

## Executive Summary

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India hosted one of the most successful Commonwealth games in Delhi from 3 to 14 October, 2010. These Games represented the biggest international multi-sport event held in the country. India gave its best ever performance in the Commonwealth games. The Games were also a remarkable show case of the nation's managerial and sporting capabilities that despite a multitude of adversities India emerged successful both as hosts and as competitors.

The right to host CWG-2010 was awarded in November 2003 to Delhi on the basis of the May 2003 bid of the Indian Olympic Association (IOA), and the guarantee of Government of India (GoI), in conjunction with the Government of the National Capital Territory of Delhi (GNCTD) to bear the financial liability for hosting the Games, including underwriting any shortfall between revenues and expenditure. As a signatory to the Host City Contract (HCC) the GNCTD became responsible for extending courtesy facilities for the Games Family, officials and aides, besides getting the Games infrastructure ready.

The initial budget projected in the IOA bid was highly conservative and unrealistic which led to revisions of estimates at very short intervals even upto September 2010. This evidenced a piecemeal approach for consideration/ approval of individual cost elements. The other major reason for increased costs/ estimates was delays at different stages (including delays in grant of approvals by GoI), resulting in bunching of activities towards the end and consequential increase in cost.

There were delays relating to venue development at all stages – planning delays on account of late preparation/ approval of venue briefs, return briefs, and concept designs; delays in tendering and contract award; as also in works execution and handover. In the absence of in-house design skills, the venue owners/ implementing agencies were dependent on external design consultants.

In a large number of cases, contractors including consultants were selected by not adhering to the eligibility criteria. There were also considerable variations in the performance of these consultants. The pre-qualification of bidders separately for each venue led to inconsistencies in eligibility criteria and delayed the process of award and execution. There were several deficiencies in the process of “justification”. In most cases, the costs at which works were finally awarded were substantially higher than the estimated costs. The awards were then “justified” within a band of 10 per cent through calculation of justified costs (based on market assessment of the majority of items) post- financial bid opening. Instances of deviations (quantity deviations, extra items, and substituted items) from the original scope of work, with adverse implications in terms of increased cost and delays were noticed. PWD, GNCTD awarded most of its works on percentage rate tenders. This method of tendering is acceptable only when major portion of work is on account of items included in the Delhi Schedule of Rates (DSR), which was not the case in most of the venue development works. Competition was not ensured as the departments/ agencies resorted to short tendering, calling of limited tenders, accepting single tenders, adopting restrictive conditions in the NIT and awarding contracts on nomination basis.

Third Party Inspection/Quality Assurance (TPIQA) Agencies were engaged to provide an independent assessment, at various stages of the construction. While the TPIQA Agencies should be held accountable in its own right for poor quality of execution of the works, the implementing agencies were not able to closely monitor the work of the TPIQA Agencies to gain the necessary assurance from their work. Suitable penalties were not imposed in cases of failure to perform. In all seven audited roads and flyovers projects Contractor's Profit and Overhead Charges (CPOH) of 37.5 per cent for the bridge/ flyover components in contrast to CPOH of 15 per cent stipulated by CPWD was adopted. This resulted in increasing the justified cost, worked out by the department after opening of the financial bids. There were also instances of delays in achieving the milestones listed in the contracts. Compensation/ liquidated damages for delays have not been levied on the contractors in most cases.

Although the project for renovation and restoration of Connaught Place (CP) was envisaged in April 2004, it was plagued by undue delays. The approved DPR for the project was submitted only in February 2008, and it was, therefore, unreasonable to expect that the project could have been completed in time for the Games, especially in view of the constraints of traffic management considering the importance of Connaught Place to Delhi's life.

While procuring the TETRA network for common communication services covering not only the Games period but also a seven year legacy period, a proper assessment of the requirements of Delhi Police (the main user) and other public agencies as well as the replacement of existing networks with TETRA was not carried out.

The final bills for 40 projects are yet to be settled by the implementing agencies, even after nine months of conclusion of the Games.