

CHAPTER XIII : MINISTRY OF URBAN DEVELOPMENT AND POVERTY ALLEVIATION

Department of Urban Development

Delhi Development Authority

13.1 Blockade of funds

Delay in providing basic amenities made the Narela Housing Scheme unpopular resulting in blockade of funds of Rs 36.08 crore.

The Master Plan for Delhi, 1962 had recommended the development of Narela as one of the ring towns around Delhi Metropolitan area owing to its location and development potential. It proposed a township with Government offices and industries to make the town a self contained unit. The sub-city was designed to provide housing opportunities to over 2.7 lakh families of all income groups. It was proposed to have different residential densities with rail line identified as the major high-density corridor. The development of residential areas was designed to provide for housing in public, co-operative and private sector. The type of housing conceived in Narela included housing for its registrants in the form of built up flats, expandable housing, Janta housing in terms of one room tenements etc.

Delhi Development Authority (DDA) constructed 6039 houses under different categories between December 1993 and July 1998 by incurring an expenditure of Rs 115.39 crore. While approving the water supply scheme in June 1992 for this project, the Delhi Water Supply and Sewage Disposal Undertaking (now Delhi Jal Board) demanded 200 acres of land free of cost for the development of a water treatment plant. The land was not handed over up to February 2001 i.e. 31 months after completion of construction of the houses. As a temporary measure the Delhi Jal Board started supplying water through their main lines in March 2000. Similarly, electricity was provided by Delhi Vidyut Board for some of the pockets only in December 1997 and the work of electrification of streetlights was not taken up till May 2000.

Due to non-availability of these basic amenities, the scheme became unpopular resulting in request by allottees for cancellation of allotments of houses. Out of 6039 houses constructed 2003 remained unallotted after cancellation. The position of houses constructed and lying unallotted as of September 2001 under different categories was as under :

(Rs in lakh)

Category	No. of houses constructed	Year of construction	No. of unallotted houses	Construction cost per house	Cost of vacant houses
LIG	1408	3/94 to 9/96	216	1.65	356.80
LIG (expandable)	2258	12/93	1329	1.43	1894.73
MIG	920	3/94 to 9/96	56	2.43	136.17
MIG(expandable)	1313	8/93 to 12/93	306	2.27	695.01
SFS	140	7/98	96	5.47	524.91
Total	6039		2003		3607.62

It was imperative that building bye-laws applicable for occupation of any house in the city be complied by DDA. In fact, DDA's circular No. 440 of December 1994 also stated that housing branch should issue possession letters only after the receipt of certificate regarding availability of all services from the Chief Engineers (CEs) concerned. Therefore, allotment of flats by DDA in violation of such bye-laws was illegal. The resultant cancellation of allotment led to blockade of funds totaling Rs 36.08 crore during the last three to seven years as of September 2001 besides defeating the objective of providing housing to the public.

In fact in August 2001, the Lt. Governor of Delhi (Chairman of DDA) directed DDA to take steps to popularise the Narela township and to study the possibility of floating a new housing scheme, specifically for Narela, with the old units having differential costing norms. The Scheme was yet to be launched as of January 2002. However, DDA in their circular of October 2001, have now clarified that no draw of flats would be held unless basic amenities were provided.

The matter was referred to the Ministry in October 2001; their reply was awaited as of January 2002.

13.2 Delay in completion of housing scheme

Delhi Development Authority had to incur extra expenditure of Rs 7.20 crore due to delay in supply of layout plans and materials, thereby losing the benefit of using time saving technology and projected savings.

DDA launched a scheme for shifting of jhuggi dwellers from Motia Khan to reclaim its valuable land. In order to rehabilitate these jhuggi dwellers, it was decided in October 1997 to construct 3456 single room tenements and 864

shops in Sector 4, Rohini with hollow concrete block technology at an estimated cost of Rs 28.61 crore. Tenders were invited on 25.11.97 for completion of work within 12 months. Due to encroachment on the proposed site, it was decided in December 1997 that only 2016 houses and 504 shops would be constructed at an estimated cost of Rs 14.58 crore which was further revised to Rs 14.42 crore. A corrigendum notice inviting tenders was issued in December 1997 for the completion of work within 15 months from specialized firms having hollow block manufacturing machine/plant.

