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OFFICE OF THE CHIEF EXECUTIVE OFFICER
DELHI JAL BOARD: GOVT. OF NCT OF DELHI
VARUNALAYA-II, KAROL BAGH,
NEW DELHI- 110005.

No.DJB/CEO/2003/ 4558

Dated: 26.9.2003

INSTRUCTIONAL ORDER

The performance of the contracts, once respective units of DJB have concluded the contract agreement has been under watch. The basic premise of any contract has always been that "time is the essence". This is already adequately provided for in the respective clauses of the agreement to safeguard the interest of the Board. The mechanism, for grant of extension of time to the contractor and levy of compensation in case of default are also well defined in the works Manual of CPWD (used as a guide in the Board). But it is noted with concern that more often than not, these instructions and guidelines are being violated which has put the Board in difficult legal position during arbitration as well as court proceedings.

The clause governing the extension of time stipulates that the contract should be proceeded with all due diligence and a proper watch on the performance of the contractor must be kept since start of the work. The contractor should render the proportionate progress on the work, as per contract conditions, and any failure on his part, would make him liable for compensation for the delay. The process of issue of notice/show cause notice is seldom followed resulting in a very legally indefensible position for the Board.

The guidelines are also available for maintaining the Hindrance Register, application for the contractor to apply for extension of time, recommendations of EE, SE and other officers, who are involved in the process. This watch on the performance shall be a continuous process instead of processing the case in a much-delayed manner devoid of any indication of delay during the entire period.

Instances have also come to the notice when the grant of extension of time cases have been kept pending over the years. This has resulted in inviting critical legal issues on all such final bill/bills where such amounts have been withheld for want of grant of extension of time, have really not been taken to finality. Accordingly, the contractors have taken recourse to inviting arbitration proceedings as well as court cases where the Board can not take the plea of limitation. This state of affairs should be discontinued forthwith.

While going through the awards of arbitration cases, it is noted that there was no defence worth its name under above circumstances. The contractors were forced to invoke the arbitration proceedings to get their withheld payments. These were finally granted with interest rate as high as 18% also.

It is thus, enjoined that such systemic failures shall not be tolerated any further. All concerned must ensure that all old cases are taken out and finalized in a time bound manner. The procedural guidelines must be followed and cases recommended strictly on merit.

P.K. Tripathi

(P.K. TRIPATHI)

CHIEF EXECUTIVE OFFICER

ALL CEs

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