

ITEM NO. 25 (A- 38)

1. Name of the subject/project  
Sub.: S/R of roads in NDMC area.  
SH: Resurfacing of B.K.Dutt Colony, Aliganj Colony, Lodhi Colony, Jor Bagh Colony Road and other colony service roads in Sub Division-III area. (Part A Resurfacing work)
2. Name of the Department/departments concerned  
Civil Engineering Department, Road-II Division
3. Brief history of the subject/project
  - a) During inspection in and around Jor Bagh Lane, B.K. Dutt Colony, Aliganj and other colony service roads condition of roads was found to be pathetic and it was desire to take action for resurfacing the road of the area.
  - b) The CRR1 has evaluated the road surface and recommended the bituminous mastic treatment. The same has been taken for estimate. Accordingly preliminary Estimate was prepared by the project team for Rs. 4,43,98,000/- which has been resolved by the Council.
  - c) The work was awarded to M/s. H.R Builders vide letter No. EE(R-II)/D-1691 dated 12.6.2013 at tendered value of Rs. 3,70,82,423/- which is 4.27% below the estimated cost of Rs. 3,87,36,397/- with stipulated date of start and completion as 6.6.2013 & 5.12.2013 respectively. Inspite of every possible efforts & cooperation only approx. 35% work has executed so far by the agency, out of which some portion showing sign of worn out day by day.
4. Detailed proposal on the subject / project
  - a) Even after requesting many times to the contracting agency for start the work through several letters & in person telephonically as well as show cause notices, the contractor had given only assurance to expedite, but did not made his efforts to start and for completion of work. Most of the time, only a few men / machinery deployed at site after issue of show cause notice, and carrying out only mastic work in piece meal i.e. alternatively for two days in a stretch.
  - b) The agency has not carry out work of DBM from last two months approx.
  - c) All co-operation have always given to contractor from department side i.e. in the shape of granting permission for others Hot Mix Plant, by paying running bill to come out his said financial crises, even the work has done in zigzag parts but even then the agency could not speed up the progress of work to complete timely.

CEC-II

- d) From the start of work, the progress is extremely delay and agency had not achieved any of the milestones in time as given in agreement, not maintaining the quality of work, it appears that that the contractor is not taking keen interest for completion of this work.
- e) It is evident from the numerous letter / show cause notice sent to the contractor for early completion of work to improve quality of work as well as to repair the work where it is worn out on the following dates: -
- (i). 03.2.2014, speedup the work and quality.
  - (ii). 25.2.2014, slow progress of work.
  - (iii). 21.3.2014, show cause notice failed to complete the work.
  - (iv). 28.3.2014, inferior quality work.
  - (v). 02.5.2014, warn out work due to inferior quality.
  - (vi). 09.6.2014, slow progress of work.
  - (vii). 27.6.2014, to restart the work.
  - (viii). 05.8.2014, to redo the work where sample failed.
  - (ix). 12.8.2014, to remove the defective material.
  - (x). 25.8.2014, inferior quality & to restart the work.
  - (xi). 17.9.2014, samples failed to confirm, work speed.
  - (xii). 20.10.2014, to start & complete the work.
  - (xiii). 14.11.2014, quantity rejected & sample failed.
  - (xiv). 18.11.2014, Does not confirm MORTH Specification.
  - (xv). 2.12.2014, Loss of valuable time, restart the work.

In this regard, it is needless to mention that show cause notice under clause 3 'a' & 'b' of the agreement had been served to contractor vide No. EE (R-II)/D-3381-86 dt. 29.9.14 and contractor has not given any reply till date.

Therefore, in circumstances elaborated above & to avoid untoward situation of department, the following action are proposed as per provision of agreement clause 3 'a' & 'b' to be taken against the agency: -

- (a). To rescind the work.
- (b). To forfeit the EMD of Rs. 774728/-
- (c). To forfeit the security deposit already recovered (Rs. 2,51,558/-)
- (d). To forfeit the performance guarantee (Rs. 18,54,121/-).
- (e). To go for tendering for the balance work and the agency shall not be allowed to participate in the tendering process for the balance work.

