

**DELHI JAL BOARD**  
**N.C.T. OF DELHI**

**Minutes of the 51st Special Meeting of the of the Delhi Jal Board held on 08.10.2002 at 6.00 P.M. in the Conference Hall of Chief Minister, Delhi (Chairperson, Delhi Jal Board), Delhi Sachivalaya, I.P. Estate, New Delhi – 110002.**

***P R E S E N T***

<b>1. Smt. Sheila Dikshit, Chief Minister, Delhi</b>	<b>Chairperson</b>
<b>2. Shri Shadi Ram, MLA</b>	<b>Vice-Chairman</b>
<b>3 Shri P.K. Tripathi, C.E.O.</b>	<b>Member</b>
<b>4. Shri Veer Singh. MLA</b>	<b>Member</b>
<b>5. Shri Mateen Ahmed, MLA</b>	<b>Member</b>
<b>6. Shri Arun Mathur, Pr. Secy.(UD)</b>	<b>Member</b>
<b>7 Shri S.K. Srivastava, Member (Admn.)</b>	<b>Member</b>
<b>8. Shri Rajeev Lal, Member(Finance)</b>	<b>Member</b>
<b>9. Shri S.K.Agrawal, Member (Dr.)</b>	<b>Member</b>

Beside above Members of the Delhi Jal Board, following have also attended the meeting as Special Invitees:

1. Shri Mahender Singh Sathi, Minister of Finance, Delhi.
2. Shri A.K.Walia, Minister of Urban Development, Delhi.
3. Smt. Shailja Chandra, Chief Secretary, NCT of Delhi
4. Shri S. Raghunathan, Pr. Secretary to C.M., NCT of Delhi.
5. Shri A.P.Singh, Chairman, U P Jal Nigam.
6. Shri S.P.Aggarwal, Pr.Secretary(Finance,) NCT of Delhi.
7. Smt. Renu Sharma, Secretary to CM NCT of Delhi.
8. Shri Puneet Goel, Secretary/Director (F&A), DJB.
9. Shri Subhash Chander, Chief Engiener© III, DJB.
10. Shri A.K. Kaul, Chief Engieer, U P Jal Nigam.
11. Shri S.L.Goel, Superintending Engineer, U P Jal Nigam.

**RESOLUTION NO. 328**

**ITEM NO. 31** Revised estimate for construction of 270 cusec Raw Water conveyance

system from Upper Ganga Canal, Murad Nagar to Sonia Vihar  
Water Treatment Plant.

**The discussions were held in the last meeting of Delhi Jal Board on 21.9.02 for item No. 31 regarding revised estimate for construction of 270 cusec raw water conveyance system from Upper Ganga Canal Murad Nagar to Sonia Vihar Water Treatment Plant. The item was deferred to be discussed in the special meeting.**

2. At the outset, the chairperson welcomed all present and explained the importance of timely completion of “ Construction of 270 cusecs conduit from Murad Nagar to Sonia Vihar Water Treatment Plant”. The project is being executed by UP JN on behalf of DJB as deposit work. Chairman UPJN was requested to be present the status of the work.

3. The Chairman, UP Jal Nigam gave a brief background the case. He explained that the work was awarded in April,2000 by UPJN through an open tender, in which M/s NBCC was the lowest bidder. There was a huge gap between the lowest bid of M/s NBCC (Rs. 87.09 crores), and the second lowest bid of M/s. Gammon-Subhash Consortium (Rs. 109 crores). The third lowest i.e. M/s. L&T quoted Rs. 120 crores for the same work. The work was awarded to M/s NBCC. The lowest bid was substantially lower and in retrospect it was evident that they had indulged in under bidding. The work of 30 Km long conduits was started in April 2000 and was to be completed in April 2003. As on date, 3.8 Km has been completed, which is not satisfactory. Chairman UPJN assured the CM, Delhi, that his department is very well aware about the importance of the project and the progress is being reviewed intensely every three weeks and as a result of this review the pace of work has increased, though it is not up to the mark. The Chairman, UPJN further explained that if at this stage, the contract is rescinded it would lead to a further delay of project completion by six months,. Alternately, the revised methodology as proposed by NBCC may be adopted. NBCC had raised certain additional claims on account of the same. He explained the cost components of the increased quantum of work due to adoption of revised methodology and additional claims that were verified by UP Jal Nigam on the basis of prevailing price indices. The components where the increased work was involved are listed below :

S.No.	Description	Amount as per awarded work (in lacs)	Amount as per Revised estimate (in lacs)	Net increase (in lacs)
1.	Settling basin	643.18	1133.46	490.28
2.	GRP/MS pipes	1325.35	1639.32	313.97
3.	Extra lead & relocation of batching plant.	-----	25.73	25.73
4.	Aqueduct	211.80	771.80	560.00
5.	Extra piling work.	----	323.65	323.65
6.	Due to changed section			

	(i) Conduit	3963.21	4031.98	68.77
	(ii) Viaduct	2566.35	2920.43	354.08
			Total	2136.48

The total effect on these components would come out to Rs. 2136.48 lacs.

