2007 (Copy attached as Annexure 'A')

Sd/-

(Dr. M.M. Kutty)

Joint Secretary to the Government of India.

ANNEXURE 'C'

DELHI DEVELOPMENT AUTHORITY  
OFFICE OF THE CHIEF ENGINEER (DWARKA)

No.: F.O. to CE(DWK.) 3(41)2005-06/PL/3651

Dated 22.10.07

To,

The Chief Vigilance Officer,  
Vigilance Cell, DDA,  
Vikas Sadan, INA,  
New Delhi.

Sub: **Minutes of the meeting held in the Chamber of V.C., DDA on 26.9.07**

It is intimated that Performance Audit on Dev. of land by DDA was conducted by the Audit Party from the office of the A.G. (Audit) and the paras were included in the 55th report of the PAC (14th Lok Sabha). A meeting was held in the Chamber of the Vice-Chairman, DDA on 26.9.07 to decide the *modus operandi* for preparing Action Taken Notes on the observations/recommendations contained in the 55th report of the Public Accounts Committee (14th Lok Sabha) on "Development of land by the DDA." As decided in the meeting action in respect of para -Chief Engineer (HQ)—5(i) for transfer of all the records relating to these five works to the Vigilance Deptt. for investigation is to be taken by this zone. Accordingly, following files are being forwarded herewith along with a copy of minutes of the said meeting and copy of the observations/recommendations of the PAC. "Any other record whatsoever needed will be made available as soon as the same is asked for. However, concerned EEs/SEs are being directed to send the relevant records to the Vigilance Branch.

1. F.O. to CE(DWK.) 1(733) C-13/DDA.(1 to 12/N/&1 to 416/C)
2. F.O. to CE(DWK.) 1(734) C-13/DDA.(P-1 to 10/N and 1 to 275/C)
3. F.O. to CE(DWK.) 1(735) C-13/DDA.(P-1 to 7/N/and 1 to 124/C)
4. F.O. to CE(DWK.) 1(736) C-17/DDA.(P-1 to 7/N and 1 to 205/C)
5. F.O. to CE(DWK.) 1(796) C-13/DDA.2003-04(P-1 to 151/C and 1 to 10/N)

**Encl: As above.**

Sd/-  
(S.R. Solanki)  
Chief Engineer (Dwarka)

ANNEXURE 'G'

DELHI DEVELOPMENT AUTHORITY  
[ENGINEER MEMBER'S SECTT.]

No.: EMI (10) 2007/Cir. (PAC AUDIT PARAS) DDA/3914

October 25, 2007

**CIRCULAR No. 611**

**Sub: Undue prolongation of contract and payment of escalation under Clause 10 CC.**

The Public Accounts Committee (14th Lok Sabha) made observations on "**Development of land by DDA**" that in five cases of work relating to Dwarka Project, DDA not only failed to ensure clear site at the time of award of works but also could not remove the hindrances such as pipeline running below the site, electric duct, sewer work in progress, shifting of electric poles and MTNL cables, non-availability of drawings of bridge etc. This resulted in delay in execution of these works on the part of the DDA by 10 to 38 months and avoidable cost escalation too. Scrutiny of these cases revealed that much of the so-called avoidable hindrances, were manifestation of lack of sound planning and institutionalised mechanism for close co-ordination with concerned civic agencies and absence of a synchronized action plan for execution of works in co-operation with other agencies in DDA. It was further observed that the misuse of Clause 10 CC might not be ruled out where the contracts are extended for unduly long period.

In this regard, it is to emphasize that as soon as any project is conceived, all such obstacles such as MTNL/BSNL, DJB/MCD, NDPL, overhead/underground line should be identified and action should be taken in advance for their shifting etc. so as to ensure to provide the site to the agency free from all such hindrances/obstacles. Further, close co-ordination should be held by the NIT approving authority with respective agencies and counterparts within DDA; and work should not be allowed to be delayed on such issues.

Where the exigency demands to take up the work in anticipation of removal of such obstacles, it will be responsibility of the Executive Engineer to pursue the matter with relevant agencies and keep higher offices as well as NIT issuing authority informed of such problem indicating the action required, if any, at their level. If the executing agency is made responsible for removal of such services, it should be clearly brought out in NIT.

Misuse of power by granting extension of time without levy of compensation and allowing undue benefit to the agency shall be viewed seriously.

The instructions shall be adhered strictly by all the concerned. This issues with the approval of EM, DDA.

Sd/-  
[A.P. Singh]  
Chief Engineer (HQ)

Copy to:—

1. All CEs (Civil/Elect), DDA with 20 spare copies for further distribution amongst SEs and EEs. Jt. CAO/FO & CE (HQ) DDA.
2. CE(QC), DDA with 10 spare copies for circulation among SEs & EEs under his control.
3. CE(Design), DDA with 10 spare copies for circulation among SEs & EEs under his control.
4. CVO, DDA with 16 spare copies for circulation among SEs & EEs under his control.
5. CAO, DD.
6. Project Manager (Flyover), Gr-I and II, DDA with 7 spare copies each for circulation among EEs and FOs.
7. Director (System) for necessary action.
8. Director (Hort.) North & South, DDA with 10 spare copies each for circulation among Jt./Dy. Directors.
9. Director (MM), DDA with 7 spare copies for circulation among EEs and FOs under his control.
10. Director (Works), DDA/Director (PR), DDA.
11. EO-I, II, III & EE(PPC), DDA.
12. DY. CAO (Plan), DDA.
13. Sr. R.O. (RTI), DDA.
14. Hindi Officer for Hindi version please.
15. Copy to File No. EM. 8(2)98/All Zones/04/DDA/Pt.

Copy also forwarded to:—

1. PS to VC, DDA for kind information of the latter.
2. PS to EM, DDA for kind information of the latter.
3. PS to FM, DDA for kind information of the latter.

Sd/-  
Director [Works]

ANNEXURE A

DELHI DEVELOPMENT AUTHORITY  
[ENGINEER MEMBER'S SECTT.]

No.: EMI(10) 2007/CIR(PAC AUDIT PARAS) DDA/ 3916

October, 2007

**CIRCULAR No. 610**

**Sub: Award of work and incurring of expenditure without A/A & E/S.**

The Public Accounts Committee (14th Lok Sabha) on '**Development of Land by DDA**' observed that the work was taken up in anticipation of A/A & E/S and substantial expenditure was incurred. they further observed that neither the Ministry of Urban Development nor DDA had made efforts for circumscribing the circumstances under which the works were taken on urgent basis and no justification is seen for awarding such large number of works without obtaining prior approval and sanction.

A number of instructions have been issued in this regard from time to time that no work should be undertaken or any liability/expenditure incurred thereon without proper A/A & E/S of the competent authority. The latest instructions issued *vide* this office O.M. No Dtd. 23-1-06 may be referred to.

It is enjoined upon all the field units that where the exigencies of the work demand and the work is required to be taken up in anticipation of A/A & E/S, the nature of urgency should be clearly brought out in the record and approval of the competent authority i.e. VC. DDA should invariably be obtained. Where action for call of tenders etc. is taken up in anticipation of A/A & E/S, simultaneously the preliminary/detailed estimate should be processed for formal A/A & E/S in a time bound manner.

The above instructions may be strictly adhered by all concerned. This issues with the approval of EM, DDA.

Sd/-  
[A.P. Singh]  
Chief Engineer [HQ]

Copy to:—

1. All CEs (Civil/Elect.), DDA with 20 spare copies for further distribution amongst SEs and EEs, Jt. CAO/FO & CE (HQ),. DDA.
2. CE (QC), DDA with 10 spare copies for circulation among SEs & EEs under his control.
3. CE (Design), DDA with 10 spare copies for circulation among SEs & EEs under his control.



4. CVO, DDA with 16 spare copies for circulation among SEs & EEs under his control.
5. CAO, DDA
6. Project Manager (Flyover), Gr. I and II, DDA with 7 spare copies each for circulation among EEs and FOs.
7. Director (System) for necessary action.
8. Director (Hort.), North & South, DDA with 10 spae copies each for circulation among Jt./Dy. Directors.
9. Director (MM), DDA with 7 spare copies for circulation among EEs and FOs under his control.
10. Director (Works), DDA/Director (PR) DDA.
11. EO-I, II, III & EE (PPC), DDA.
12. DY. CAO (Plan), DDA.
13. Sr. R.O. (RTI) DDA.
14. Hindi Officer for Hindi version please.
15. Copy to File No. EM.8(2)98/All Zones/04/DDA/Pt.

Copy also forwarded to:—

1. PS to VC, DDA for kind information of the latter.
2. PS to EM, DDA for kind information of the latter.
3. PS to FM, DDA for kind information of the latter.

Sd/-  
Director [Works]

[Para 101 of 55th Report of PAC (Fourteenth Lok Sabha)]

**Action Taken (status as on 10th September, 2009)**

DDA has informed that the cases are still under investigation in the vigilance department of DDA.

Sd/-  
(Dr. M.M. Kutty)  
Joint Secretary to the Government of India.

**Observations/Recommendations**

According to Clause 504.8 of the Ministry of Surface Transport specifications contract unit rate for a work shall be paid in full carrying out all the required operations and no separate payment should be made for primer coat/tack coat. Audit scrutiny of the work relating to Master Plan Road Phase I Group III Dwarka veiled that an amount

of Rs. 32.68 lakh was released by DDA during December 2001 to June 2004 for payment to the contractor for primer coat/tack coat though there was no such stipulation or requirement in the schedule of quantities attached to the tender documents/agreement. According to Audit, no separate payment was to be made for primer coat/tack coat and it should have been included in the unit rate of work as a whole. This was also clarified by Chief Engineer in November, 2004. Similarly in another work of Master Plan Road Phase I Group I, Dwarka, Rs. 41.14 lakh was separately paid to the contractor for primer coat/tack coat. The Chief Technical Examiner as well as the Chief Engineer clarified that the amount were not payable. Accordingly, DDA withheld Rs. 32.68 lakh and Rs. 46.48 lakh respectively from the payments made for these 2 works pending final action to be taken on receipt of reports from the Vigilance Department and the Chief Technical Examiner. The Committee was informed that the matter was subsequently referred to Central Vigilance Commission (CVC) and a view on the balance payment is being in DDA on the observations of CVC. The Committee regret to note that despite clear specifications laid down by the Ministry of Surface Transport that contract unit rate for a work includes all the required operations including primer coat/tack coat, DDA has conveniently ignored or by passed these specifications resulting in release of excess amount to the contractor in 2 works relating to construction of Master Plan roads. Though the amount was withheld subsequently in view of the instructions by the Chief Engineer, nevertheless these instances point to lack of proper understanding and interpretation the work specifications relating to construction of road.

The Committee trust that in future DDA would take adequate precautions to that no extra amount is paid to the contractor for carrying out these operations/items, which *per se* are subsumed in the contract unit rate for the work as a whole.

[Para 102 of 55th Report of PAC (Fourteenth Lok Sabha)]

#### **Action Taken**

It is clarified that the observations are based on Central Technical Examiner's observations. The Central Technical Examiner has accepted the contention of the DDA and as informed by the Executing Engineer, Vig. VI. D.D.A *vide* No. F.26(03)/Vig./IV/347/5739 dated 30.6.2006 (Annexure 'H') that the relevant paras have been dropped by CVC. Therefore, there may not be any need for issuing further circular as the action of the concerned Executive Engineer was in order and the issue has already been dropped by Central Technical Examiner as well as Vigilance Cell of D.D.A.

Sd/-

(Dr. M.M. Kutty)

Joint Secretary to the Government of India.

ANNEXURE 'H'

DELHI DEVELOPMENT AUTHORITY  
(VIGILANCE BRANCH)

No.: F 26(03)03 Vig./IV/347/5739

Dated 30.6.06

The Chief Engineer (Dwarka),  
D.D.A., Mangla Puri,  
New Delhi.

**Sub: CE's report regarding Master Plan Road in Group-I Phase-I, Dwarka.**

**Ref: (i) Your office letter No. CE/DWK/13(231)WD-6/2002/1503 dated 9.6.06.**

**(ii) This office letter No.F. 26(3)03/Vig./IV/113/5329 dated 19.6.06.**

In continuation to this office letter cited above. It is to inform that Para Nos. 11.2.10 & 11.2.11 have been dropped by CVC. It is for your information please.

Sd/-  
Ex. Engineer (Vig.) VI  
D.D.A.

**Observations/Recommendations**

The Committee's examination has revealed that there is lack of a definite policy in DDA to deal with cases arising out of the failure of its contractors to complete the work within the stipulated time frame. This was best manifested in its imprudent handling of the work of construction of peripheral of storm water drain in Sectors 1 and 2 of Dwarka. As per records, this work was awarded to a firm, M/s N.R.B. Associates at its tendered amount of Rs. 1.46 crore with stipulated date of start and completion as 8 October, 1996 and 7 October, 1997 respectively. However, the work was rescinded on 5 August, 1998 on the ground of delay in completion of the work. Relying on assurances given by the Firm for expeditious completion of the work, it was subsequently decided with the approval of the Chief Engineer on 7 June, 2001 to revoke the decision to rescind the contract and allowed the contractor to resume the work. As the firm could not complete the work, the contract was finally rescinded on 1 March, 2003. Due to the flip-flop by DDA in the decision making process, the proposed civic amenity could not be put in place for over 5 years. The Committee note that at the time of final rescinding of the contract, the contractor had completed work worth Rs. 1.14 crore and the balance of the work was awarded to another firm in October, 2003 at their tendered amount of Rs. 96.09 lakh against estimated cost of Rs. 84.15 lakh. The work was finally completed in September, 2005. The Committee are surprised to note that the Work Advisory Board of DDA had decided to reverse the recession of the contract merely on the basis of assurances given by the contractor and without conducting any due diligence and

realistic assessment of the capabilities, track record and intention of the firm and hence was injudicious. As a result there was unavoidable delay in completion of the work as well as cost escalation, which is anything but regrettable.

