

DELHI JAL BOARD

N.C.T. OF DELHI

Minutes of the 41st meeting of the Delhi Jal Board held on 20.04.2001 at 11.00 A.M. in the Conference Room of Delhi Jal Board, Varunalaya Phase-II, Karol Bagh, New Delhi

PRESENT

1.	Smt. Sheila Dikshit, Chief Minister, Delhi	Chairperson
2.	Shri Surender Kumar, M.L.A.	Dy. Chairman
3.	Shri Pradip Mehra, C.E.O.	Member
4.	Shri Prahlad Singh Sawhney, M L A	Member
5.	Shri Brahm Singh Tanwar, M L A	Member
6.	Shri Yog Dhyani Ahuja, Member, MCD	Member
7.	Smt. Shakuntla Arya, Member, MCD***	Member
8.	Shri Ashok Kumar Tanwar, Delhi Cantt. Board	Member
9.	Shri R.Narain Swamy, Pr. Secy.(UD)	Member
10.	Shri K.C. Jain, Member(Water Supply)	Member
11.	Shri S.K.Agrawal, Member(Dr.)	Member

**** Left the meeting at 11.25 AM. While leaving she stated that since she was being called away due to pressing matters in the Corporation her vote on the agenda item should be taken in support of her Party colleagues. On a query from the Chairperson, the Pr. Secy. UD clarified that only votes of members present and voting after the deliberation of the Agenda item could be considered as valid. Voting on this item took place at 12.30 PM, after detailed discussions.*

CONFIRMATION OF MINUTES

The minutes of the 40th meeting of the Board held on 17th February 2001 were confirmed with the following modifications:

RESOLUTION NO. 868 & 869: Members Sh Yogdhyan Ahuja and Sh Ashok Tanwar were of the opinion that the procurement of pipes should be restricted to only that company which had at least 3 years experience in manufacture of D.I. pipes. It was explained by the Chief Engineer concerned that the NIT conditions specified ISI mark, third party inspection as well as testing of pipes at site after laying in order to ensure that the required specifications are met. Therefore, this condition would have the effect of restricting competition to a single vendor. The Chairperson expressed her concern about the need to ensure quality of the material used. The Chief Engineer concerned may ensure that proper quality checks are duly ensured.

RESOLUTION NO. 923: The C.E.O. informed the Board, that it had been stated in the last meeting that the project would be completed in two years, rather than three years proposed in the Preamble. This may also be incorporated in the minutes.

RESOLUTION NO. 937

Item No. 937: Design-Build and Operate 33.948 KMs of clear water transmission mains from the Sonia Vihar Water Treatment Plant to different parts of Trans Yamuna Area.

The Board which had partially discussed this item at its previous meeting on 16th April 2001 resumed the discussion on the proposal contained in CE(C)III's letter no. DJB/5

dated 11.4.2001 regarding the above cited project. Sh Vivek Rae, Secretary (Planning), who had been chairman of the Evaluation Committee, explained the background and methodology adopted by the Committee.

The following queries were raised by the members:

- Sh. Yogdhyan Ahuja raised the issue of the appointment of an Evaluation Committee for the work by CEO, Delhi Jal Board whereas the powers of the CEO were restricted to Rs. 50 lacs only.

It was explained to Sh. Ahuja that the powers he was referring to were the delegated powers for approval of estimates and expenditure sanctioned by CEO provided in the 'Delegation of Powers' by the Board and had nothing to do with the appointment of an Evaluation Committee for any project. A Bid Evaluation Committee had been set up for this project for the Sonia Vihar WTP Project, headed by Secretary Planning of the Govt. of NCT of Delhi to impart objectivity and professionalism to the process, given the fact that Secretary (Planning) is an officer with considerable experience in evaluating projects funded by multilateral agencies, and is also known to be an officer of unimpeachable integrity.

- Sh Yogdhyan Ahuja reiterated his earlier statement about the absence of **tender form** with the bid documents of two of the bidders.

It was explained to him that the bid documents that had been specifically prepared for this project included a price schedule (Part-IV of the Bid Documents) consisting of 65 pages where the bidders were required to fill in their financial offers. The terms and conditions specifically required the bidders to submit their financial offers in the price schedule. Hence non-submission of the normal tender form, which as explained by the officers was not even required to be issued to the bidders could not be treated as an irregularity. It was also explained that the normal tender form of the DJB was basically for Bill of Quantities based tenders where percentage rates have to be quoted by the bidders. In this case, since detailed forms of submission for

the technical and financial offers were issued as a part of the bid documents to the firms, and the conditions of contract specifically required the specified price bid form to be submitted as per clause 10.1 of the Instructions to Bidders, there was no irregularity on this count. However, the evaluation committee had with a view to ensuring absolute transparency, brought on record the non-submission of the normal tender form by two firms normal during preliminary examination of bids.

- Sh Yogdhyan Ahuja further raised the issue of the Benchmark fixed by the technical committee, specifically with respect to the consideration of 4% works contract tax, which he stated was not being paid by the DJB to any contractor. He was of the view that the DJB officers have prepared the Benchmark to match the contractor's price.

