

Venues developed by Delhi Development Authority

Delhi Development Authority (DDA) developed competition/training venues at Siri Fort Sports Complex (SFSC), Yamuna Sports Complex (YSC) and Saket Sports Complex (SSC) at a total awarded cost of Rs. 561.50 crore.

There was an inexplicable delay of nearly a year in engagement of Peddle Thorp Architect Pty as design consultants for construction works of the indoor stadia at SFSC and YSC (excluding archery competition venue) between June 2006 (when the bids were opened) and final award of contract in May 2007. This resulted in cascading delays in execution of work due to time required for finalisation of designs and preparation of estimates for issuing RFP.

We found deficiencies in the selection and performance of Architect Bureau-GSA Group Consortium as design consultant for the archery competition venue, training venues and refurbishment work at SFSC, YSC and SSC. The award was based on a single financial bid. Further, there was no evidence of deputation of the representatives of the foreign partner (GSA-Group) to India, and there were numerous deficiencies in the performance of the design consultant.

We found significant deficiencies in the procurement of chairs (with justification rates being unreliable). Deficiencies were also noticed in the contracts for synthetic surface for table tennis court as well as maple wood flooring at one venue.



Siri Fort Badminton Court



Yamuna Sports Complex – Archery Venue

18.1 Introduction

Delhi Development Authority (DDA) developed competition/training venues at Siri Fort Sports Complex, Yamuna Sports

Complex and Saket Sports Complex at a total awarded cost of Rs. 561.50 crore. The venue wise major works, their tendered cost and the contractors' details are given in Table 18.1 below

Table 18.1 – Works at DDA Venues

Work	Consulstant	Estimate Cost	Tendered Cost	Contractor
Siri Fort Sports Complex (SFSC) including Saket Sports Complex (SSC)				
Construction of indoor stadium for squash and badminton	Peddle Thorp Melbourne Pty. Ltd.	118.09	154.40	B.E. Billimoria & Co. Ltd
Providing raft foundation for the indoor stadium for squash and badminton		19.64	24.17	Sportina Payce Infrastructure P Ltd.
Refurbishment of existing training facilities (including those at Saket Sports Complex)	Consortium of Architects Bureau and Group GSA Pty. Ltd., Australia	20.82	23.72	Sharma Constructions

Work	Consultant	Estimate Cost	Tendered Cost	Contractor
Yamuna Sports Complex (YSC)				
Construction of indoor stadium for table tennis	Peddle Thorp Melbourne Pty. Ltd.	122.84	162.94	B.E. Billimoria & Co. Ltd.
Providing cast in situ bored piles for pile foundation		14.26	16.47	ITD-ITD Cem (JV)
Construction of archery competition venue, training venues for archery, hockey, lawn bowls and refurbishment of existing training venues	Consortium of Architects Bureau and Group GSA Pty. Ltd., Australia	38.24	46.67	Brahmaputra Infrastructure Ltd.