The Committee would like DDA to recover the amount of Rs. 28.03 lakh compensation leviable, along with interests under the terms of the contract from the contractor without any further delay. The Committee trust that DDA must have provision for black listing such defaulting contractors.

[Para 103 of 55th Report of PAC (Fourteenth Lok Sabha)]

**Action Taken**

- (i) A recovery suit has been filed in the Court and the next date of Rearing is us 29.4.2008.
- (ii) Action to debar the agency has since been taken and the agency stands debarred from further tendering in DDA for indefinite period *vide* Orders issued *vide* No.F4(8)172/Secy./CRB/2003/Pt./954 dated 18.9.2003. (Copy attached as Annexure 'D'.)

Sd/-

(Dr. M.M. Kutty)

Joint Secretary to the Government of India.

ANNEAURE 'D'

DELHI DEVELOPMENT AUTHORITY

Contractor's Registration Board  
1st Floor Vikas Minar  
New Delhi-110002.

No. F.4(8)I/72/Secy./CRB/2003/Pt./954

Dated 18.09.03

**OFFICE ORDER No. 90/2003**

Whereas M/s. N.R.B. Associates, 5, Fancy Lane, Calcutta (Now-Kolkata) 70000, registered in Class-1(B&R) in CPWD *vide* registration No. 5/1216. File No. 59(5)95/GS-I/V(B&R)SE-3/Cal., were awarded the work of D/o 1769.88 hect. land at Dwarka Project Ph.1 i/c alternative plots around village Amberhai, Bagdola & Manglapuri. SH: C/o peripheral storm water drains in Sec. 1 & 2 costing Rs. 1.47 crores on 8.10.96 having stipulated date of completion 7.10.97.

Whereas the performance of the contractor was found quite un-satisfactory right from the date of start of the work.

Whereas the contractor could not complete the work and the same was finally rescinded.

Whereas on the request of the agency the aforesaid rescission was revoked by W.A.B. on 7.6.01 with the condition that the balance work would be completed by the agency within one year

Whereas M/s. N.R.B. Associates again backed out of their commitments to complete the work, WAB decided to debar the agency for further tendering in DDA with the direction not to issue tender to them in DDA.

Whereas a show cause notice was issued to M/s. N.R.B. Associates at their both the known addresses but the same was received back undelivered from the postal department.

[Para 103 of 55th Report of PAC (Fourteenth Lok Sabha)]

**Action Taken (status as on 10th September, 2009)**

DDA has informed that as intimated earlier a recovery suit has been filed in the Court and the next date of hearing of the case in the Court is 25th November, 2009.

As regards black listing of the firm, it stands barred from further tendering in DDA for indefinite period.

Sd/-

(Dr. M.M. Kutty)

Joint Secretary to the Government of India.

### **Observations/Recommendations**

The Committee are dismayed to find that DDA do not have a system for synchronizing creation of infrastructure and their utilization. Based on the Project Report prepared in July 1992, which envisaged water requirement of 80 MGD (Million Gallons per Day) to cater to an anticipated population of about 12 lakh in the sub-city, DDA planned the construction of four command tanks in Phase I and two in Phase II for the supply of water to the general public. By March, 2004, DDA had created a storage capacity of 36 MGD whereas the quantum of water received from the Delhi Jal Board (DJB) was only 2 MGD, which was subsequently increased to 3 MGD with effect from July 2004. As a result, three out of the four command tanks constructed in Dwarka in between 1999 to 2004 at an expenditure of Rs. 29.14 crore remained idle as of December 2005. The Committee note that based on the present population in Dwarka, the requirement of water was actually only 10 MGD as of February 2005 and thus the construction of the command tanks was not linked with the actual requirement as well as availability of water. The Committee observe that this quantum of 3 MGD of water being supplied by DJB or in fact even the full present requirement of 10 MGD was within the capacity of command tank No. 2 alone and hence the money invested on the remaining three unused tanks could have been avoided till the increased supply of water is obtained from DJB. The Committee are not convinced by the Ministry's explanation that such big tanks cannot be constructed within a short period in view of the fact that the command tanks were completed within a period of 2 to 3 years whereas the township like Dwarka took about 10 years to come up. The Committee do not accept the DDA's stand that the cost factor for early construction of the command tanks is beneficial as the cost of construction has now increased manifold for the simple reason that prolonged non-use of underground structures faces the risk of their progressive deterioration requiring additional funds for their repair so as to render them usable at a subsequent stage. In addition expenditure on manpower for managing these tanks approximately comes to around Rs. 3.00 lakh per year. Moreover, the huge money invested on these assets could always have been used on other more important and pressing requirements. The Committee are baffled that DDA started construction of the fifth tank despite the fact that only three tanks are partially in operation at present due to inadequate water supply/pressure. What is missing in this whole episode is lack of anticipation and coordination with the concerned agencies as well as prioritizing of schemes and the objective of creating infrastructure, which is actually required and that can be immediately used on its completion.

The Committee urge upon DDA to take up the matter at appropriate levels to get the required quantity of water from DJB so that the unused command tanks are put to use without any delay. They also recommend that DDA should put in place a proper mechanism in coordination with other civic bodies like DJB to ensure that resources are invested wisely and assets created therefrom do not remain idle.

[Para 104 of 55th Report of PAC (Fourteenth Lok Sabha)]

**Action Taken**

The matter is being pursued vigorously by DDA with Delhi Jal Board. A letter to this effect has also been written *vide* No. CE (DWK)26(1)07/WS/3638 dated 19.10.2007 (Copy attached as Annexure 'E'). The matter is being pursued further during the coordination meetings with the Delhi Jal Board (Annexure 'M').

Sd/-  
(Dr. M.M. Kutty)  
Joint Secretary to the Government of India.

ANNEXURE 'E'

DELHI DEVELOPMENT AUTHORITY  
OFFICE OF THE CHIEF ENGINEER [DWARKA]  
DWARKA PROJECT OFFICE  
MANGLAPURI, NEW DELHI.

No. CE/DWK/26(1)07/WS/3638

Dated: 19.10.07

To,

The Member (Water),  
Delhi Jal Board, G.N.C.T.D.,  
Varunalaya Building Phase-II,  
New Delhi.

Sub: **Command Tanks constructed by DDA in Dwarka Zone not used due to short-supply of water from DJB.**

D.D.A. has constructed 4 Nos. Command Tanks i.e. CT-1, CT-2, CT-3 and CT-4 in different Sectors of Dwarka zone as per the schemes approved by Delhi Jal Board. Delhi Jal Board is supplying only 2.8 MGD water with the result only two Nos. Command Tanks are in use. Balance two Nos. Command Tanks constructed by DDA are lying unused due to short supply of water from Delhi Jal Board. As per the present habitation in Dwarka Zone, the present requirement of Water is 8 MGD and Delhi Jal Board is supplying only 2.8 MGD water.

In view of above, it is requested that keeping in view the present habitation and demand, minimum 8 MGD water be supplied to Dwarka area and this help DDA to put in use all the 4 nos. of command tanks constructed by DDA and the DJB water shall be made available to all the residents of the Dwarka Zone.

[Er. S.R. Solanki]  
Chief Engineer [Dwarka]

Copy to:—

1. Engineer Member, DDA for kind information.
2. Chief Engineer (South), Delhi Jal Board, Varunalaya Building, Jhandewalan, New Delhi.
3. S.E., CC-17, DDA for necessary action.

Sd/-  
Chief Engineer [Dwarka]



ANNEXURE 'M'

DELHI DEVELOPMENT AUTHORITY  
[E.M'S SECTT.]

No. EM3(25)86/Vol-17/DDA/1985

Dated: 31.5.07  
9.6.07

**MINUTES OF THE MEETING**

Sub: **Issue between DDA and DJB:**

A meeting has convened on 17.5.07 at 11.30 A.M. in the Conference Hall to discuss the various issues belonging to DDA and DJB.

List of the officers who attended the meeting is annexed.

The various issues due for discussion were circulated alongwith the meeting notice. Deliberations about these issues are reflected as under:—

**A. Levy of Infrastructure Fund**

During the discussion, DJB officers intimated that the total dues against the infrastructure charges were Rs. 33,66,92,622/-, which were already conveyed to DDA. However, the same has now been reduced to Rs. 25,95,38,912/-, after adjusting the amount received thereafter from DDA and correction made on account of some colonies shown at two places. The details of the revised amount was given there itself in the meeting.

CE(DWK), DDA, informed that after reviewing, the total pending liabilities against DDA are Rs. 18,49,00971/- only. DDA's claims against DJB are listed at 'B' on P-3. DDA officers further informed that this amount of Rs. 18,49,00971/- also includes the following which are not payable to DJB as described in next para. The details of this amount have already been sent to SE(P) water/DJB by SE(DWK) *vide* letter No. F2(61)06/CC-2/DDA/1040 dated 15.5.07.

(i) The Infrastructure charges for Slum & JJ colonies & others:—

DJB has claimed Rs. 1,51,62,003 for six colonies developed by DDA, on behalf of Slum & JJ & IAAI, DDA has just carried out the work on their behalf, therefore, the infrastructure fund shall be payable by them only & is not justified to be levied on DDA. Moreover, in one of the meeting held in the chamber of Chief Secretary, Govt. of NCT it was decided that this amount against the Slum & JJ Colonies shall be charged to plan fund of Delhi Govt. (copy enclosed). Hence this amount is not agreeable.

The other dispute is of Rs. 12,00,000/- still withheld by DDA on account of deptt. charges from the already withheld amount of Rs. 1,63,47855/- which are not payable as per the policy of DDA, however, the balance withheld amount was already released, beside this Rs. 46,048/- of East Zone is also not considered while finalizing the details of dues.

Therefore, the total amount of these account comes out to Rs. 16406051/-.

- (ii) An amount of Rs. 4,75,24,389/- has been paid to DJB for various colonies by DDA after the statement reflecting an amount of Rs. 33,66,92,622/- was sent to DDA. This amount shall be adjusted from this statement.
- (iii) An amount of Rs. 9176828/- as detailed in the enclosed list is a disputed amount as some of the schemes have been reflected twice in the statement. The same may be adjusted.

After accounting for the above amounts at (i), (ii), (iii) the net amount payable to DJB at this stage works out only Rs. 10,35,07,415/-

In addition to the above amounts, DJB, also made a demand on account of the following:—

An amount of Rs. 1,60,49,838/-, for the infrastructure fund of 20 different societies of Dwarka is included in this amount of Rs. 18,49,00971/-. In this regard it was informed by Director (Bldg.) that DDA only forwards the service schemes submitted by the society, to DJB for their approval. The demand for Central storages charges and infrastructure fund should directly be raised by DJB to the President/Secretary of the society under intimation to Building Section for information only.

President/Secretary of the society deposit the Central Storage charges and infrastructure fund directly to DJB. Moreover, no intimation of approval of plans & deposited amount is sent by the President/Secretary of the society to the Building section of DDA. In this regard it was intimated that it will not be possible for DDA to collect the charges from the society on behalf of DJB. Therefore, the amount should be collected one time from the society by DJB before the approval of the scheme & issuing the NOC.

However, just to help out the DJB it was decided that the list of the defaulters may be given to DDA so as to stop the issue of completion certificate if not issued so far or stoppage of water supply after proper notices if possible.

DJB also demand the payment of Rs. 9,73,97,817/- as the 4th instalment of the infrastructure fund for water supply scheme in various zones but as per the decision taken earlier during the last meeting held on 15.7.04 between VC, DDA and CEO/DJB, (copy enclosed) 4th instalment of infrastructure fund of water supply scheme is payable to DJB only when water is actually provided by DJB. In view of this, this amount is not payable at this stage hence should have not included in above amount.

In view of the above, it was informed by DDA officers that at present only an amount of Rs. 10,35,07,514/- is payable to DJB but as DJB has to pay the proportionate cost amounting to Rs. 2270.75 lacs for command tank and SPS constructed at Dwarka by DDA, the net amount of Rs. 1235.68 lac is payable by DJB to DDA.

VC, DDA desired that DJB should reconcile this amount immediately, and if this amount is agreed, the same shall be adjusted for the forthcoming scheme of DDA in case of DJB's inability to pay to DDA due to financial constraints.

Action-CE(DWK)-DJB

#### **B. DDA dues towards proportionate cost of Command Tanks and SPS**

DDA officers informed that on account of proportionate cost of Command Tanks and SPS constructed by DDA at Dwarka, DJB is to pay an amount of Rs. 2270.75 lacs. DJB had a reservation on the amount of the proportionate charge of Command Tanks and SPS-I. It was decided during the meeting that the matter may be sorted-out by arranging a meeting with CE(DWK) without any further delay.

Action-CE(DWK)-DJB

#### **C. Handing over of services of 146 colonies**

The matter regarding the handing over of 146 colonies was also discussed during the meeting. It was informed by DJB officers that in certain areas due to the short supply of water as in Sector-20 to 25, Rohini DJB will not be able to take over the water supply services from DDA.

The details of the colonies for which the plans had already been submitted for sewerage and water supply schemes. Due to the poor response shown by DJB in taking over the services, even the joint inspections are yet to be carried out. In this regard DJB officers stated that at some locations, the DDA staff was not able to get the pressure checked in line. List of colonies etc. shall be sent again alongwith names of DDA officers to respective CEs of DJB.