While recommending the award of work for approval to Work Advisory Board (WAB), the Executive Engineer (EE), RPD-I recommended the use of hollow block technology at the rate of Rs 3256 per sq.mt. as against the conventional system of construction costing Rs 2643 per sq.mt. on the ground that the former process (i) is less time consuming and would result in savings of Rs 1.09 crore per six monthly period on early returns of finances, (ii) possessed greater durability and structural soundness than the conventional system, (iii) would mean saving of payment under clause 10-CC of agreement due to early completion of houses.

The WAB awarded the work to M/s 'A' at a negotiated amount of Rs 19.06 crore in September 1998 which was 32.19 *per cent* higher than the estimated cost. The time allowed for completion was 15 months as against 12 months in the notice inviting tenders, which involved constructing large number of flats. The stipulated date of completion was 14.12.1999.

As of October 2001, only 88 *per cent* physical progress was achieved. The delay was mainly attributable to DDA as layout plans for different blocks were handed over to the contractor between September 1998 and December 1999. Further, there was hindrance to the work due to short supply of steel by DDA between June and October 1999. The Superintending Engineer (SE), Civil Circle-6 granted extension of time limit upto June 2000 without levy of compensation since no fault on the part of the agency was found by them. Out of the total amount of Rs 68.17 lakh that had to be paid to the contractor as compensation under clause 10-CC of the agreement due to increase in the cost index of labour and material, Rs 28.69 lakh was on account of extension of time.

As a result, DDA had to suffer loss on three accounts. The projected savings of Rs 3.27 crore (Rs 1.09 crore per six monthly period for three six monthly periods w.e.f 15.12.1999 to 14.6.2001) did not materialize due to delay in completion. In addition, it incurred extra expenditure of Rs 3.64 crore as detailed below, due to adoption of expensive technology. Finally, payment amounting to Rs 28.69 lakh had to be made under clause 10-CC of the agreement during the extended period.

Plinth Area	59379 sq. meters
Rate of conventional system	Rs 2643 per sq. meter
Total cost for conventional system	Rs 15.69 crore (A)
Rate for hollow block technology	Rs 3256 per sq. meter
Total cost for Hollow block technology	Rs 19.33 crore (B)
Difference of (A) and (B)	Rs 3.64 crore

Therefore, though DDA had to incur extra expenditure of Rs 7.20 crore (Rs 3.27 crore + Rs 3.64 crore + Rs 29 lakh), it neither reaped the benefit of time saving technology nor of projected savings. Further, the main purpose for which the scheme was launched i.e. rehabilitation of jhuggi dwellers also could not be achieved as the project was yet to be completed (October 2001).

In summary this case highlights one of the more common and perennial problems that plague DDA viz. not ensuring timely supply of either drawings/plans or materials or site which shows gross negligence and very poor supervision and monitoring by higher authorities. The senior management of DDA may well look into this and similar other cases to remedy the situation and also fix responsibility for such lapses.

The matter was referred to the Ministry in September 2001; their reply was awaited as of January 2002.

13.3 Cost overrun

Non-adherence to the advice of the quality control wing and arbitrary rescission and foreclosure of works resulted in cost overrun of Rs 1.59 crore.

DDA planned the construction of 320 SFS Multistoried flats in five blocks at Motia Khan in 1982. The piling work with RCC bored cast in situ pile foundation for block one and two was awarded to M/s 'A' in December 1984 at a negotiated cost of Rs 47.04 lakh with stipulated date of completion as May 1985. While finalising the design of pile, Chief Design Officer (CDO) envisaged the socketing of the pile in hard rock of one meter which the contractor was not able to provide. Even DDA failed to include use of sulphate resistance cement in the scope of work/agreement, which was suggested by the CDO. DDA issued 16 reminders between April 1985 and May 1988 for slow progress and unsatisfactory execution of work and rescinded the contract in July 1988. Work worth Rs 7.60 lakh in block one was completed till the date of rescission.