Section - D
Venue
Development

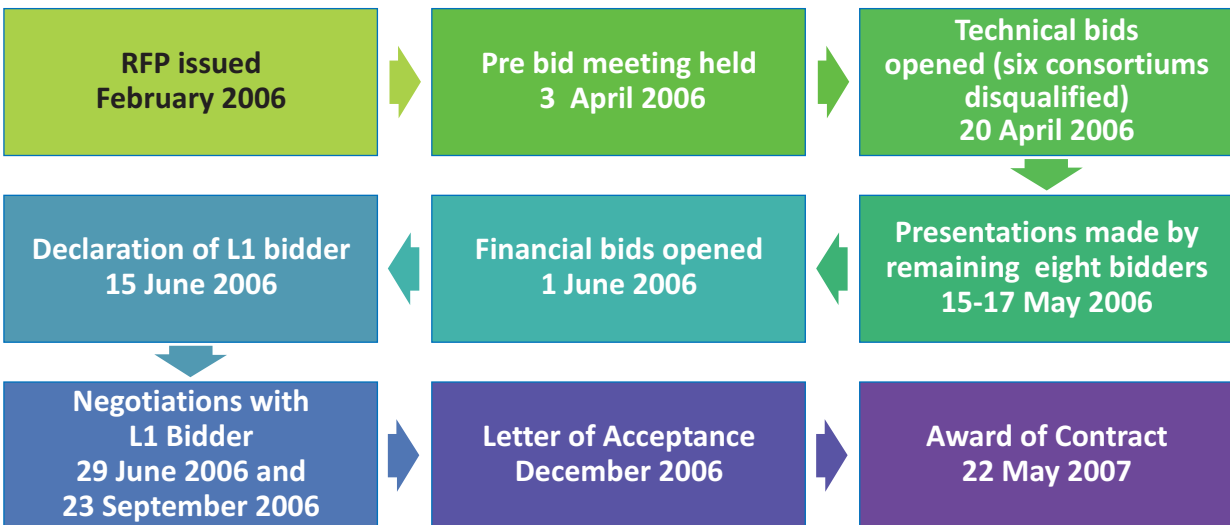
18.2 Selection of Consultant

18.2.1 Selection of Peddle Thorp Melbourne

In February 2006, a joint RFP was issued for engaging design consultants for the Games Venues (competition and training venues for squash and badminton at SFSC/ table tennis at YSC) and Games Village (practice area). 20 bids were received from 14 consortiums, of which, six were rejected at the stage of opening of the technical bids.

The remaining eight consortiums submitted bids, with two of them bidding for design consultancy work both at the Games Venues and the Games Village. Five financial bids for the design consultancy of the Games Venues were opened and Peddle Thorp Architect Pty Ltd. (subsequently engaged as Peddle Thorp Melbourne), the L1 bidder, was selected at a fee of Rs. 16.60 crore and the contract signed in May 2007. The chronology of events is depicted in figure 18.1 below

Table 18.1 — Selection of Peddle Thorp as Design Consultant



We found that there was an inexplicable delay of nearly a year from the date of declaration of L1 bidder in June 2006 and the final award of contract in May 2007. This resulted in cascading delays in execution of work due to the time required for finalisation of designs and preparation of estimates for issuing RFP.

The process of tendering for construction of these works was started in June 2007 (immediately after the engagement of the design consultant) with identification of three packages – one each for construction of new competition venues at SFSC and YSC, and the third for the refurbishment of existing training facilities at SFSC, YSC and SSC. Due to paucity of time, Peddle Thorp Melbourne (PTM) recommended splitting the works of construction of competition venues into foundation work and superstructure work. Subsequently, these were awarded to two different agencies. In our opinion, this unnatural segregation of foundation work from the superstructure work was primarily due to an inordinately long time taken in award of the design consultancy. It had the consequential effect of excluding the foundation work from third party quality assurance scrutiny, (for which RITES Ltd. was engaged) which got limited to the superstructure work only. No methodology statement was also made available by the contractor for the foundation works, thereby further compromising the quality assurance process.

Further, while responding to the RFP, the consortium led by Peddle Thorp Architect Pty Ltd, Australia included seven other members¹, of which, only one i.e. SMEC International Pty. Ltd. finally featured in the

Detailed Association Agreement, submitted to DDA post award of the contract, with Peddle Thorp Melbourne (representing Peddle Thorp Architect Pty Ltd.). This Detailed Association Agreement was also signed on 23 May 2007, a day after the award of contract. DDA did not question these changes.

18.2.2 Selection of Architect Bureau-Group GSA consortium

In July 2007, a separate RFP for engaging the design consultant for the Archery Stadium competition venue at YSC and refurbishment of existing training facilities at SFSC, YSC and SSC² was advertised on the DDA website. Two firms responded – Architect Bureau in consortium with Group GSA Pty. Ltd. Australia (AB) and Kapoor & Associates. The latter's bid was disqualified on 31 August 2007 after a presentation and the single financial bid of AB was opened on 19 September 2007 (against 1 September indicated at the time of technical evaluation). The work was awarded on 12 November 2007 at Rs. 6.25 crore and the agreement was signed on 15 November 2007.