Action-E.O.-II to EM

VC, DDA desired that a time bound programme for different activities involved in for taking over these services shall be submitted within a week's time and the address & telephone Nos. of the Division of DJB responsible to take over the services may also be intimated, for smooth and early handing over of the services. Further VC, DDA advised that the meeting at least at the level of Chief Engineers between the two departments should be held monthly so that if any bottleneck or shortfall is observed from any side, the same can be cleared during the meeting itself.

Action-All CEs/DDA-DJB

#### **D. Handing over of water supply system at Dwarka**

It was informed to DJB officers that in spite of the directions of Hon'ble L.G., Secy. (UD) and Parliament Committee, DJB has not yet started the process of taking over the Water Supply System of Dwarka sub-city.

In this regard DJB officers informed that the copy of the approved scheme/completion plan has not been submitted in some of the schemes. List of such schemes was not available. VC, DDA directed to CE(DWK) that the necessary requirement should be fulfilled within a weeks time and ensure that the joint inspection in all the colonies should be completed within a time frame.

VC, DDA asked DJB officers to prepare a time table for joint inspection of the water supply system of Dwarka sub-city as agreed by CEO/DJB with Secy(UD).

Action-CE(DWK)-DJB

To conclude VC, DDA informed that DDA is keen to sort out this matter of infrastructure fund and proportionate cost of SPS-I and Command Tanks and ready to make all the due payments if DJB gives us time bound programme for supply of water.

The meeting ended with a vote of thanks to the chair.

This issues with the approval of EM/DDA.

Sd/-  
Director (Works)

*Encl:-Annexure 'A'*

Copy to:—

1. PS to VC for information
2. CEO, DJB.
3. EM, DDA.
4. FM, DJB.
5. Member (Sewerage), DJB.
6. Member (Water), DJB.
7. CE(HQ, SEZ, SWZ, DWK, RZ, NZ, EZ, Elect), DDA.,
8. CAO, DDA.
9. E.O-II to EM, DDA.

Sd/-  
Director (Works)

Sub: **Comments on the remedial/Corrective Action Taken Note on 55th Report of the Public Accounts Committee (14th Lok Sabha) on Chapter II of the Comptroller and Auditor General's Audit Report No. 2 of 2006 for the year ended March, 2005 regarding "Development of land by DDA".**

S.No. & Para No. of 55th Report of PAC.	Comments of Audit on the Remedial/Corrective Action Taken Note on the 4th Report of PAC (14th Lok Sabha).	Replies on the comments of Audit.
1	2	3
Sl. No. 5, Para 101	<p>(1) Whether any institutional monitoring mechanism has been developed to ensure due coordination with other civic agencies involved in removal of hindrances?</p> <p>(2) Wheter any responsibility fixed where there is cost escalation or delay due to failure to supply drawings and designs to firm?</p>	<p>(1) Yes — Institutional Monitoring mechanism such as execution of works and incurring expenditure there-against only after proper A/A &amp; E/S, creation of infrastructure facilities only after ensuring that the same is immediately usable on the completion of work and to avoid undue prolongation of contract because of hindrances resulting in payment of Escalation under Clause 10 CC, has been developed, and guidelines in this regard have been issued to all concerned for strict compliance in future <i>vide</i> Circular Nos. 609 and 611, dt. 25.10.2007 issued by Director (Works), DDA (Annexures A<sub>1</sub>, B<sub>1</sub>, &amp; C<sub>1</sub>).</p> <p>(2) All the files of five cases, relating to the works, have been sent of Chief Vigilance Officer <i>vide</i> No. FO to CE(DWK) 3(41)2005-06/Part/3651, dt. 22-10-07 (<b>Annexure-D<sub>1</sub></b>) for fixing responsibility on the erring officers. The matter is still under investigation by the Vigilance Department.</p>

1	2	3
Sl. No. 6, Para 102	Please furnish a copy of reprot submitted by Central Technical Examiner as well as by Vigilance Cell of DDA in this regard.	A copy of the report submitted by Chief Technical Examiner, CVC & a letter from the Vigilance Cell, DDA <i>vide</i> which the relevant paras of the CTE Nos. 11.2.10 & 11.2.11 have been dropped by the CVC are enclosed as per <b>Annexure-E<sub>1</sub> &amp; F<sub>1</sub></b> respectively.
Sl. No. 9, Para 105	Is there any deterioration in the structures created? Will additional expenditure be required as and when under ground water reservoirs are brought into use? What are the arrangement for their safety and upkeep?	<ol style="list-style-type: none"> <li>1. No. deterioration in the structure has been observed as on date.</li> <li>2. Likely additional expenditure to be incurred will be only on routine works like cleaning of tank and making connection etc. at the time of commissioning of tank.</li> <li>3. Operational staff has been deputed to safeguard electrical machinery by EE (Elect.) concerned.</li> </ol>
Sl. No. 10 Para 106	Whether audit of 79 units targeted for audit out of total due <i>i.e.</i> 150 auditable units completed? 150 auditable units.	Yes— The Audit of 79 Units was targeted during the financial year 2007-08. Out of 79 Units, audit of 77 Units was conducted as against the due total 150 auditable units.

Sd/-  
(Dr. M.M. Kutty)  
Joint Secretary to the Government of India

ANNEXURE A,

DELHI DEVELOPMENT AUTHORITY  
[ENGINEER MEMBER'S SECTT.]

No. EMI(10)2007/CIR (PAC AUDIT PARAS) DDA/3913

October 25, 2007

**CIRCULAR No. 609**

**Sub: Creation of infrastructures only after ensuring that the same is immediately usable on the completion of work.**

DDA constructed two underground reservoirs of 3.5 MGD capacity each between February, 1997 and February, 2000. However, these reservoirs could not be operationalized even after five years of their completion due to lack of water. Public Accounts Committee (14<sup>th</sup> Lok Sabha) observed that there was clear mismatch between the actual the then requirement and the water being supplied by DJB. Hence, the expenditure on construction of these structures without immediate prospect of their utilization was not justified. The Committee expressed their serious displeasure over the DDA's inability to link the construction of these underground reservoirs to the actual requirements as well as the prospect of availability of water and consequent failure to operationalize them, which was nothing but an indication of poor planning and lack of co-ordination with concerned civic agencies on the part of DDA. Contention of DDA that Construction of these structures take a period of three years period was not accepted by P.A.C. despite the fact that it was responsibility of DJE to supply bulk water.

In this regard, it is pointed out that in future any infrastructure project is conceived, phased requirement of various services should be worked out and all concerned civic authorities such as BSES, NDPL, DJB etc. should be contacted. Firm commitment should be obtained before creation of such infrastructural facilities by DDA so that the scare resources are properly utilized. Only infrastructures which are actually required and are immediately usable on completion of work should be created so as to ensure that the expenditure incurred does not remain idle. These activities should be coordinated by the CEs and problems, if any, should be brought out to the notice of EM/VC, DDA for action needed, if any at higher level. Taking up of any project without proper planning and assessment of ground realities which resulted in non-utilization of assets so created would be viewed seriously.

This issues with the approval of EM, DDA.

Sd/-  
[A.P. Singh]  
Chief Engineer [HQ]

Copy to:—

1. All CEs (Civil/Elect.), DDA with 20 spare copies for further distribution amongst SEs and EEs, Jt. CAO/FO & CE (HQ), DDA.
2. CE(QC), DDA with 10 spare copies for circulation among SEs & EEs under his control.
3. CE (Design), DDA with 10 spare copies for circulation among SEs & EEs under his control.
4. CVO, DDA with 16 spare copies for circulation among SEs & EEs under his control.
5. CAO, DD.
6. Project Manager (Flyover), Gr.-I and II, DDA with 7 spare copies each for circulation among EEs & FOs.
7. Director (System) for necessary action.
8. Director (Hort.), North & South, DDA with 10 spare copies each for circulation among Jt./Dy. Directors.
9. Director (MM), DDA with 7 spare copies for circulation among EEs and FOs under his control.
10. Director (works), DDA/Director (PR), DDA.
11. EO-I, II, III & EE (PPC), DDA.
12. DY, CAO (Plan), DDA.
13. Sr. R.O. (RTI), DDA.
14. Hindi Officer for Hindi version please.
15. Copy to File No. EM.8(2)98/All Zones/04/DDA/Pt.

Copy also forwarded to:—

1. PS TO VC, DDA for kind information of the letter.
2. PS TO EM, DDA for kind information of the letter.
3. PS TO FM, DDA for kind information of the letter.

Sd/-  
Director [Works]



ANNEXURE B<sub>1</sub>

DELHI DEVELOPMENT AUTHORITY  
[ENGINEER MEMBER'S SECTT.]

No. EMI(10)2007/CIR (PAC AUDIT PARAS) D.D.A/3916

October 25, 2007

**CIRCULAR No. 610**

**Sub: Award of work and incurring of Expenditure without A/A & E/S.**

The Public Accounts Committee (14th Lok Sabha) on '**Development of Land by DDA**'

observed that the work has taken up in anticipation of A/A & E/S and substantial expenditure was incurred. They further observed that neither the Ministry of Urban Development nor DDA had made efforts for circumscribing the circumstances under which the works were taken on urgent basis and no justification is seen for awarding such large number of works without obtaining prior approval and sanction.

A number of instructions have been issued in this regard from time to time that no work should be undertaken or any liability/expenditure incurred thereon without proper A/A & E/S of the competent authority. The latest instructions issued *vide* this office O.M. No. dt. 20.1.06/23.1.06 may be referred to.

It is enjoined upon all the field units that where the exigencies of the work demand and the work is required to be taken up in anticipation of A/A & E/S, the nature of urgency should be clearly brought out in the record and approval of the competent authority *i.e.* VC, DDA should invariably be obtained. Where action for call of tenders etc. is taken up in anticipation of A/A & E/S, simultaneously the preliminary/detailed estimate should be processed for formal A/A & E/S in a time bound manner.

The above instructions may be strictly adhered by all concerned. This issues with the approval of EM, DDA.

Sd/-  
[A.P. Singh]  
Chief Engineer [HQ]

Copy to:—

1. All CEs (Civil/Elect.), DDA with 20 spare copies for further distribution amongst SEs and EEs, Jt. CAO/FO & CE (HQ), DDA.
2. CE (QC), DDA with 10 spare copies for circulation among SEs & EEs under his control.
3. CE (Design), DDA with 10 spare copies for circulation among SEs & EEs under his control.

4. CVO, DDA with 16 spare copies for circulation among SEs & EEs under his control.
5. CAO, DDA.
6. Project Manager (Flyover), Gr.-I and II, DDA with 7 spare copies each for circulation among EEs & FOs.
7. Director (System) for necessary action.
8. Director (Hort.), North & South, DDA with 10 spare copies each for circulation among Jt./Dy. Directors.
9. Director (MM), DDA with 7 spare copies for circulation among EEs and FOs under his control.
10. Director (works), DDA/Director (PR), DDA.
11. EO-I, II, III & EE (PPC), DDA.
12. DY, CAO (Plan), DDA.
13. Sr. R.O. (RTI), DDA.
14. Hindi Officer for Hindi version please.
15. Copy to File No. EM.8(2)98/All Zones/04/DDA/Pt.

Copy also forwarded to:—

1. PS TO VC, DDA for kind information of the letter.
2. PS TO EM, DDA for kind information of the letter.
3. PS TO FM, DDA for kind information of the letter.

Sd/-  
Director [Works]

ANNEXURE C<sub>1</sub>

DELHI DEVELOPMENT AUTHORITY  
[ENGINEER MEMBER'S SECTT.]

No. EMI(10) 2007/CIR (PAC AUDIT PARAS) DDA/3914

October 25, 2007

**CIRCULAR NO. 611**

Sub: **Undue Prongalation of Contract and payment of escalation under clause 10 CC.**

The Public Accounts Committee (14th Lok Sabha) made observations on "**development of land by DDA**" that in five cases of work relating to Dwarka Project, DDA not only failed to ensure clear site at the time of award of works but also could not remove the hindrances such as pipeline running below the site, electric duct, sewer work in progress, shifting of electric poles and MTNL cables, non-availability of drawings of bridge etc. This resulted in delay in execution of these works on the part of the DDA by 10 to 38 months and avoidable cost escalation too. Scrutiny of these cases revealed that much of the so-called avoidable hindrances, were manifestation of lack of sound planning and institutionalised mechanism for close co-ordination with concerned civic agencies and absence of a synchronized action plan for execution of works in co-operation with other agencies in DDA. It was further observed that the misuse of Clause 10 CC might not be ruled out where the contracts are extended for unduly long period.

In this regard, it is to emphasize that as soon as any project is conceived, all such obstacles such as MTNL/BSNL, DJB/MCD, NDPL, overhead/underground line should be identified and action should be taken in advance for their shifting etc. so as to ensure to provide the site to the agency free from all such hindrances/obstacles. Further, close co-ordination should be held by the NIT approving authority with respective agencies and other counterparts within DDA; and work should not be allowed to be delayed on such issues.

Where the exigency demands to take up the work in anticipation of removal of such obstacles, it will be responsibility of the Executive Engineer to pursue the matter with relevant agencies and keep higher offices as well as NIT issuing authority informed of such problem indicating the action required, if any, at their level. If the executing agency is made responsible for removal of such services, it should be clearly brought out in NIT.

Misuse of power by granting extension of time without levy of compensation and allowing undue obenefit to the agency shall be viewed seriously.

The instructions shall be adhered strictly by all the concerned. This issues with the approval of EM, DDA.