The balance work was awarded to M/s 'B' in February 1990 at a cost of Rs 52.15 lakh at the risk and cost of M/s 'A'. While awarding the work DDA rectified their mistake and stipulated the use of sulphate resistance cement but the technical specification of providing the socketing of pile at the depth of one meter was retained. However, during the review of work in May 1990, the department felt that socketing at the depth of one meter was not practicable and reduced the depth according to the length and diameter of the pile. Since the contractor did not find even this reduced length practicable, CE further reduced the depth of socketing of pile to 30 cm for block one and approved raft foundation for block two in December 1990.

During the execution of work, the contractor was allowed to use *10 per cent* extra cement for work under sub-soil water level in addition to payment through extra item for filling of cavity portion with CC 1:1.5:3. In May 1992, both excess consumption of cement and payment of extra item were objected to by the Quality Control Wing (QCW) of DDA on the grounds that protection of bore holes was the responsibility of the contractor and no extra payment was admissible. It suggested that bore holes could be protected by providing temporary casing to the pile before full depth. However, in May 1993 SE, CC-7 informed CE that provision of temporary casing was not possible because of the soil strata and meeting of rock and boulders in between, resulting in non-piercing of the casing. DDA could not decide the final course of action in the light of objection raised by Quality Control and kept the matter pending upto January 1994 when it was decided to foreclose the contract. M/s 'B' had done work for Rs 15.48 lakh in block one against which an amount of Rs 9.22 lakh was paid.

The balance work was again awarded in September 1998 to M/s 'C' at a negotiated cost of Rs 183.25 lakh for block one after obtaining technical opinion from CBRI Roorkee and CPWD. The stipulated date of completion was 4.7.1999. Both these authorities suggested provision of M.S. Linear of 16 mm thick sheet to protect the bore holes. However, DDA decided to adopt the method of M.S. casing as suggested by the QCW in May 1992. Thus, the argument given by SE in May 1993 was not found justified. In October 2001, the work was still in progress and an amount of Rs 86.07 lakh has been paid.

Non-stipulation of sulphate resistance cement in the agreement of first contractor, defective design of socketing of pile in the drawings supplied to first and second contractors and non-adherence to the advice of QCW in the first instance and arbitrary rescission and foreclosure of works of M/s 'A' and M/s 'B' respectively resulted in cost over run of Rs 1.59 crore for one block alone.

The matter was referred to the Ministry in September 2001; their reply was awaited as of January 2002.

13.4 Extra expenditure due to departmental delays

Delhi Development Authority had to incur an extra expenditure of Rs 1.18 crore on account of delay in supply of drawings and belated decisions at various stages of construction.

DDA awarded two works for construction of houses and shops at Nagin Lake Apartments, Paschim Vihar. The construction of 148 MIG houses and 36 shops was awarded to M/s 'A' and that of 59 SFS Category III and 118 SFS category II houses was awarded to M/s 'B' in May 1993 and June 1993 at a cost of Rs 3.34 crore and Rs 4.95 crore respectively. The works were required to be completed in June 1995 and October 1995 but were actually completed in September 1997 and December 1997.

The delay of more than 27 and 26 months in completion of the works was mainly due to non-approval of pile agencies for two months, delay in supply of various drawings by 11 months and belated decisions on construction activities by 11 months. In September 1998, SE granted extension of time upto September 1997 and December 1997 without levy of compensation as delays were attributable to the department. DDA had to pay the contractor Rs 1.18 crore as compensation for the increased index of labour and material during the extended period.