It was explained that since the project was on DBO (Design, Build and Operate) basis the exact justification could not be worked out. The Technical Committee could not have negotiated with the L-1 bidder without a Benchmark price and therefore, as detailed in the preamble, it asked the concerned officers to work out a suggestive cost which came closest to a realistic assessment of the project. Since the works contract tax is payable by any contractor, it has to be considered while working out the suggestive cost. Further, the elements of detailed design especially for the 14 Km stretch along the Yamuna bed requiring special foundations involving scour depths and minimum HFL height had also to be taken into consideration. It was pointed out that the Technical Committee had obtained a reduction of about Rs 27 crore and therefore the question of increasing the Benchmark to meet the bidder's price did not arise.

- Sh Ashok Tanwar, member, felt that the minutes of the technical committee were manipulated, as the meeting of 1.2.2001 referred to the decisions made pursuant to a letter of the L-1 bidder dated 27.2.2001. He felt that the minutes

of each meeting of the Technical Committee should have been drawn up separately and that on this short ground, this vitiated the entire procedure.

Member (Drainage) clarified that wherever more than one meeting of the Committee had to be held, it was usual practice to draw up single minutes giving details of deliberations leading to the conclusion/decision. The Member was further informed that the matter before the Technical Committee was discussed on two dates viz the 1st Feb 2001 and 22nd Feb. 2001. In view of this, 2 separate minutes were not considered necessary as they were meetings in continuity, during both of which deliberations on the same issue were held. There was, therefore, no factual or procedural irregularity whatsoever. It was further explained to Sh. Tanwar that reading of the entire minutes would clearly show that it recorded deliberations of more than one meeting held by the Technical Committee as well as its recommendations.

- Both these members were of the view that the actual contract price was not being reflected in the preamble through manipulation.

It was explained to them that Net Present Value (NPV) is a financial evaluation tool used world-wide for such projects. The total cost of the Project quoted by bidders indicates the total payment to be made to them throughout the project period, without any escalation. Therefore, in this method values of future payments are converted into their present worth to compare the financial bids of the firms. All details and facts had been included in the preamble placed before the Board. The comparative prices quoted by the bidders had also been enclosed with the draft preamble.

- Sh. Yog Dhyani Ahuja referred to the breakup of the cost quoted by the lowest bidder for the four different sections of pipeline and stated that maximum payment would be taken by L.1 Bidder in doing 50% of the work i.e. Sections 1 & 2.

It was clarified that since the pipeline alignment was in 4 distinct sections, the costs thereof only reflected the costs quoted by the bidders for each section and was not related to the stage payments during the contract. The project has been evaluated with reference to the total cost and not with reference to any particular section.

Sh. Ahuja further observed that the fact that L.1 Bidder reduced its price by Rs. 27.55 Crores during negotiations shows that they had offered very high rates which were pooled. He further questioned why the work was given on turn key basis, being for the construction of a pipe line.

It was clarified that the Technical Committee had negotiated with L.1 Bidder based on a bench mark and the reduction in price had been achieved after more than one round of hard negotiations. The L.1 bidder M/s L&T was one of the leading and largest construction companies in India and its capability was well known.

As far as the turn key issue was concerned, this had been done, considering among others the fact that 14 Kms. of the pipeline was traversing the Yamuna Bed for which special foundations would require designing and the fact that the entire project is to be completed co terminus with the construction of the Sonia Vihar Water Treatment Plant and availability of water from the Tehri Dam.

- During further detailed discussions, the concept of Design-Build was explained to the members along with the fact that there was a need for the DJB to adopt modern technologies and practices of project formulation and execution.

In spite of these clarifications, the Members persisted in their objections and sought that the matter be put to vote.

At this juncture, Principal Secretary (UD) who is a member of the Board stated that he had listened very carefully to the discussions both on Tuesday, the 16th April, 2001, as also this morning. He expressed the view that he was personally satisfied with the integrity of the procedure that had been followed and appreciated the fact that the DJB had chosen to have Secretary (Planning) Shri Vivek Rae, who was earlier in the UNDP and is familiar in these matters, as the Chairman of the Evaluation Committee in this case. This lent impartiality, objectivity and professionalism to the entire evaluation process. The followed procedure by this committee has been found to be both unexceptionable and unimpeachable. He also observed in respect of the point regarding the routine tender form raised by one of the members and noted that when a detailed 65 page long price bid document for this Design-Build contract has been meticulously filled in by them, obviously they were serious bidders and not frivolous entrants. He stated that there appeared to be no infirmities with regard to the procedure followed by the Technical Committee during their deliberations. After congratulating two of the non-official members for the painstaking manner in which they had examined the agenda item and raised a number of questions, which the DJB officers had answered during the presentation, he expressed his own support for the passage of the agenda item. While doing so he also struck a note of caution and advised that the Delhi Jal Board should finalise the contract with abundant caution and ensure meticulous observance of further formalities including close checks at every stage.

As pressed by some Members, the matter was then put to vote among the Members present, and passed by a Majority vote.

Summing up the deliberations, Chairperson observed that an open and transparent procedure had been followed and it needed to be kept in mind that this work was part of a very important project and needed to be completed with quality and speed, co terminus with the completion of the Water Treatment Plant at Sonia Vihar and the Raw Water

Conduit from Murad Nagar so that the benefit of additional water from the Tehri Dam is provided to the people of Delhi as soon as water is available. The Chairperson stated that the interests of the DJB should be fully protected while signing the contract and the terms & conditions of contract should be finalised after obtaining legal advice.

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

SECRETARY (DJB)

Snella Dinkel -

CHAIRPERSON

1. *Staphylococcus aureus*