Sd/-  
[A.P. Singh]  
Chief Engineer [HQ]

Copy to:—

1. All CEs (Civil/Elect.), DDA with 20 spare copies for further distribution amongst SEs and EEs, Jt. CAO/FO & CE (HQ), DDA.
2. CE (QC), DDA with 10 spare copies for circulation among SEs & EEs under his control.
3. CE (Design), DDA with 10 spare copies for circulation among SEs & EEs under his control.
4. CVO, DDA with 16 spare copies for circulation among SEs & EEs under his control.
5. CAO, DD.
6. Project Manager (Flyover), Gr.-1 and II, DDA with 7 spare copies each for circulation among EEs and FOs.
7. Director (System) for necessary action.
8. Director (Hort.), North & South, DDA with 10 spare copies each for circulation among Jt./Dy. Directors.
9. Director (MM), DDA with 7 spare copies for circulation among EEs and FOs under his control.
10. Director (Works), DDA/Director (PR), DDA.
11. EO-I, II, III & EE (PPC), DDA.
12. DY. CAO (Plan), DDA.
13. Sr. R.O (RTI), DDA.
14. Hindi Officer for Hindi version please.
15. Copy to File No. EM. 8(2)98/All Zones/04/DDA/Pt.

Copy also forwarded to:—

1. PS to VC, DDA for kind information of the letter.
2. PS to EM, DDA for kind information of the letter.
3. PS to FM, DDA for kind information of the letter.

Sd/-  
Director [Works]

ANNEXURE D<sub>1</sub>

DELHI DEVELOPMENT AUTHORITY  
OFFICE OF THE CHIEF ENGINEER (DWARKA)

No. F.O. to CE(DWK.) 3/(41)2005-06/Pt./3651

Dated: 22.10.2007

To,

The Chief Vigilance Office,  
Vigilance Cell, DDA,  
Vikas Sadan, INA, New Delhi.

**Sub: Minutes of the meeting held in the chamber of V.C., DDA on 26.9.07**

It is intimated that Performance Audit on Dev.of land by DDA was conducted by the Audit Party from the office of the A.G.(Audit) and the paras were included in the 55th report of the PAC (14th Lok Sabha). A meeting was held in the chamber of the Vice-Chairman, DDA on 26.9.07 to decide the *modus operandi* for preparing Action Taken Notes on the observations/recommendations continued in the 55th report of the Public Accounts Committee (14th Lok Sabha) on "Development of land by the DDA." As decided in the meeting action in respect of para-5(i) for transfer of all the records relating to these five works to the Vigilance Deptt. for investigation is to be taken by this zone. Accordingly, following files are being forwarded herewith along with a copy of minutes of the said meeting and copy of the observation/recommendations of the PAC. Any other record whatsoever needed will be made available as soon as the same is asked for. However, concerned EE/SEs are being directed to send the relevant records to the Vigilance Branch.

1. FO. to CE(DWK.) 1 (733)C-13/DDA. (1 to 12/N & 1 to 416/C)
2. FO. to CE(DWK.) 1 (734)C-13/DDA. (P-1 to 10/N and 1 to 275/C)
3. FO. to CE(DWK.) 1 (735)C-13/DDA. (P-1 to 7/N and 1 to 124/C)
4. FO. to CE(DWK.) 1 (736)C-17/DDA. (P-1 to 7/N and 1 to 205/C)
5. FO. to CE(DWK.) 1 (796)C-13/DDA./2003-04, (P-1 to 151/C and 1 to 10/N)

Encl: As above.

Sd/-  
(S.R. Solanki)  
Chief Engineer (Dwarka), DDA

N.O.O.:

Copy to:—

S.E., CC-2,13,17 & SE(P)-II, DDA with the request to transfer all the relevant records in respect of recommendations in para-5 to the Vigilance Deptt. for investigation.

Sd/-  
SE. (Dwarka), DD

**Confidential**

*ANNEXURE E,*

No. 12-02-11-02.WT-99  
Government of India  
Central Vigilance Commission  
(CTE's Orgn.)

Block 'A' GPO Complex, INA.  
Satarkata Bhavan, New Delhi-23

The Chief Engineer(Dwarka)  
Delhi Development Authority,  
Vikas Minar,  
New Delhi.

**Sub: Strengthening of the existing 2 lane carriage way, constructing additional 4 lanes, service road, foot path, drainage, X-drainage work and fixing kerb stone, constructing bridges, culverts etc. at Dwarka Project, New Delhi**

Enclosed please find herewith copy of I/E report on the above mentioned work. Replies against each para may please be furnished to this commission within 60 days of receipt of this letter.

Encl: as above.

Sd/-  
(Vinayak Rai)  
Technical Examiner

Copy with copy of report forwarded to:—

1. The Supdt. Engineer, Civil Circle 13, DDA. Mangla Puri, New Delhi for information and necessary action.
2. The Ex-Engineer, Western Divn. 6, DDA. Mangla Puri, Dwarka, New Delhi-45 for information and necessary action.

Sd/-  
(Vinayak Rai)  
Technical Examiner

CONFIDENTIAL

GOVERNMENT OF INDIA  
CENTRAL VIGILANCE COMMISSION  
CHIEF TECHNICAL EXAMINER'S ORGANISATION



A REPORT ON  
THE INTENSIVE EXAMINATION OF WORK

By:

Shri Vinayak Rai  
Technical Examiner  
Central Vigilance Commission  
'Satarkata Bhavan'  
Block-A, GPO Complex, INA,  
New Delhi- 110023

## INTENSIVE EXAMINATION REPORT

Name of Organisation: Delhi Development Authority (DDA)

Name of work: Strengthening of existing 2 lane carriageway, constructing additional 4 lanes, service road, foot path, drainage, X-drainage work and fixing kerb stone, constructing bridges, culvert etc. at Dwarka Project, Phase-I, Group-I, New Delhi.

Location: Dwarka, Delhi.

Tendered amount: Rs. 29.91 crores.

Period of inspection: 26/11, 28/11, 29/11, 5/12 & 10/12/02

By

Shri Vinayak Rai,  
Technical Examiner.

### 1.0 Particulars of Work

1.1 Name of work Strengthening of the existing 2 lane carriageway, constructing additional 4 lanes, service road, foot path, drainage, X-drain work and fixing kerb stone, constructing bridges, culvert etc. at Dwarka Project, Phase-I, Group-I.

Agreement No. 4/EE/WD-6/DDA/2001-2002

Name of contractor: M/s Unitech Ltd.

Estimated cost Rs. 29,52,75,171/-

Tendered cost Rs. 29,91,34,153/-

Date of start of work 13.2.2001

Due date of completion: 13.2.2002

Present Progress: 80% (approx).

### 1.2 Departmental Authorities

Zone Dwarka Zone

Circle Civil Circle-13/DDA

Division WD-10(since start up to 19.4.01)  
WD-6 (4/01 till date)

Sub Division SD-IVWD-10 up to 19.4.01  
SD-IV/WD-6 (4/01 till date)  
SD-II/WD-6 -do-



### 1.3 Officials in Charge of work

Chief Engineer	Shri Suresh Mehta (up to 30.11.01) Shri C. Banerjee (1.12.01 to 28.2.02) Shri S.P. Rastogi (28.2.02 till date)
Supdtg. Engineer	Shri N.C. Gupta (up to 8/02) Shri Surinderjit Singh (8/02 till date)
Ex. Engineer	Shri A.K. Sharma (up to 4/01) Shri Lalit Mohan (4/01 till date)
Astt. Engineer	Shri N.K. Prabhakar (up to 4/01) Shri P. Keshwani (4/01 till date) Shri M.L. Nigam (-do-)
Jr. Engineer	S/Shri Yudhister Yadav (WD-10) up to 16.4.01 B.P. Sachdev (SD-IV) -do- R.P. Singh 15.5.01 till date R.P.S. Yadav from 16.4.01 to 6.8.02 R.G. Bhagel (SD-II) from 19.4.01 to 15.11.01 Mithlesh Kumar (19.4.01 till date) S.K. Sharma (19/01 till date)
Divl. Accountant	Shri A.K. Gupta (WD-6) 19.4.01 till date Shri Rajiv Kumar (up to 4/01)
Asstt. Surveyor of Works in Divn.	Shri U.K. Chaukar
Surveyor of Works in Circle	Shri S.K. Sharma
Surveyor of Works in SSW's Office	Shri N.R. Gupta

### 2. Scope of work

The work comprises of strengthening of existing 2 lanes carriageway; constructing additional 4 lanes, service roads, foot path, drainage works, fixing kerb stone and c/o bridges and culverts. Main scope of work includes the following:

- C/o 60 mt. wide road including service road: 7420 mt. (approx.)
- C/o 45 mt. wide road including service road: 3820 mt. (approx.)
- C/o 1 bridge and 1 culvert
- Footpath
- Fixing of kerb stones etc.

### 3. Administrative Approval & Expenditure Sanction

3.1 **Facts in Brief:** A/A & E/S amounting to Rs. 206.92 crores as work outlays and Rs. 23.15 crores as departmental charges (total Rs. 230.07 crores) was accorded in the 59th meeting held on 20.9.01 of EAC constituted by LG and same was circulated by EM

*vide* letter No. EM. 6(45)2000/Est./12893-916 dt. 5.11.01. The subject work is the part of total sanction of Rs. 230.07 crores.

### 3.2 Observations

3.2.1 Details of total expenditure booked against this sanction be furnished.

## 4. Consultancy

### 4.1 Appointment & Payment

4.1.1 **Facts in Brief:** M/s CRRI has been appointed arbitrarily as single offer basis for consulting service for master plan roads in Dwarka at a total lump sum value of Rs. 1.16 crores.

#### 4.1.2 Observations

4.1.2.1 M/s CRRI has been appointed arbitrarily on single offer basis for a lump sum amount of Rs. 1.16 crores without inviting open tenders and thus restricting competition. Reason along with action taken/proposed by intimated. Para is referred to CE (Dwarka) for his comments.

4.1.2.2 M/s CRRI has been appointed arbitrarily by VC, DDA. It may be clarified that VC is competent to award the consultancy work of magnitude of Rs. 1.16 crores without call of tenders. Supporting delegation of powers be also furnished. Para is referred to CE (Dwarka).

4.1.2.3 It may be certified that CRRI had performed all the services as required as per agreement between DDA & CRRI else action taken/proposed be intimated.

4.1.2.4 Detail of total payment made to CRRI till date along with detail of conveyance charges paid, if any, be prepared as per Annexure 'A' attached and be submitted.

4.1.2.5 The stipulated completion period of agreement between DDA & CRR was 25.09.02 but work is not completed till the date of inspection. Position of sanction of EOT by the competent authority be intimated.

4.1.2.5.1 Detail of any extra payment made to CRRI, if any, for the extended period be also furnished along with approval of competent authority.

4.1.2.6 DDA is having in-house design cell/office. Reason for appointment of M/s CRRI as a consultant for design be furnished.

4.1.2.6.1 DDA has deputed about 7 JEs, 2 AEs for day to day supervision of work. Reason for entrusting supervision and quality control work to consultant even though DDA has full-fledged unit for supervision resulting in infructuous expenditure be furnished along with action proposed.

Paras 4.1.2.6 and 4.1.2.6.1 are referred to CE (Dwarka) to offer his comments.

## 5. Detailed Estimate & Technical Sanction

5.1 **Facts in Brief:** Technical sanction to the detailed estimate amounting to Rs. 30,41,33,426/- i/c 3% contingencies has been accorded by CE (Dwarka) Letter and

date of accord of technical sanction by CE (Dwarka) was not available on record. Detailed estimate was prepared based on DSR 97 and on market rate for the items not covered under DSR.

## 5.2 Observations

5.2.1 A statement of all the works which are being executed/had already been executed through separate contract under A/A & E/S of Rs. 206 crores be prepared indicating the name of work, estimated cost/tendered cost and accepting authority, and submitted for further scrutiny. Comments on splitting of works be also furnished. Para is referred to CE (Dwarka).

5.2.2 TS has been accorded by CE (Dwarka) but TS memo no. and date of accord of TS has not been recorded. Reason for not recording date of TS be furnished. Para is referred to CE (Dwarka).

## 6. Design & Drawing

6.1 **Architectural & Structural:** Structural design and drawings were provided by M/s CRRI.

### 6.2 Observations

6.2.1 Structural design given by M/s CRRI has not been checked by DDA Engineers. Reasons for dispensing with checking of structural design be furnished. Para is referred to CE (Dwarka).

6.2.2 In the absence of checking of design of DDA, how the structural soundness and economy has been ensured, be intimated. Para is referred to CE (Dwarka).

## 7. Tender Documents (draft tender document)

7.1 **Facts in Brief:** NIT amounting to Rs. 29,52,75,171/- has been approved by CE (Dwarka).

### 7.2 Observations

7.2.1 Tenders were invited in anticipation of A/A & E/S. Reason for inviting tender in anticipation of A/A & E/S along with approval of the competent authority be furnished.

## 8. Prequalification

8.1 **Facts in brief:** Applications for prequalification for (four different works) C/o master plan roads in Dwarka were invited. 37 firms obtained the bid documents and 27 firms submitted their completed prequalification bids Eligibility criteria as per press advertisement was as under:

"The agencies should have executed 3 number of road works i/c earth filling, sub grade work, semi dense carpeting, bituminous work with heavy machinery and equipment, each work of value not less than rupees twenty crores during the last 5 years. The agencies should also have experience of execution of cross drainage works and bridge work up to multiple span of minimum 30 M each along with well sinking/piling work etc."