**4.** He further explained that the increase cost for other items as per actual amount to Rs. 1795 lacs and the total revised estimated cost works out to Rs. 151.68 crores. It was informed that the original estimate amounting to Rs. 6312 lacs was approved by DJB in 1998 but the estimate was based on the price level of 1991-92. The increase is mainly due to the price escalation in the intervening period, the revised methodology being adopted by M/s. NBCC and due to the construction of bridge over Hindon River to meet the demand of the local population. Chairman, UPJN also informed that the increase in cost being demanded by NBCC has been verified by calling tenders of the work beyond Hindon River simultaneously, as done by NBCC to induct big and reputed contractors to carry out the work. The tenders were opened on the same date and time. The offers received by UPJN for the same work of the tune of 72 crores where as NBCC received the bid of 55 crores. With regard to the query of Chief Secretary, Delhi about the genuineness of increase rates being demanded by UPJN. Chairman, UPJN replied that proper procedure have been followed to obtain the rates through bidding process where lowest rates can be termed as genuine.

**5.** Vice Chairman DJB, Shri Shadi Ram informed that he along with other elected members of the board had visited the site and special measures are required to be taken for timely completion of the project.

**6.** Finance Minister and Urban Development Minister also stressed the need for early completion of the project and augment the water supply to meet the demand of citizens of Delhi in the coming years. They expressed their willingness to consider release of extra funds provided NBCC and UPJN could offer performance guarantee.

**7.** Chief Secretary, Delhi Government desired to know the actual price escalation on the different items of the estimate and opined the some independent agency/consultant should be asked to certify the revised parameters/technology to be adopted for its soundness/adequacy. M/s. NBCC should give some sort of guarantee to adhere to the time schedule.

**8.** Principal Secretary (Finance). Delhi Government questioned the admissibility cost escalation on account of revision in size of settling basin and extra supervision charges to UPJN.

**9.** Chairman, UPJN assured that the revised cost was realistic. All the technical parameters had been vetted by IIT Roorkee and also for the items other than being executed by M/s. NBCC only actual cost plus supervision cost had been included in the revised estimate.

**10.** Chief Secretary, Delhi Government appreciated the need to complete the project in time. However, she again stressed the necessity of carrying out the scrutiny of revised estimate submitted by UPJN for NBCC and other works included in estimate. She desired that UPJN should submit documents giving the technical and financial details.

**11.** C.E.O DJB desired to know the guarantee from M/s. NBCC to complete the project in time.

**12.** Hon'ble Chief Minister of Delhi expressed the need to complete the project in time so as to match its completion with Sonia Vihar Water Treatment Plant and desired to know whether M/s. NBCC would be able to achieve the asking rate of completion of approx. 3 Kms. Per months because the delay in project means cost over run and other social costs.

**13.** Finance Minister and Chief Secretary Delhi Government suggested the Bank Guarantee may be prescribed for equivalent cost of each monthly targets failing which Bank Guarantee be revoked. To this Chairman UPJN explained that M/s. NBCC did not have enough financial resources to withstand such assurances. The officers of NBCC were then called in the meeting to clarify their stand. Although they gave categorical assurance to complete job as per schedule. Yet they expressed their inability to provide special Bank Guarantee due to insufficient financial resources. Chairman, UPJN supported their point and explained that providing Bank Guarantee will defeat the purpose of granting extra funds for timely completion of the project. He further stated that NBCC being Public Sector Undertaking and their failure to complete the project inspite of concessions will jeopardizes their existence itself. Action by Delhi Government, which logically will follow as a result of their failure to achieve targets, will undermine the credibility of their institution. It is, therefore, suggested that period upto 31<sup>st</sup> December be taken to prove their bonafides, after which the action be taken to terminate their contract. In the eventuality of their failure it is always open to UPJN & Delhi Government to cancel their contract. To the quarry of Urban Development Minister as to why should we loose another three months for taking the decision to rescind their contract. The Chairman UPJN explained that decision to rescind the contract would stop the work immediately and project will be delayed by another 5-6 months while the work being rescinded after 31<sup>st</sup> December, the UP Government will have benefit to two reputed contractors engaged/inducted presently by NBCC on the work. Later, representatives of NBCC confirmed that with the present mobilization they were sure of completing the project by July 2003 with asking rate of completion of conduit approx. 3 Kms per months and by the end of August 2003 raw water will be available at Sonia Vihar Water Treatment Plant.

**14.** Hon'ble Chief Minister of Delhi directed the officers to work out the mechanism, which will ensure that M/s. NBCC is able to complete the project at the desired rate with suitable guarantee. She directed that Chief Secretary, Delhi Government, Chairman UPJN and CEO DJB to finalize this arrangement.

After the above deliberations, the Board alongwith invitees in the Special Meeting took the following decisions.

Delhi Jal Board having considered the existing water supply situation in Delhi, also given the gap of more than 150 MGD between the present demand and supply and the likely increase in the gap due to future needs, considered it appropriate to agree the revised cost of the block estimate and allowed M/s. NBCC to continue the works by adopting revised methodology with suitable enhancement as recommended by UP Jal Nigam who are the principle executing agencies on behalf of Delhi Jal Board and have requisite technical/contractual competency to decide the claims of NBCC beyond the scope of existing contract.

It was also considered appropriate to give final opportunity to NBCC to implement the project through revised methodology as per the programme ensuring the completion of the scheme by July 2003 and to review their achieved progress/performance till December 2002.

**The meeting concluded with a vote of thanks to the Chair.**

**SECRETARY**

**CHAIRPERSON**