We found that the MoU submitted by AB consortium was dated September 2001 and evidenced a strategic alliance between the two parties to identify projects and opportunities and work together, but was not specific to the project under

¹ Conell Mott Mac Donald, Australia; SMEC International Pty. Ltd; Marshall Day Acoustics Pty Ltd., Australia; Sustainable Bentt Environment Pty. Ltd. Australia; SGL Consulting Group of Australia; Clifton Coney Group Pty Ltd. and Lingamaneni Estates Pvt. Ltd, India

² Construction of archery competition venue; Training venues for archery, hockey and lawn bowls; and refurbishment of training venues for aquatic and rhythmic gymnastics at YSC

consideration. This was not challenged by DDA. Further, as per the agreement with DDA, 70 percent of the work was to be done by Group GSA, its representatives were to visit India 10 times and technical representative of GSA deputed to India for two months. Although DDA stated that the project was conceived, conceptual plan prepared and presented before the OC and the department predominantly by Group GSA, we found no evidence of deputation of Group GSA's representatives on record.

We also found deficiencies in the performance of AB, as detailed below

- AB delayed submission of drawings. 61 drawings for the archery competition venue at YSC. These were issued between April and May 2010 against the target date of March 2009, with delays ranging from one to 15 months.
- Though the requirement for providing toughened glass was indicated in the drawings for YSC, the same was not included in BOQ due to non finalisation of design and specifications by AB. The work had to be awarded as an extra item at Rs. 2.29 crore.
- The BOQ required providing and installation of Yonex court mat/Taraflex synthetic flooring of 9mm thickness which is not as per Yonex brand specifications. This item had to be subsequently executed as a separate item at a cost of Rs. 1.54 crore.
- AB was also required to get detailed soil investigation done for the archery venue at its cost, but this was done by DDA at a cost of Rs. 0.02 crore resulting in undue benefit to AB.

18.3 Selection of Contractors

The joint RFQ process for pre-qualification of agencies for construction of Games venues and practice area in the Games Village and the deficiencies in assignment of contract for practice area in the Games Village to Sportina Payce Infrastructure P Ltd. has been discussed in paragraph 20.6.4 of this report.

At the RFQ stage, three works were identified for games venues, which were subsequently split into six works on the recommendation of PTM. Out of the eight agencies³ that pre-qualified from this process, only four i.e BE Billimoria & Co. Ltd, Sportina Payce Infrastructure Ltd (instead of Sportina Payce Constructions Ltd.), ITD-ITDCem (JV) and Unity Brahmputra Consortium submitted bids. The others chose to keep out of the bidding process. Of the six works, four were awarded to the L1 bidders and two were retendered due to abnormally high rates and subsequently awarded on open tender basis, (though only two-three bids were received). The details of bidders and successful agencies are given in Annexe 18.1

In addition, 30 items with an estimated cost of Rs 9.60 crore were not included in the BOQ attached to the tender document for the work of construction of badminton and squash competition venues. Subsequently, 20 of these items had to be awarded as extra items at a cost of Rs. 11.02 crore, and 10 were not executed at all.

³ ITD-ITD Cem JV; BL Kashyap and Sons Ltd.; BG Shirke Construction Technology Pvt. Ltd.; Gammon India Ltd.; Consortium of Unity-Brahmaputra; Shapoorji Pallonji & Co. Ltd.; BE Billimoria & Co. Ltd.; and Sportina Payce Construction(India) Pvt. Ltd-SPV .

In our view, the bidding process was not fully reliable and to that extent the prices obtained from it cannot be termed as the best prices determined by fair and open market competition. The following facts are indicative of the unreliability of the competitive bidding process

- only four of the eight prequalified bidders submitted bids. While three of them were awarded at least one contract each, the fourth (Brahmaputra Infrastructure Ltd., in its individual capacity) won a bid through open tender;
- one agency, Sportina Payce Infrastructure that bid was not strictly an eligible agency; and
- in the open tender, though the response was very limited, costs lower than the initially bid costs were obtained.

18.4 Execution of work

18.4.1 Unreliable justification of rates

In the following cases of procurement of chairs/synthetic surfaces, we found that the justification of rates was unreliable

- In the contract with Nussli-Comfort Net for providing and fixing 2,336 retractable chairs at a total cost of Rs. 4.63 crore, the justified rates of Rs. 17,566 per chair was prepared based on a market quotation of Nussli-Comfort Net itself. We found that the actual cost of these chairs as stated in the tax invoice was only Rs. 1,850 per chair with a cost implication of extra expenditure of Rs. 2.74 crore (for 1,746 chairs actually installed).
- Brahmaputra Infrastructure Ltd. installed 211 upholstered chairs at the archery venue in YSC at a cost of Rs