But as per prequalification document issued to various firms, the eligibility criteria as mentioned above was altogether different than that published in newspaper. The eligibility criteria prescribed in PQ document was as under:

The applicant shall meet the following minimum criteria:

- (a) Average annual turnover (defined as billing for works in progress and completed) over the last five years of 40% of value of contract/contracts applied for.
- (b) Successful experience as prime contractor in completing at least one contract of highway (road and/or bridge works) Air Port contract of at least 70% of the value of proposed contract within the last five years, this experience should also include the following minimum quantities of work executed in any one year.

Earth work in both excavation & embankment (combined quantities)	46500 cum
Bituminous work (DBM/AC/BC)	54440 MT

The applications of all the 27 agencies were scrutinized and following 9 agencies were finally prequalified with the approval of LG on 13.9.2000:

- (a) M/s Bridge & Roof Co. (India) Ltd.
- (b) M/s Oriental Structural Engineering Ltd.
- (c) M/s Afcons Infrastructure Ltd.
- (d) M/s L & T Ltd.
- (e) M/s Hindustan Construction Ltd.
- (f) M/s UP State Bridge Corporation Ltd.
- (g) M/s Progressive Construction Ltd.
- (h) M/s Som Dutt Builders
- (i) M/s Unitech Ltd.

## 8.2 Observations

8.2.1 Draft prequalification document duly approved by competent authority was not produced during inspection. Copy of same be furnished along with authority who approved the PQ document.

8.2.2 Eligibility criteria for prequalification as per PQ document issued to various firms was completely different than that published in newspaper. This discrepancy has also not been pointed out during scrutiny of the applications. Para is referred to CVO for scrutiny and fixing responsibility for the lapse.

8.2.3 Prequalification of agencies has been done on the basis of eligibility criteria published in newspaper (as evident from CE's recommendation). Moreover prequalification done is also not correct as per details below.

8.2.3.1 As per CE recommendations (copy enclosed), only four firms listed at Sl. No. 1 to 4 in para 8.1 are fulfilling the criteria laid down by DDA and others *i.e.* firms at Sl. No. 5 to 9 were not fulfilling the criteria for the various reasons recorded. As such eligibility criteria was relaxed for 5 firms. If eligibility criteria has to be relaxed, then corrigendum relaxing the criteria should have been issued and fresh applications for prequalification should have been invited. No urgency for not re-inviting applications is also put on record. Hence, lapse of relaxing PQ criteria in favour of particular firms without re-inviting applications is established. Responsibility be fixed for the above lapse.

8.2.3.2 Work has been awarded to M/s Unitech Ltd. who was not fulfilling the eligibility criteria. Thus undue benefit has been extended to M/s Unitech. Responsibility be fixed for the lapse and action taken/proposed be intimated.

Paras 8.2.2, 8.2.3, 8.2.3.1 and 8.2.3.2 are referred to CVO for detailed scrutiny and comments.

8.2.4 Prequalification of the agencies has been done for four work simultaneously each costing, approximately Rs. 25 crores. Agencies were prequalified for all the four contracts. As per PQ document "To qualify for more than one contract, the applicant must demonstrate having experience and resources sufficient to meet the aggregate of the qualification criteria for each contract."

But while prequalifying this aspect *i.e.* aggregate of qualification has completely been ignored and agencies prequalifying for one contract have been allowed to participate in all the four contracts. Reason along with action taken/proposed be intimated.

Para is referred to CVO for scrutiny and comments.

8.2.5 Director (Works) in his noting dt. 11.9.2000 has stated that M/s Unitech (14/27) comes under category C and not under category E whereas CE(DWK), DA has stated that M/s Unitech falls under category E. This has resulted in prequalification of M/s Unitech. CVO to scrutinize that whether M/s Unitech falls under category "C" or category "E" and furnish his comments.

## 9. Call of Tenders & Award of Work

9.1 **Facts in Brief:** Tenders were invited from the 9 prequalified firms. Seven agencies purchased the tender document and 5 have submitted their tenders and comparative position after opening was as under:—

S. No.	Name of contractor	Tendered amount	Rebate	Net tendered amount	Position
1	2	3	4	5	6
1.	M/s Unitech Ltd.	Rs. 336400341/-	14.01%	Rs. 297869653/- i.e. 0.88% above	L-1

1	2	3	4	5	6
2.	M/s L & T Ltd.	Rs. 333394674/-	-	Rs. 333394674/-	L-2
3.	M/s Oriental Structural Engg. Ltd.	Rs. 351803195/-	-	Rs. 351803105/-	L-3
4.	M/s Progressive Constn. Ltd.	Rs. 412468134/-	10.80%	Rs. 367921576/-	L-4
5.	M/s UP State Bridge Co. Ltd.	Rs. 381133610/-	-	Rs.381133610/-	L-5

From the above it is seen that M/s Unitech Ltd. is the 1st lowest tenderer with their tendered amount of Rs. 2,97,869,653/- which is 0.88% above the estimated cost after considering the effect of rebate of 14.01%. Agency had not quoted the rate of items of 800 mm dia pile. By considering the lowest justified rate for this item i.e. Rs. 1756.25, net % above the estimated cost quoted by contractor increased from 0.88% above to 1.30% above. CE recommended to award the work to M/s Unitech @ 1.30% above the estimated cost.

The WAB board accepted the recommendations of CE to award the work to M/s Unitech Ltd. at their negotiated amount, which works out to 1.30% above estimated cost.

Accordingly award letter was issued to M/s Unitech by EE(WD. 10) on 3.2.01.

## 9.2 Observations

9.2.1 Proof of acknowledgement i.e. receipt of EE letter dt. 21.9.2000 by the two agencies i.e. M/s. Hindustan Construction Ltd. and M/s. Bridge & Roof who have not purchased the tender documents, be submitted.

9.2.2 M/s. Unitech Ltd. has not quoted the rate for item No. 16(b) i.e. 800 mm dia pile. Work has been awarded to them by considering the lowest justified rate i.e. Rs. 1756.25 for this item. But tender should have been rejected as per clause 10 of PWD-6 i.e. "All tender in which any of the prescribed condition are not fulfilled or incomplete in any respect are liable to be rejected". Reason for not rejecting the tender of M/s. Unitech Ltd. along with action taken/proposed be intimated. Para is referred to CE (Dwarka) for comments.

9.2.3 Prequalification of contractors was carried out for four similar works simultaneously. However, it has been observed from the quarterly progress report submitted by CE, Dwarka that the quoted amount for the four works is varying from 1.30% above the estimated cost to 11.72% above the estimated cost. Para is referred to CVO to scrutinize these tenders regarding award of similar works at different rates and furnish his comments.

## 10.0 Contract Document

10.1 **Facts in Brief.** Contract agreement was executed on 5.2.01 between DDA and M/s. Unitech Ltd.

## 10.2 Observations

10.2.1 The compliance of clause 36 of agreement in respect of employment of technical staff be commented upon/intimated.

10.2.2 Copy of labour license in compliance to clause 19 of agreement was not produced during inspection. Copy of same be submitted else action taken/proposed be intimated.

10.2.3 The contractor was required to submit a copy of PERT chart as per para 43 and 76 of additional conditions of contract within 10 days of date of start of work. Compliance of contract condition be intimated.

10.2.4 As per additional condition No. 61, following specified works were to be carried out by specified person or manufacturer with the written approval of E-in-C.

- (a) Bearing of bridges
- (b) Kerb stones
- (c) Interlocking pavement blocks for foot path
- (d) SFRC covers
- (e) Expansion joint in deck slab, RCC walls and RCC base slab.
- (f) Chemical treatment on RCC walls and RCC base slab.

No written approval of any specialized firms was produced during inspection. Action taken/proposed be intimated.

10.2.5 The contractor was required to set up a field laboratory as per clause 2 of special condition. Laboratory should be manned by a qualified material engineer/civil engineer. Comments on the compliance of same be furnished.

10.2.5.1 It may also be certified that M/s. Unitech Ltd. has provided 3 separate field laboratory for each of package (M/s. Unitech Ltd. awarded 3 packages) else action taken/proposed be intimated to CE(Dwarka).

10.2.6 As per clause 30 of additional condition of contract, contractor shall carry out disc test on all RCC pipe lines. Compliance of the above condition be intimated.

10.2.7 As per clause 92 of additional conditions of contract, contractor would construct a diversion channel for allowing unhindered flow of water in the Palam drain during the construction period without any extra cost. The contractor has to make diversion bunds, cofferdams or any other diversion system for the construction. Compliance of above condition be intimated.

10.2.8 As per clause 110 of additional conditions of contract, contractor shall take all necessary measures for the safety of traffic during construction and provide, erect and maintain such barricades etc. Compliance of above condition be intimated.

10.2.9 As per clause 113 of additional conditions of contract, contractor will be responsible to provide deep hand pump/tube well at site of work. Compliance of same be intimated.

10.2.10 As per minutes of pre bid meeting on 11.10.2000, land for activities like work shops, stores, labour camp etc. shall be provided by DDA @ 1 lac per acre per month. However, no deduction for land rent has been made from the contractor's bill. Clarification in this regard be furnished.

#### 11.0 Payments to Contractor

11.1 **Facts in Brief:** 16th RA bill amounting to Rs. 22.90 crores (gross value of work done) has been paid till the date of inspection.

#### 11.2 Observations

11.2.1 Stipulated date of start of work was 13.2.01 and stipulated date of completion was 12.2.02 with 12 months as period of completion. But the work was not completed and still in progress during inspection i.e. on 10.12.02 and about 8% completed. Position of sanction of EOT by the competent authority with/without liquidated damages be intimated.

11.2.2 List of AHR/ALR items were not produced during inspection. Copy of same be furnished.

11.2.2.1 Copy of approval of AHR/ALR item statement, if any, be submitted along with reason for increase/decrease in quantity.

11.2.3 Quantities of item No. 7(b), 11(a), 24, bridge and culvert item No. 1, 9, 13(a), 14(a) etc. have deviated abnormally than that specified in BOQ. Reason for deviation along with approval of competent authority for the deviation be furnished.

11.2.4 Copy of escalation be given during inspection is without base indices. As such all the 10 CC bills/escalation bill be scrutinized by SE in detail and financial implication, if any, be intimated.

11.2.4.1 Copies of escalation bill is to be endorsed to SE & CE as per provision of CPWD Manual Vol. II clause 33.8.8. The same has not been complied with. Reason for omission along with action taken/proposed be intimated. Paras 11.2.4 and 11.2.4.1 are referred to SE for his comments.

11.2.5 Fortnightly labour reports were not found attached with the bills. Action proposed be intimated.

11.2.6 Rs. 50,000/-, Rs. 100,000/- Rs. 100,000/- and Rs. 300000/- have been withheld/recovered from 6th, 8th, 11th and 12th RA Bill respectively. Reason for withholding these amounts be intimated.

11.2.6.1 Final disposal of these with held amounts be intimated.

11.2.7 It was intimated during inspection that most of tests have been performed at DDA lab. and testing charges for the test conducted at DDA lab. Have been borne by DDA. But as per contract conditions, testing charges have to be borne by the contractor. Action taken/proposed to recover the same be intimated along with amount recovered.

11.2.7.1 It may be certified that all other testing charges for the test conducted at other than DDA lab. have been borne by contractor.



11.2.8 Actual weight of steel/reinforcement bar have not been checked and standard weight have been allowed/paid. In the absence of same, how the standard weight have been allowed, be intimated along with action taken/proposed.

11.2.9 Measurement was not recorded properly in the measurement book (e.g. MB No. 020269 pages 27 to 30) location and side whether RHS or LHS has not been recorded. Reason along with action taken/proposed be intimated.

11.2.10 As per clause 135 of addition conditions of contract, the following order of precedence be followed:

- (i) Nomenclature of item
- (ii) Particular specification attached with the tender document
- (iii) MOST Specifications (third revision 1995)
- (iv) CPWD Specifications

Following items are not payable as per the above order of preference:

(a) In item No. 11 of bituminous macadam, it has now here been mentioned that tack coat/primer coat is separately payable as mentioned in item of B.C. and D.B.M. etc. No particular specification for B.M. is attached with the tender documents. However, MOST specification is applicable. As per sub-clause 504.3.2 and 504.3.3 of Bituminous macadam in MOST Specification, primer coat and tack coat shall have to be applied. Further, as per clause 504.8 of MOST Specification, contract unit rate for the works shall be paid in full for carrying out all the required operations. Hence, no separate payment for primer coat/tack coat is permissible. Similarly primer coat is not payable in item No. 12 and primer/tack coat is not payable in item No.10. Hence, all the measurements done for tack coat/primer coat be revised as per the above observation. Some of the over payments are listed below.

- (i) Primer coat payment amounting to Rs. 25.98 lacs under E.I. No. 1/1 be recovered.
- (ii) Tack coat payment made below BM amounting to  $177690 \times 5 =$  Rs. 8.88 lacs (approx)
- (iii) Other tack coat/primer coat payment as given in above observation be also recovered and details be submitted.

11.2.11 As per clause 509.1.3.6 of MOST Specifications, seal cost shall be applied to the premix carpet immediately after laying. But no seal coat was provided. Action be taken for suitable recovery and details be submitted.

Paras 11.2.10 and 11.2.11 are referred to CE (Dwarka) to take immediate action for ensuring recovery.

11.2.12 Similar action as in paras 11.2.10 and 11.2.11 be also taken for other road projects. Para is referred to CE (DWK)

11.2.13 Twenty-nine extra items have been paid till the date of inspection but only one item is sanctioned. Reason for not sanctioning other extra items be furnished.

11.2.13.1 SE to review/check in detail all the 29 extra items and offer his comments on their admissibility and requirement.