As per Para 17.3.1 of CPWD Manual Volume II, tender documents comprising essential architectural drawings and adequate structural drawings for commencing the work are to be prepared and approved by an authority before inviting tender for the work. The delay in completion of work was on account of inadequate planning before call of tenders as stipulated in the para ibid, and non-submission of drawings in time. Such deficient and often negligent actions have been a cause of unavoidable outgo from DDA to contractors in quite a few cases test checked in audit and it seems the malady is not being addressed at all by DDA. They need to take a serious view of such basic lapses and fix responsibility on the concerned Engineers.

Besides, delay in completion of housing scheme, DDA had to incur an extra expenditure of Rs 1.18 crore on account of delay in supply of drawings and belated decisions at various stages of construction.

The matter was referred to the Ministry in September 2001; their reply was awaited as of January 2002.

13.5 Avoidable expenditure

Delhi Development Authority had to incur avoidable expenditure of Rs 65.26 lakh due to delay in supply of layout plans/drawings and stipulated departmental material.

DDA awarded the work of construction of 128 and 120 MIG houses in Kondli Gharoli, Phase II in November and December 1992 at a cost of Rs 2.18 crore and Rs 2.26 crore respectively to M/s 'A'. The works which were required to be completed in March 1994, were actually completed in July 1996 and April 1997 respectively. In the process, the work was delayed and DDA had to pay Rs 65.26 lakh as compensation to the contractor due to department's failure to fulfil their part of obligations.

The delay of more than 27 and 37 months in completion of the works was mainly due to non-availability of layout plans/drawings, delayed issue of stipulated material viz. cement, steel, and G.I. pipes and belated decisions at various stages. SE granted the extension of time upto the actual date of completion of both works without levy of compensation as delays were attributable to the department. The delay on the part of department was inexplicable, for EE while recommending the award of work, certified that layout plans have been approved and stipulated materials were available.

Further, as per para 4.24 of CPWD Manual, Volume-II, estimates are to be prepared and approved by the competent authority based on drawings of the scheme. Since the estimate of this work was approved by CE, therefore hindrance due to non-availability of drawings was unjustified.

Besides delay in completion of housing scheme, DDA had to pay Rs 65.26 lakh to contractor as compensation for the increased index of material and labour during the extended period. The facts stated above, call for full investigation into the matter to fix responsibility for the delay that caused avoidable expenditure of Rs 65.26 lakh on this scheme.

The matter was referred to the Ministry in September 2001; their reply was awaited as of January 2002.

13.6 Avoidable extra expenditure

Delhi Development Authority had to incur avoidable expenditure of Rs 21.11 lakh due to non-conducting of proper survey, delay in supply of drawings/site and stipulated departmental material.

DDA awarded the work of internal peripheral storm water drains in Sector-4 and 12, Dwarka to M/s 'A' in May 1996 at a cost of Rs 3.83 crore. The work that was required to be completed in May 1998 was actually completed in March 2001.

The delay of more than 34 months in completion of the scheme was mainly due to non-availability of drawings/site for six months, belated decision on sewer and water lines by nine months and delayed issue of stipulated material viz. cement and steel by 11 months. In October 1999, SE granted extension of time upto 27.11.1999 without levy of compensation as delays were attributable to the department. Accordingly, DDA had to pay Rs 21.11 lakh to the contractor as compensation for the increased index of material and labour during the extended period.

As per para 4.24 of CPWD Manual, Volume-II, estimates are to be prepared and approved by the competent authority based on drawings of the scheme. Since the estimate of this work was approved by CE, therefore, hindrance due to non-availability of drawings was unjustified. Further, the sanction for award of work conveyed by CE to EE emphasized that drawings to be issued to the contractor must be available before formal award.

While justifying the delay, it was stated that being a low-lying area in segment, RCC box drain was constructed in place of brick drain, delaying the completion of work. This substitution indicates that proper survey of the site was not conducted by the division before finalisation of drawings for drain work.

Besides delay in completion of storm water drain, DDA had to incur avoidable expenditure of Rs 21.11 lakh on account of failure to conduct proper survey, delay in supply of drawings/site and departmental material.

The matter was referred to the Ministry in October 2001; their reply was awaited as of January 2002.