17,470 per chair for which justification was prepared at Rs.13,764 without obtaining market quotations; similarly justification of Rs. 7,184 per chair for 1,818 ordinary chairs procured at a cost of Rs. 9,890 per chair was also prepared without obtaining any market quotation; and

- As per OC's specifications of April 2009, only Taraflex and Nagase Kenko make of synthetic surfaces were to be laid in the table tennis court. Consequently, combined tendering for these was done for YSC and JMIU and the contract was awarded to Freewill Infrastructure Pvt. Ltd. at a tendered cost of Rs. 1.29 crore. We found that while the awarded rate per sqm was Rs. 2,943.25, the justified cost on the basis of actual cost of import by the agency worked out to Rs. 1,188.52 per sqm, indicating exorbitant margins of 148 per cent.

18.4.2 Installation of maple wood flooring in three venues

In April 2009, OC specified the brands for wooden flooring as Connor, Robbins, Haro, Prestige Sport System and Honer Sports Flooring. Though the work of installation of wooden flooring was already included in the scope of work of the three contracts for construction of venues, DDA chose to withdraw this item from the scope of work of two contracts and award it to Parquet Furnishers Pvt. Ltd as per specifications prescribed by OC, for cost benefit and uniformity through common tendering and at a much lower rate of Rs 3,462 per sqm. Strangely, it allowed the third contractor (Brahmaputra Infrastructure Ltd.) to continue with the work at a higher rate. The details are given in table 18.2.

Table 18.2 — Rate for Maple Wood Floor

Work and contractor	Rate as per existing Contract	Rate as per joint tendering after withdrawing
Table tennis venue in YSC (BE Billimoria & Co)	Rs. 5790 per sqm	Rs. 3462 per sqm
Refurbishment of existing facilities at SFSC and SSC (Sharma Constructions)	Rs. 7500 per sqm	Rs. 3462 per sqm
Construction of archery venue & refurbishment of existing facilities at YSC (Brahmaputra Infrastructure Ltd)	Rs. 6831 per sqm	Not re-awarded

The arbitrary decision to not withdraw the work from Brahmaputra Infrastructure Ltd. resulted in excess spending of Rs. 0.24 crore (for 722.55 sqm of work executed).

Further, during the installation of wooden flooring in the table tennis venue at YSC, an extra item of Rs 0.38 crore was permitted for fastening padded sleepers anchored to the floor below the wooden flooring because of bending of floating floor system. In our view this was a rectification, the cost of which should either be borne by Parquet Furniture Pvt. Ltd. or the original contractor that executed the civil work underlying the wooden flooring.

18.4.3 Installation of Mild Steel barricading at SFSC

In October 2008, at the behest of LG, Delhi, DDA decided to provide MS barricading in SFSC in order to keep the jogging track open to public. The work was included in the BOQ of the work for refurbishment of

existing facilities at SFSC/SSC awarded to Sharma Constructions in March 2009. It was observed that no drawings indicating the location of the MS barricading were prepared and due to objections from SFSC residents, of the 486 barricades supplied, only 236 could be installed. Clearly, poor planning led to wasteful expenditure of Rs. 0.49 crore

18.4.4 Underutilisation of Sewage Treatment Plant at SFSC

A Sewage Treatment Plant(STP) of 152 KLD capacity was created at a cost of Rs. 0.32 crore. However, we found that the plant could be utilised only at 30 percent of its capacity as the size of the pipes provided for taking the raw sewage into the plant were inadequate and most of the sewage was pumped out using additional pumps, by-passing the STP.

18.4.5 Installation of DG sets

Despite securing power supply from two independent feeders as prescribed by EKS (OC's Consultant), DDA procured two DG sets of 1250 KVA each and one of 725 KVA for Rs. 4.32 crore at YSC for the full power load of the stadia, rather than restricting it to the Games critical load of 1850 KVA.

18.4.6 Additional security deposit on specialised items

As per agreement, additional security deposit in the form of bank guarantee was to be retained at the rate of five percent of the cost of the specialised work. We found that no such bank guarantee had been retained on the plea that substantial payments were still to be made to the contractors.

It may be ensured that a bank guarantee of five percent of the cost of work is obtained before final settlement of bills.