11.2.14 Quantity of item No. 24 of BOQ has deviated abnormally (nine times). Possibility of over measurement cannot be ruled out. SE to verify the measurement of this item and furnish his comments.

11.2.14.1 CRRI had intimated that quantities shall not be deviated more than + 5% when the estimate was prepared based on survey conducted by CRRI/DDA, how large scale deviations in quantities have occurred, be intimated.

## 12.0 Records

12.1 **Facts in Brief:** Tender documents, files pertaining to this work and site record/register were seen at the office of EE and site office.

### 12.2. Observations

12.2.1 Page numbering on files has not been done. In the absence of page numbering, possibility of manipulation cannot be ruled out. Reason along with action taken/proposed be intimated.

#### 12.2.2 Cement Register

12.2.2.1 There were lot of cuttings and over writings in the cement register. Cuttings and over writings were not initialled. Action taken/proposed be intimated.

12.2.2.2 Cement register was not reviewed frequently by EE as per frequency laid down in CPWD Manual. Reason along with action proposed be intimated.

12.2.3 On most of test results, the acceptability limits and whether test results meet the provision of contract has not been mentioned. In the absence of same, how the material has been treated as acceptable, be intimated.

12.2.4 **Site Order Book:** EE to certify that all the instructions recorded in the site order book have been complied with else action proposed be intimated.

#### 12.2.5 Hindrance Register

12.2.5.1 Hindrance recorded at Sl. 5 due to non availability of drawing for inter section and T-junction—x-ing for all M.P. roads is still continuing from 13.2.01 i.e. for more than 21 months. Action taken against M/s CRRI for such a long delay in submission of drawing be intimated. Para is referred to SE.

12.2.5.2 Hindrance register is not reviewed by EE. Reason along with action taken/proposed be intimated.

12.2.6 Inspection notes issued by higher officer i.e. SE & CE has not been carried over in site order book. In the absence of same, how the instructions have been conveyed to agency for compliance be intimated.

12.2.6.1 Position of pending paras of SE/CE inspection notes be intimated.

12.2.6.2 SE to certify that all the instructions issued by higher officers through inspection notes have been complied with.

12.2.6.3 Inspection register has not been maintained. Reason along with action taken/proposed be intimated.

Paras 12.2.6, 12.2.6.1, 12.2.6.2 and 12.2.6.3 are referred to SE.

12.2.7 Four quality control inspections have been carried out. Last i.e. 4th inspection was stated to be carried out in the month of Sept. but report is not received till date i.e. 10.12.02 (as intimated by EE and other staff). Copy of 4th inspection report of QC be furnished.

12.2.7.1 Position of pending paras of QC inspection report be intimated.

12.2.7.2 Amount recovered on account of quality control inspection, be intimated.

12.2.7.3 Following samples were collected by QC during inspection.

<b>Date of inspection</b>	<b>Sample taken</b>
13.3.02	Core of DBM & SDAC/

Test reports for the above sample be submitted.

12.2.8 AHR/ALR register has not been maintained. Reason along with action taken/proposed be intimated.

12.2.9 Following samples failed (copy attached) to meet the contract provisions.

(i) Coarse sand	1 No.
(ii) Coarse sand	2 No.

Action taken/proposed be intimated.

12.2.10 28 days compressive strength of concrete were showing results less than permissible limit of 340 kg/CM<sup>2</sup> for M 30 grade concrete and less than the permissible limit of 240 kg/CM<sup>2</sup> For M20 grade concrete. Action proposed be intimated.

12.2.11 Most of tests results of inverted choke were failing in gradation test. But action taken on these test results for not satisfying the prescribed criteria has not been recorded. Action proposed be intimated.

12.2.12 A statement of mandatory test conducted and required to be conducted as per contract provisions be prepared as per Annexure "A" attached and submitted along with action taken/proposed for short fall in test, if any.

12.2.13 Refer SE letter dt. 16.11.01 (copy enclosed) *vide* which show cause notice was issued for slow progress. Final action taken be intimated. Para is referred to SE.

### 13.0 Site Inspection

13.1 **Facts in Brief:** The work was inspected by Chief Technical Examiner on 5.12.02 along with Technical Examiner in the presence of Shri S.P. Rastogi, CE(Dwarka), Shri Surinderjeet Singh, SE, Shri Lalit Mohan, EE,WD-6, AE, JE and contractor's representative. The work was earlier inspected by Technical Examiner along with JTE on 28.11.02 and 29.11.02.

#### 13.2 Observations

13.2.1 Items were checked at random and observations made herein are deemed to be applicable to all the similar items and location else where in the work. Entire work may please be got examined keeping in view the observations made hereunder/and for other defects and results along with action taken/proposed be intimated.

13.2.2 Sand filling was checked and found as 40 mm against 50 mm required under the item of paver block (Road No. 201 chainage 1020, LHS service road, rear foot path).

13.2.3 Kerb stone fixed in position were not in one line.

- (i) RD 1440, Road No. 201 LHS of service road
- (ii) RD 3990, Road No. 201 median kerb stone
- (iii) RD 6000 to 6100, Road No. 201 median kerb stone
- (iv) RD 3300, Road No. 201 service road.

13.2.3.1 Edges of kerb stones fixed were damaged at places i.e. near bridge.

13.2.3.2 Joints between kerb stone not filled up properly with cement mortar i.e. found hollow.

- (i) RD 1440, Road No. 201 LHS of service road.
- (ii) RD 490, Road No. 216 median kerb stone etc.

13.2.4 Paver block were depressed/not in level at many places i.e.

- (i) RD 1440, Road No. 201 service road, foot path.
- (ii) RD 3300, Road No. 201 LHS of service road.
- (iii) RD 490, Road No. 216, between existing & service road.
- (iv) RD 4525, Road No. 201 between new and service road etc.

13.2.4.1 Paver blocks were found to be damaged at lot of places (RD 3300, Road No. 201)

13.2.4.2 Level difference over drain were noticed in paver block at lot of places.

13.2.5 Man hole were coming above the road level (RD 3990, Road No. 201 LHS service road and RD 3300 road No. 201, LHS service, road etc.)

13.2.6 Road in front of NSIT gate settled (RD 5800)

13.2.7 RCC 250 mm dia NP 2 pipe line was found to be damaged/broken between RD 4300 to 4900, Road No. 201.

13.2.8 Lot of repairs were noticed in RCC wall of culvert.

13.2.8.1 Bulging and honey combing was also noticed.

13.2.9 Over size stone aggregates i.e. (WBM grade II) were observed in road No. 219 at RD 1600 which was in progress.

13.2.10 WBM was not properly compacted i.e. lot of depressions were observed in service roads in front of Jai Durga Society.

13.2.11 Toe wall was found to be broken/damaged near bridge.

13.2.12 RCC pipes were found to be broken near bridge (LHS)

13.2.12.1 Collar joint of RCC pipes were also loose i.e. not filled up with mortar

13.2.13 (i) Surface accuracy was checked and found to be 9 mm in service road, Road No. 201 RD 1440 and 6 mm in new carriageway,

(ii) 5 mm in existing carriageway, road No. 216 RD 490,

(iii) Sudden jerks were noticed at following locations:

(a) In front of NSCIT (Road No. 201 from Uttam Nagar to Dwarka),

(b) At RD 6000 new carriageway, Road No. 201,

(c) RD 200 to 250, Road No. 219, new carriageway,

(d) Road No. 201, Rd 1800, existing road,

(e) Between RD 100-150, Road No. 224, existing road,

(f) Between RD 1380-1400, Road No. 202 before bridge,

Action proposed be intimated.

13.2.15 Storm water drain manholes were found opened in the foot path. This may lead to an accident. EE to take remedial action immediately.

13.2.16 Aggregates were visible on bituminous surface (having lot of voids) at various locations such as chainage 200-400 Road No. 201, which shows that either mixing has not been properly or less bitumen content has been provided.

#### 14.0 Samples

Following samples were taken in the presence of Shri Lalit Mohan, EE, WD. 6 AE, JE and contractor's representative:

S. No.	Description of material	Location	Test to be conducted
1.	Bituminous concrete	RD 2910, Road 201 New C.W	% of bitumen & gradation
2.	DBM	-do-	-do-
3.	BM	-do-	-do-
4.	Bituminous concrete	RD 1020, Road 201 New C.W	-do-
5.	DBM	-do-	-do-
6.	BM	-do-	-do-
7.	Bituminous concrete	RD 270, Road 201 (ECW)	-do-
8.	RCC 250 NP2 pipe	RD 1800 & 4525, Road 201	All tests as per I.S.

Above samples were sealed with commission seal and handed over to EE, WD.6 to deliver them in NTH, Ghaziabad for testing.

Test results shall be intimated in due course of time.

Sd/-  
(Vinayak Rai)  
Technical Examiner

ANNEXURE F<sub>1</sub>

DELHI DEVELOPMENT AUTHORITY  
(VIGILANCE BRANCH)

No.F26(03)0.3/Vig/IV/347/5739

Dated 30.6.06

To  
The Chief Engineer (Dwarka)  
D.D.A., Mangla Puri,  
New Delhi

Sub: **CTE's Report regarding Master Plan Road in Group-I, Phase-I, Dwarka.**

Ref: (i) **Your office letter No. CE/DWK/13/(231) WD-6/2002/1503 dated 9.6.06.**

(ii) **This office letter No. F26(3)03/Vig./IV/113/5329 dated 19.6.06.**

In continuation to this office letter cited above, it is to inform that Para Nos. 11.2.10 & 11.2.11 have been dropped by CVCIT is for your information please.

Sd/-  
Ex. Engineer (Vig. IV)  
DDA

[Para 104 of 55th Report of (Vig. IV) PAC (Fourteenth Lok Sabha)]

**Action Taken (Status as on 10th September, 2009)**

DDA has informed that at present Delhi Jal Board (DJB) is supplying 3.0 MGD water for Dwarka Zone against the present demand of 8.0 MGD per day. DDA has also informed that sincere efforts are being made to get more water for full utilization of the command tanks. In this connection, regular meetings are being held by DDA with the officials of DJB.

Sd/-  
(Dr. M.M. Kutty)  
Joint Secretary to the Government of India

**Observations/Recommendations**

DDA constructed two underground water reservoirs of 3.75 MGD capacity each between February 1997 and November 2000 in Rohini Phase III at a total cost of Rs.4.64 crore. However, these reservoirs could not be operationalized even after five years of their completion due to the lack of water. The Committee note that as per project report on development of Rohini sub-city, the water requirement of Rohini Phase III was 10 MGD by 2005-06 whereas the actual present requirement was 8 MGD, of which only 0.30 MGD was being supplied by DJB and hence the rationale for incurring

expenditure on construction of these structures without immediate prospect of their utilization could not be justified. The Committee are concerned to note that this mismatch between infrastructure created and prospect of their immediate use has rendered and expenditure of Rs. 4.64 crore idle for more than 5 years besides incurring maintenance cost amounting to Rs. 2 lakh per annum as well as risk of deterioration in the structures created. The Committee cannot but express their serious displeasure over the inability of DDA in linking the construction of these underground water reservoirs to the actual requirements as well as the prospect of availability of water and consequent failure to operationalize them. The Committee regret to observe that this is nothing but an indication of poor planning and lack of coordination with concerned civic agencies on the part of DDA despite the fact that these works are supervised at the level of the Vice-Chairman, DDA.

The Committee, therefore, recommend that institutional mechanisms should be strengthened to ensure adequate coordination at all stages with other civic planning and public utility agencies which is vital for ensuring creation of public infrastructure and facilities by DDA in consonance with the plans and projections of the connected civic agencies so that scarce resources are properly utilized only on infrastructures which are actually required and immediately usable on completion of the work, and expenditure incurred does not remain idle.

[Para 105 of 55th Report of PAC (Fourteenth Lok Sabha)]

#### **Action Taken**

Instructions have been issued by DDA *vide* Circular Nos. 609 and 611 issued on 25.10.2007 (Copies attached as Annexures 'F' & 'G'). The matter has already been taken up with Delhi Jal Board on this matter and copies of letters exchanged in this regard are attached. (Annexures 'K' & 'L')

Sd/-

(Dr. M.M. Kutty)

Joint Secretary to the Government of India

*ANNEXURE 'F'*



DELHI DEVELOPMENT AUTHORITY  
[ENGINEER MEMBER'S SECTT.]

No. EM1(10)2007/cir(PAC Audit Paras)DDA/3913

October 25, 2007

**CIRCULAR No. 609**

**Sub: Creation of infrastructures only after ensuring that the same is immediately usable on the completion of work.**

DDA constructed two underground reservoirs of 3.5MGD capacity each between February, 1997 and February, 2000. However, these reservoirs could not be operationalized even after five years of their completion due to lack of water. Public Accounts Committee (14th Lok Sabha) observed that there was clear mismatch between the actual the then requirement and the water being supplied by DJB. Hence, the expenditure on construction of these structures without immediate prospect of their utilization was not justified. The Committee expressed their serious displeasure over the DDA's inability to link the construction of these underground reservoirs to the actual requirements as well as the prospect of availability of water and consequent failure to operationalize them, which was nothing but an indication of poor planning and lack of co-ordination with concerned civic agencies on the part of DDA. Contention of DDA that construction of these structures take a period of three years period was not accepted by P.A.C. despite the fact that it was responsibility of DJB to supply bulk water.