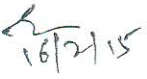
5. Financial implications of the proposed project/subject  
The total tender amount is Rs.3,70,82,423/- out of which 35% work has been executed. The financial implication for the balance work will be known after receipt of the tender for balance work. However EMD, Performance Guarantee, Security totaling Rs.28,80,407/- will be forfeited.
6. Implementation schedule with time line for each stage including internal processing
- |                                    |                          |
|------------------------------------|--------------------------|
| Rescinding the work one month i.e. | Dec. 2014                |
| For determining the balance work   | 31.01.15                 |
| For NIT of balance work            | 28.02.15                 |
| Award of balance work              | 30.04.15                 |
| Completion of work                 | Four months after award. |
7. Comments of finance department on the subject with diary No. & date  
(Vide Diary No.2206/finance/R-Civil dated 08.12.2014)  
The case is regarding rescinding of the contract in terms of Clause 3 of the Agreement. The work was awarded to M/s H.R. Builders at the tendered value of Rs.3,70,82,423/- with Stipulated Date of Start & Completion as 06.06.2013 & 05.12.2013 respectively. It has been stated that even after requesting many times through several letters as well as Show Cause Notice, Only 35% work has executed so far. Department has also served Show Cause Notice Under Clause 3 of Agreement but no reply has been given by the firm till date. In view of recommendations of Engineer-In-Charge at page 85/N and CE(C-I) at page 87/N for action under Clause 3 of Agreement, Department may process its proposal at page 87/N for consideration of the Competent Authority ensuring that all Codal Formalities have been adhered to and there is no loss to NDMC due to the proposed action.
8. Comments of the department on the comments of Finance Department  
It is ensured that all Codal Formalities have been adhered to and there is no loss to NDMC due to the proposed action.
9. Final views of Finance Department.  
N.A.
10. Legal Implication of the subject/proposal
11. Detail of previous Council Resolution, existing law of Parliament and Assembly on the subject.

Administrative Approval and Expenditure Sanction amounting to Rs.4,43,98,000/- vide item No.16(A-15) dt. 25.05.2012 was approved by the Council.

12. Comments of the Department on the comments of the Law Department.
13. Comments of Law Department (Wherever necessary).
14. Certificate that all Central Commission's guidelines have been followed while processing the case.  
Certified that all guidelines of CVC has been followed during tendering.
15. Recommendation
  - a) The case file is submitted for perusal, consideration and approval of following actions against the agency M/s. H.R. Builders please.
    - (i). To rescind the work.
    - (ii). To forfeit the EMD of Rs. 774728/-
    - (iii). To forfeit the security deposit already recovered (Rs. 2,51,558/-)
    - (iv). To forfeit the performance guarantee (Rs. 18,54,121/-).
    - (v). To go for tendering for the balance work and the agency shall not be allowed to participate in the tendering process for the balance work.
16. Draft Resolution  
Resolved by the Council that the proposal to rescind the contract and to forfeit the EMD, Security Deposit, Performance Guarantee and to go for tender for balance work for work of "S/R of roads in NDMC area. SH: Resurfacing of B.K.Dutt Colony, Aliganj Colony, Lodhi Colony, Jor Bagh Colony Road and other colony service roads in Sub Division-III area" is accepted. It is also resolved to initiate further actions in anticipation of approval of minutes of Council meeting.

#### COUNCIL DECISION

Resolved by the Council to rescind the contract and to forfeit the EMD, Security Deposit, Performance Guarantee and to go for fresh tender for remaining work for the work of "S/R of roads in NDMC area. SH: Resurfacing of B.K.Dutt Colony, Aliganj Colony, Lodhi Colony, Jor Bagh Colony Road and other colony service roads in Sub Division-III area", subject to clearance from the ECI.

  
 For Secretary  
 New Delhi Municipal Council  
 Palika Kendra, New Delhi