In this regard, it is pointed out that in future any infrastructure project is conceived, phased requirement of various services should be worked out and all concerned civic authorities such as BSES, NDPL, DJB etc. should be contacted. Firm commitment should be obtained before creation of such infrastructural facilities by DDA so that the scarce resources are properly utilized. Only infrastructures which are actually required and are immediately usable on completion of work should be created so as to ensure that the expenditure incurred does not remain idle. These activities should be co-ordinated by the CEs and problems, if any, should be brought out to the notice of EM/VC, DDA for action needed, if any, at higher level. Taking up of any project without proper planning and assessment of ground realities which resulted in non-utilization of assets so created would be viewed seriously.

This issues with the approval of EM, DDA.

Sd/-  
[A.P. Singh]  
Chief Engineer [Hq]

Copy to:—

1. All CEs (Civil/Elect.), DDA with 20 spare copies for further distribution amongst SEs and EEs, Jt. CAO/FO & CE (HQ), DDA.
2. CE (QC), DDA with 10 spare copies for circulation among SEs & EEs under his control.
3. CE (Design), DDA with 10 spare copies for circulation among SEs & EEs under his control.
4. CVO, DDA with 16 spare copies for circulation among SEs & EEs under his control.
5. CAO, DD.
6. Project Manager (Flyover), GR. I and II, DDA with 7 spare copies each for circulation among EEs and FOs.
7. Director (System) for necessary action.
8. Director (Hort.) North & South, DDA with 10 spare copies each for circulation among Jt./Dy. Directors.
9. Director (MM), DDA with 7 spare copies for circulation among EEs and FOs under his control.
10. Director (Works), DDA/Director (PR), DDA.
11. EO-I, II, III & EE (PPC), DDA.
12. Dy.CAO (Plan), DDA.
13. Sr. R.O. (RTI), DDA.
14. Hindi Officer for Hindi version please.
15. Copy to File No. EM.8(2) 98/All Zones/04/DDA/Pt.

Copy also forwarded to:—

1. PS to VC, DDA for kind information of the letter.
2. PS to EM, DDA for kind information of the letter.
3. PS to FM, DDA for kind information of the letter.

Sd/-  
Director [Works]

ANNEXURE 'G'

DELHI DEVELOPMENT AUTHORITY  
[ENGINEER MEMBER'S SECTT.]

No. EMI (10) 2007/cir (PAC Audit Paras) DDA/3914

October 25, 2007

**CIRCULAR No. 611**

**Sub: Undue Prongalation of Contract and Payment of Escalation Under Clause 10 CC.**

The Public Accounts Committee (14th Lok Sabha) made observations on "development of land by DDA" that in five cases of work relating to Dwarka Project, DDA not only failed to ensure clear site at the time of award of works but also could not remove the hindrances such as pipeline running below the site, electric duct, sewer work in progress, shifting of electric poles and MTNL cables, non-availability of drawings of bridge etc. This resulted in delay in execution of these works on the part of the DDA by 10 to 38 months and avoidable cost escalation too. Scrutiny of these cases revealed that much of the so-called avoidable hindrances, were manifestation of lack of sound planning and institutionalised mechanism for close co-ordination with concerned civic agencies and absence of a synchronized action plan for execution of works in co-operation with other agencies in DDA. It was further observed that the misuse of Clause 10 CC might not be ruled out where the contracts are extended for unduly long period.

In this regard, it is to emphasize that as soon as any project is conceived, all such obstacles such as MTNL/BSNL, DJB/MCD, NDPL, overhead/underground line should be identified and action should be taken in advance for their shifting etc. so as to ensure to provide the site to the agency free from all such hindrances/obstacles. Further, close co-ordination should be held by the NIT approving authority with respective agencies and other counterparts within DDA; and work should not be allowed to be delayed on such issues.

Where the exigency demands to take up the work in anticipation of removal of such obstacles, it will be responsibility of the Executive Engineer to pursue the matter with relevant agencies and keep higher offices as well as NIT issuing authority informed of such problem indicating the action required, if any, at their level. If the executing agency is made responsible for removal of such services, it should be clearly brought out in NIT.

Misuse of power by granting extension of time without levy of compensation and allowing undue benefit to the agency shall be viewed seriously.

The instructions shall be adhered strictly by all the concerned. This issues with the approval of EM, DDA.

Sd/-  
[A.P. Singh]  
Chief Engineer [HQ]

Copy to:—

1. All CEs (Civil/Elect), DDA with 20 spare copies for further distribution amongst SEs and EEs, Jt. CAO/FO & CE (HQ), DDA.
2. CE (QC), DDA with 10 spare copies for circulation among SEs & EEs under his control.
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7. Director (System) for necessary action.
8. Director (Hort.) North & South, DDA with 10 spare copies each for circulation among Jt./Dy. Directors.
9. Director (MM), DDA with 7 spare copies for circulation among EEs and FOs under his control.
10. Director (Works), DDA/Director (PR), DDA.
11. EO-I, II, III & EE (PPC), DDA.
12. Dy.CAO (Plan), DDA.
13. Sr. R.O. (RTI), DDA.
14. Hindi Officer for Hindi version please.
15. Copy to File No. EM.8(2) 98/All Zones/04/DDA/Pt.

Copy also forwarded to:—

1. PS to VC, DDA for kind information of the letter.
2. PS to EM, DDA for kind information of the letter.
3. PS to FM, DDA for kind information of the letter.

Sd/-  
Director [Works]

*ANNEXURE 'K'*

D.O. No. Sr. PS/VC/DDA/07/94

Dated: June 25, 2007

This is with reference to your D.O. No. CEO/DJB/M (WS)/2007/600 dated 30.5.07. In this regard, I wish to inform you that I invited DJB's officials a number of times during the last one year for settlement of long pending issues but the response from your department had been lukewarm. The officers who attended the meeting could not follow up the decision taken, and also, sometimes were not fully conversant with the subject matter.

The issue of handing over of services of 146 Group of colonies, 382 Group of colonies of DJB, and also handing over of water supply and sewer lines at Dwarka are not new. The Standing Committee of Parliament as well as Secretary (UD) had issued directions to DJB for conducting joint inspection of services in a time bound manner.

DDA proposes to hand over services immediately after completion. The delay in handing over of services affects the working of the DDA, as we are supposed to concentrate on construction works only.

I would, therefore, like to take this opportunity to request you for issuing instructions to your staff regarding handing over of above Group of colonies (142 and 382) besides works of water and sewer lines of Dwarka Sub-City.

Yours sincerely,

Sd/-  
(Dinesh Rai)

Shri Arun Mathur,  
Chief Executive Officer,  
Delhi Jal Board,  
Varunalaya Phase-II,  
Karol Bagh,  
New Delhi-110005.

ANNEXURE 'L'

DELHI DEVELOPMENT AUTHORITY  
OFFICE OF CHIEF ENGINEER (DWARKA)

No. CE(Dwarka)/26(1)/07/WS/2623

Dated 31-7-07

To,

The Chief Engineer-V,  
Delhi Jal Board,  
Govt. of NCT of Delhi,  
Varunalaya Phase-II,  
New Delhi.

**Sub: Handing over of water supply services of Dwarka to Delhi Jal Board.**

It is brought to your kind notice that the water supply grid system including construction of Command Tanks were already completed and these Command Tanks including water supply grid system are operational. The water supply system was laid as per the schemes of Delhi Jal Board.

DJB have been regularly requested to take over the Command Tanks alongwith water supply grid system to give relief to the public.

The issue has also been discussed at the LG's level wherein it was decided that the services shall be handed over/taken over within 3 months time. Now two months time have already been passed but there is no progress.

Accordingly, it is again requested that the Command Tanks alongwith the water supply grid system may be taken over by DJB and necessary directions may kindly be issued to your officers to take over the Command Tanks alongwith water grids as explained above on priority as the federation of the Dwarka Zone is representing at various levels for the same.

Sd/-  
(S.R. Solanki)  
Chief Engineer (Dwarka)

Copy to:—

1. EM, DDA for kind information.
2. Engineer-in-Chief, DJB for kind information.
3. SE, CC-17, DDA to pursue the matter with counterpart for transfer of services to Delhi Jal Board.

Sd/-  
(S.R. Solanki)  
Chief Engineer (Dwarka)

### **Observations/Recommendations**

The Committee regret to note that the internal audit cell of DDA headed by its Member (Finance) had dismally failed to ensure timely audit of DDA's 197 auditable units comprising 61 units at its headquarters and 136 units in field formations. Worse still, the internal audit system prevalent in DDA has not been able to detect the irregularities committed by its officials and no review has so far been conducted of any of the developmental schemes being executed by the Authority during the last five years. The Committee are perturbed to find that the Internal Inspection Manual of the Authority did not specify the frequency or periodicity of the audit to be conducted by the internal audit wing and it was left to the authority of the Member (Finance) to approve the quantum and extent of audit applicable to various records. Audit appraisal of the functioning of the internal audit wing of DDA with special reference to the checks exercised in respect of the developmental schemes revealed that while the coverage of units had steadily improved over the last four years *i.e.* 2002-03 to 2005-06, the coverage was less than 30 per cent of the total number of auditable units. The Committee are not inclined to accept DDA's argument that paucity of staff had led to arrears in the internal audit of various units. The lack of staff is not a problem that has cropped up all of a sudden. DDA ought to have anticipated the problem well in advance and taken steps for deployment of adequate staff including filling up vacancies. The Committee have been informed that steps are now being taken by DDA to strengthen the internal audit system. These include preparation of annual Audit Plan, increasing percentage of audit coverage by rationalizing available manpower and existing duration for auditable units, completion of 100 per cent audit of units in a cycle of 3 to 4 years, categorization of units, etc. The Committee consider that these steps were in fact long overdue.

They recommend that every possible step should now be taken in full earnest by DDA to overhaul its internal audit mechanism to the best level possible so that the shortcomings as pointed out by the Audit such as non-specification of frequency or periodicity of audit, procedures and necessary checks to be exercised by the Internal Audit Parties and other possible shortcomings are given proper consideration and included in the Internal Audit Manual currently under finalization. In this connection, the Committee would also like to impress upon DDA to take full advantage of the computerization and information technology in the internal auditing so as to ensure faster and efficient disposal of work.

[Para 106 of 55th Report of PAC (Fourteenth Lok Sabha)]

### **Action Taken**

DDA has finalized its Draft Internal Audit Manual containing 34 chapters with the objective of devising mechanism for Internal Quality Audit for all its 197 auditable units. For vetting of Draft Manual, a Committee was constituted to go into its various aspects for bringing out further improvement. Meanwhile, it has also been decided to get the Manual vetted from some outside agency *viz.* Institute of Public Auditors of India which has a team of retired personnel from Indian Audit & Accounts Department. The proposal is under active consideration and the work is likely to be entrusted to them shortly.

In order to clear the backlog of audit of auditable units DDA has strengthened its Internal Audit System by deploying five Internal Audit Parties and also restructuring the audit programme. The periodicity of audit of auditable units to be conducted by the Internal Audit Wing has also been elaborately defined in the Internal Audit Manual. This will not only increase the coverage of audit of more Auditable Units, but also will reduce the arrears of Internal Audit to a sizable extent in the next couple of years.

During the year 2007-08 audit of total 150 auditable Units is due. Out of 150, audit of 79 Units is targeted to be completed by 31.3.2008, which will be 53% of the total auditable Units of 150.

Regarding observation of the Committee that no review has so far been conducted of any of the developmental schemes being executed by the Authority during the last five years it is submitted that Internal Audit conducted in DDA is not subjective. However, detailed audit of Divisions entrusted with execution of works is conducted. During the course of Internal audit of these Divisions two major and two minor works, and vouchers for two months in each Division are selected for detailed audit and serious irregularities observed in execution of these works are brought to the notice of respective Zonal Chief Engineers.

In addition, DDA has also engaged Birla Software Co. for the purpose of computerization of Internal Audit Wing so as to ensure expeditious settlement and disposal of Audit Paras raised by various Inspection Parties.

Sd/-

(Dr. M.M. Kutty)

Joint Secretary to the Government of India

[Para 106 of 55th Report of PAC (Fourteenth Lok Sabha)]

**Action Taken (status as on 10th September, 2009)**

DDA has informed that keeping in view of the recommendations of the PAC, a Committee was constituted by DDA to vet and finalize the Internal Audit Manual. The Internal Audit Manual has since been finalized and approved by the VC, DDA. The same has also been released officially by DDA on 15th January, 2009.

As regards conducting of audit of auditable units of DDA, DDA has informed that an Annual Audit plan is prepared every year based on risk analysis and periodicity etc. so as to ensure full audit coverage in a cycle of three years. During the year 2007-08, out of 150 auditable units, a target was fixed for completing audit of 79 auditable units keeping in view the number of Inspection Parties presently available with Internal Audit Wing. During this year out of 79 auditable units, audit of 77 auditable units was completed. During the year 2008-09 a target was fixed for completing audit of 80 auditable units. The target was fully achieved with the completion of audit of 80 units.

Sd/-

(Dr. M.M. Kutty)

Joint Secretary to the Government of India



### **CHAPTER III**

#### **OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM THE GOVERNMENT**

##### **Observations/Recommendations**

The Committee would like the Ministry to furnish the Action Taken Notes in respect of various recommendations made in this Report, within three months from the date of presentation of the Report

[Para 107 of 55th Report of PAC (Fourteenth Lok Sabha)]

##### **Action Taken**

Information had to be obtained from DDA and thereafter Action Taken Note got vetted from the AG (Audit) and then further observations of the AG(Audit) was complied with. The whole process was time consuming and extension of time was sought. The delay may kindly be condoned.

Sd/-

(Dr. M.M. Kutty)

Joint Secretary to the Government of India

## CHAPTER IV

### OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRED REITERATION

#### Observations/Recommendations

Section 2.1 of CPWD Works Manual, which is followed for execution of various works in DDA stipulate that no expenditure should be incurred without prior administrative approval and sanction of the competent authority and award or execution of works should be based on technical sanction. The Committee are, however, perturbed to find that despite this stipulation, an expenditure of Rs. 19.56 crore was incurred in 4 Master Plan road related works such as strengthening of the existing two lanes carriageway, construction of additional four lanes in Dwarka Project in February 2001 in anticipation of administrative approval and expenditure sanction undermining the financial control. While these works were awarded by deviating from the normal procedure ostensibly on grounds of urgency, scrutiny of records, however, indicate that execution of these works was held up due to unresolved funding issues with the Delhi Government. This amply shows the necessity for adhering to prescribed procedure and the need for obtaining proper approvals before commencement of the work. The Committee further note that there were delays ranging from 10 months to over three years in completing these works besides cost escalation. What is surprising to the Committee is the fact that as many as 30 major works have been taken up by DDA as a matter of routine by invoking the clause of urgency over the last five years. The Committee deplore DDA for having to bypass the normal procedure and award such a large number of works as 'urgent issues'. Even the connotation of the circumstances that are deemed 'urgent' as envisaged in Rule 17 of DDA Budget and Account Rules which states that "*Inevitable, which cannot be met by re-appropriation, may be incurred with the previous approval of the Authority, and in emergencies*". "*under the orders of the Vice-Chairman, a report of which shall be made to the Authority in its next meeting*" is vague and not properly codified and has the concomitant scope for its misuse of unrestricted manipulation. The Committee note that neither the Ministry of Urban Development nor DDA had made efforts for circumscribing the circumstances, under which the works are to be taken on urgent basis. The Committee do not see any justification for awarding such a large number of works without obtaining prior approval and sanction.

The Committee recommended that DDA should lay down a definite set of guidelines/parameters whereunder a particular work can be taken up as an emergent case. The cases that are deemed emergent should be kept to the barest minimum possible and efforts should be made to ensure that the works are executed after due process with prior approval and sanction of the Authority.

[Para 97 of 55th Report of PAC (Fourteenth Lok Sabha)]

**Action Taken**

A Circular No. 610 has been issued by DDA *vide* No. EM 1 (10)2007/Cir.(PAC) Audit Paras/DDA/3916 dated 24.10.2007 wherein guidelines have been issued/reiterated for taking up the work in anticipation of AA & ES (Administrative Approval and Expenditure Sanction) on emergent basis. A copy of this Circular is attached as Annexure 'A'.

Sd/-  
(Dr. M.M. Kutty)  
Joint Secretary to the Government of India

ANNEXURE-A

DELHI DEVELOPMENT AUTHORITY  
[ENGINEER MEMBER'S SECTT.]

No.: EM 1 (10)2007/Cir./(PAC) Audit Paras/DDA/3916

October, 2007

**CIRCULAR No. 610**

**Sub: Award of work and incurring of expenditure without A/A & E/S.**

The Public Accounts Committee (14th Lok Sabha) on 'Development of Land by DDA' observed that the work was taken up in anticipation of A/A & E/S and substantial expenditure was incurred. They further observed that neither the Ministry of Urban Development nor DDA had made efforts for circumscribing the circumstances under which the works were taken on urgent basis and no justification is seen for awarding such large number of works without obtaining prior approval and sanction.

A number of instructions have been issued in this regard from time to time that no work should be undertaken or any liability/expenditure incurred thereon without proper A/A & E/S of the competent authority. The latest instructions issued vide this office O.M. No.dated 20/23-1-2006 may be referred to.

It is enjoined upon all the field units that where the exigencies of the work demand and the work is required to be taken up in anticipation of A/A & E/S, the nature of urgency should be clearly brought out in the record and approval of the competent authority *i.e.* VC., DDA should invariably be obtained. Where action for call of tenders etc. is taken up in anticipation of A/A & E/S, simultaneously the preliminary/detailed estimate should be processed for formal A/A & E/S in a time bound manner.

The above instructions may be strictly adhered by all concerned. This issues with the approval of EM, DDA.

Sd/-  
(A.P. Singh)  
Chief Engineer (HQ)

Copy to:—

1. All CEs (Civil/Elect.), DDA with 20 spare copies for further distribution amongst SEs and EEs, Jt. CAO/FO & CE (HQ), DDA.
2. CE (QC), DDA with 10 spare copies for circulation among SEs & EEs under his control.
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4. CVO, DDA with 16 spare copies for circulation among SEs & EEs under his control.
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6. Project Manager (Flyover), Gr.-I and II, DDA with 7 spare copies each for circulation among EEs and FOs.
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10. Director (Works), DDA/Director (PR), DDA.
11. EO-I, II, III & EE (PPC), DDA.
12. Dy. CAO (Plan), DDA.
13. Sr. R.O. (RTI), DDA.
14. Hindi Officer for Hindi version please.
15. Copy to File No. EM 8(2) 98/All Zones/04/DDA/Pt.

Copy also forwarded to:—

1. PS to VC, DDA for kind information of the letter.
2. PS to EM, DDA for kind information of the letter.
3. PS to FM, DDA for kind information of the letter.

Sd/-  
Director (Works)

#### **Observations/Recommendations**

The Committee note that DDA have constructed Master Plan roads in Dwarka Project, Narela sub-city and Rohini sub-city and in trans-Yamuna areas with its funds although the construction of these roads comes under the purview of the Public Works Department of Delhi Government. In Dwarka project, these roads were constructed in anticipation of Administrative Approval and Expenditure Sanction on the grounds of urgency. Explaining the reasons for construction of these Master Plan roads, by DDA, the Ministry have stated that despite several meetings by Lieutenant Governor, Delhi with the Chief Secretary and the Secretary (PWD), GNCTD, funds from PWD, Delhi were not coming up in the same pace as that of progress of development work in Dwarka. The then Lt. Governor, under constant public pressure, decided that the Master Plan roads should be taken up by DDA on urgent basis. It has further been stated that this was the first time in the history of DDA that the Master Plan roads were taken up by DDA on the specific instructions of the Lt. Governor. Subsequently, a policy decision was taken by the Lt. Governor that the construction of Master Plan roads in DDA colonies would be a part of the

sub-city development and the cost would be loaded to the overall development cost recovered from the land/house allottees. Worse still, the roads were constructed in some selected areas and without any agreement/understanding with the GNCTD that the cost would subsequently be recovered from them. As a result, DDA had failed to recover the money from the Delhi Government and decided that the cost of these roads would be loaded on the overall development charges to be collected from allottees, which is but regrettable. The Committee have an apprehension that if this practice is continued unchecked it will lead to a situation that might not be very far away when the entire responsibility for building all the roads in Delhi (being Master Plan roads) would legally be shifted on to DDA and the burden of cost would unjustifiably be charged from the civic population.

The Committee are of the view that since construction of roads comes under the jurisdiction of the Government of NCT of Delhi, it would be unjustifiable for DDA to construct Master Plan roads in lieu of PWD, Delhi Government and pass the burden to the allottees. The Committee are unhappy over the extant arrangement whereunder DDA has taken upon itself the task of construction of Master Plan roads as a matter of routine and pass on the burden on to the allottees. They desire that this situation should be remedied forthwith. For this the DDA should hold consultations on this matter with the GNCTD at the highest level so as to put an end to this practice. An institutional coordination mechanism should be set up in DDA and GNCTD so that funds for construction of Master Plan roads are allotted expeditiously by the GNCTD. In exceptional cases where it is found difficult to allot funds for Master Plan roads by GNCTD, DDA may construct Master Plan roads as a special case and in all such cases the cost should be recovered from GNCTD at the earliest.

[Para 98 of 55th Report of PAC (Fourteenth Lok Sabha)]

#### **Action Taken**

The matter was taken up by DDA with GNCTD for refund of expenditure already incurred as well as future funding of MP Roads. But, PWD, GNCTD turned down the request saying that the expenditure on development of MP roads is borne by the allottees as DDA loads such expenditure on them while working out the cost of the projects. It is felt that this system should continue. Hon'ble LG has agreed with the proposal submitted and decided that DDA should construct all Master Plan roads including the Master Plan roads having ROW of 30 mtr. and above in its development area. The matter, therefore, stands closed and the expenditure incurred by DDA on Master Plan roads has been/is being booked to the respective works/schemes. A copy of U.O. No. 14(15)08-RN/45/397 dated 7.1.2008 from Addl. Secretary to L.G. is enclosed herewith for kind perusal. (Annexure 'J')

Sd/-

(Dr. M.M. Kutty)

Joint Secretary to the Government of India

ANNEXURE 'J'

RAJ NIWAS  
DELHI-110054

The matter regarding construction of Master Plan Roads including roads having ROW of 30 mtrs. and above had been put up by the Pr. Secretary (PWD), GNCTD stating that all these roads should be constructed by DDA in its Development Area. This was endorsed by Minister of Urban Development and Chief Minister of Delhi.

Hon'ble Lt. Governor after going through the matter is pleased to agree with proposal that DDA shall construct all Master Plan roads including the roads having ROW of 30 mtrs. and above in its Development Area. Copy of the *extracts of the concerned* file is enclosed for ready reference.

V.C., DDA is requested to take appropriate action in the matter.

Sd/-  
(A.K. Acharya)  
Addl. Secretary to L.G.

V.C./DDA  
U.O. No. 14(15)/08-RN/45/397

**CHAPTER V**

**OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH THE  
GOVERNMENT HAVE FURNISHED INTERIM REPLIES**

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NEW DELHI;  
26 April, 2010  
6 Vaisakha, 1932 (Saka)

GOPINATH MUNDE,  
*Chairman,*  
*Public Accounts Committee.*



## APPENDIX I

### MINUTES OF THE ELEVENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2009-10) HELD ON 26TH APRIL, 2010

The Committee sat on Monday, the 26th April, 2010 from 1530 hrs. to 1650 hrs. in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

#### PRESENT

Shri Gopinath Munde — *Chairman*

#### MEMBERS

##### *Lok Sabha*

2. Shri Anandrao Vithoba Adsul
3. Shri Khagen Das
4. Shri Naveen Jindal
5. Shri Satpal Maharaj
6. Shri Bhartruhari Mahtab
7. Dr. K. Sambasiva Rao
8. Shri Yashwant Sinha
9. Shri Aruna Kumar Vundavalli

##### *Rajya Sabha*

10. Dr. K. Malaisamy
11. Shri N.K. Singh

#### SECRETARIAT

1. Shri Raj Shekhar Sharma — *Director*
2. Shri M.K. Madhusudhan — *Additional Director*
3. Shri D.R. Mohanty — *Under Secretary*

#### **Representatives of the office of the Comptroller and Auditor General of India**

1. Ms. Rekha Gupta — Dy. CAG Central (RC)
2. Shri R.B. Sinha — Director General (Report Central)
3. Ms. Usha Sankar — Director General (Autonomous Bodies)
4. Shri Gautham Guha — Director General of Audit (Defence Services)

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|----------------------------|---|---|
| 5. Shri P.K. Kataria       | — | Pr. Director of Audit, Report Central (RC)                                |
| 6. Shri K.R. Sriram        | — | Pr. Director of Audit, Report Central<br>(Economic & Services Ministries) |
| 7. Shri R.G. Viswanathan   | — | Pr. Director of Audit (Scientific<br>Departments)                         |
| 8. Shri C.M. Sane          | — | Principal Director of Audit (Air Force &<br>Navy)                         |
| 9. Shri H.K. Dharmadhekari | — | Pr. Director (State Report Audit)   |
| 10. Shri Rajvir Singh      | — | Accountant General (Audit) Delhi  |
| 11. Ms. Divya Malhotra     | — | Pr. Director of Audit (Railways)  |

2. At the outset, the Chairman, PAC welcomed the Members of the Committee and the Audit Officers to the sitting of the Committee. The Chairman, then apprised the Committee that out of the eleven draft Reports slated for consideration, eight have been finalized by Sub-Committee V. Thereafter, the Committee took up the following draft Reports for consideration and adoption:

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(x) Draft Report on Action Taken by the Governmet on the Observations/ Recommendations of the Committee contained in their Fifty fifth Report (Fourteenth Lok Sabha) on "**Development of Land by Delhi Development Authority**" (Ministry of Urban Development).

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3. After some deliberations, the Committee adopted the above mentioned draft Reports with some modifications and authorized the Chairman to finalise these Reports in light of the suggestions made by the Members and the consequential changes arising out of the factual verification by the Audit and present the same to Parliament.

4. The Chairman thanked the Members for their cooperation and active participation in the Committee's deliberations. He also thanked the PAC Secretariat and the Audit Officers for the assistance rendered to the Committee in the examination of the subject and finalization of the Reports.

5. The Members of the Committee thanked the Chairman for his guidance in the smooth conduct of the meetings of the Committee.

*The Committee then adjourned.*

## APPENDIX II

(Vide Paragraph 5 of Introduction)

### ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THEIR FIFTY-FIFTH REPORT (FOURTEENTH LOK SABHA)

(i)	Total number of Observations/Recommendations:	13
(ii)	Observations/Recommendations, which have been accepted by the Government:	
	Paragraph Nos. 95, 96, 99, 100—106	
	Total:	10
	Percentage:	76.93
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the reply of the Government:	
	Paragraph No. 107	
	Total:	1
	Percentage:	7.69
(iv)	Observations/Recommendations in respect of which the replies of the Government have not been accepted by the Committee and which require reiteration:	
	Paragraph Nos. 97 and 98	
	Total:	2
	Percentage:	15.38
(v)	Observations/Recommendations in respect of which the Government have furnished interim replies:	

—Nil—