

Chapter 9 : Other Infrastructure Development Activities

9.1 Secured communication system (TETRA)

9.1.1 Introduction

TETRA or Terrestrial Trunk Radio is a professional mobile communication service which permits communication either through a network of base stations or point to point communication like a walkie-talkie. Compared to commercial mobile networks Global System for Mobile Communication, GSM or Code Division Multiple Access, CDMA TETRA's main advantages are:

- longer range which permits very high level of geographic coverage with fewer base stations;
- very fast call set-up;
- facilitation of mission critical network with a number of fall-back modes, and availability of communication services even during overload situations e.g. major public events or disasters; and
- suitability for working at high speeds e.g. high speed trains.

TETRA was specifically designed for use by government agencies, emergency services, for public safety networks, rail transportation staff for train radios, transport services and the military. As regards major sporting events, it was used for the Athens Olympics in 2004, the Doha Asian Games in 2006 and the Beijing Olympics in 2008.

The TETRA vendor was selected after following a competitive bidding process. HCL-Motorola was awarded the contract on wet lease basis for ₹ 99.81 crore for 87 month period from January 2010 to March 2017 (i.e., not only covering the CWG period but also for legacy use.)

9.1.2 Selection of TETRA and award of TETRA Contract

The decision to adopt TETRA for secured communication during CWG-2010 was taken in September 2008:

- In a meeting of the Committee of Secretaries (CoS) on 9 September 2008, Chief Secretary (CS), GNCTD, expressed the need for setting up an efficient communications system among various agencies involved in CWG-2010 arrangements. While suggesting a TETRA based solution, he proposed the setting up of a task force.
- On 11 September 2008, LG, Delhi called a meeting of senior officials of GNCTD for establishing a secure communication system for CWG-2010 on the lines of the Beijing Olympics. A presentation by the

suppliers of TETRA at Beijing was made at this meeting, and it was decided to adopt the TETRA as a secure communication network in Delhi for CWG-2010. An Inter-Agency Group (IAG) was constituted to draw up the specifications. The Department of Information Technology (DoIT) was named as the nodal agency for the project and Telecommunications Consultants India Limited (TCIL), a PSU, was hired as the Project Management Consultant.

- The decision that TETRA would be used not only for CWG 2010, but also for legacy period, was taken in September 2008 at the very first meeting of the IAG, and the requirements of different departments, as well as information on existing communication systems, was sought between October and December 2008.

An RFP was issued in April 2009. Three bids (from HCL-Motorola, TCS-EADS, and Tech Mahendra-Selex SPA) were received, all of whom were found to be technically qualified. On opening and evaluation of financial bids, HCL-Motorola was found to be L-1 (at a cost of ₹ 99.81 crore plus service tax) and was awarded the work in December 2009. All the activities to operationalise¹ the system were to be completed within 24 weeks of award of contract, but were completed in August 2010 after delay of seven weeks.

9.1.3 Legacy use of TETRA

From the beginning (in September 2008), TETRA was envisaged to cover not only CWG-2010, but also for legacy use, on a wet-lease basis for an additional period of seven years. The usage indicated by major departments during CWG-2010 and legacy are summarised below:

Table 9.1 – Planned use of TETRA

Department	CWG-2010	Legacy
Delhi Police		3656
OC	3221	Nil
DTC	747	82
MCD		415
Divisional Commissioner Office		170
H&FW	362	133
PWD	100	Nil
Others	863	80

¹ In February 2010, the Department of Telecommunication granted captive license to the GNCTD for establishing wireless telegraph stations and fixed spectrum charges of ₹ 16.70 lakh p.a. for 50 base stations and 72 frequencies.

Audit observed that the Delhi Police (DP) already had an extensive integrated wireless communication system with:

- 10894 sets covering police stations, police posts, pickets, border check posts, Police Control Room (PCR) vans/ motorcycles/ ambulances and tourist PCRs;
- 42 hotlines connecting with Central Control Room (CCRs), hospitals, civic bodies, Government agencies; and
- Satellite audio phones for CCRs at selected Delhi Fire stations, mobile control rooms and rescue and relief teams.

Even though DP was the largest user of the TETRA both during CWG-2010 and the legacy period, in September 2009, DP had expressed an intention to limit their participation in the TETRA system only to CWG-2010 and withdraw the previously projected requirement for the legacy period. However, LG, Delhi prevailed upon the Commissioner of Police, Delhi not to withdraw the requirement projected for DP as withdrawal at such a late stage (of technical evaluation) would vitiate the tendering process and the entire tender ran into the risk of being cancelled.

It is also pertinent to mention here, that although DP was represented in the IAG, they chose to withdraw only at a very late stage.

The GNCTD in its reply acknowledged the change in stance by the Delhi Police and stated that the communication by the Delhi Police was in view of financial implications of hiring of sets for the legacy period and not because they did not need the technology. It was stated that the said letter of the Delhi Police was sent by them without the prior approval of the LG, Delhi who statutorily superintends the Delhi Police under the Delhi Police Act. Accordingly the LG had properly guided the Police for usage of the TETRA system during the legacy period.

The fact remains that as the existing radio communication system of DP comprised of 10894 sets with a life of at least 15 years. It is incomprehensible how just 3656 rented sets would meet the legacy requirements of Delhi Police, especially when TETRA would not be connected or integrated with the existing communication system (as per the Department of Telecommunication's stipulation). This effectively means that TETRA users in the DP would also have to carry the existing analogue sets for communication across the DP network.

The GNCTD has explained that the Delhi police had not purchased new communication sets after 1999 and they had reached the end of their useful life. The contention of Audit is not to belie the usefulness of the TETRA technology to the Delhi Police but only to indicate that the requirements of the

Delhi Police were not carefully thought out for a comprehensive solution to use the new technology instead of going in for a piecemeal solution, given the numbers. The Government has itself stated that 900 sets are being used in Beat patrolling duties, though requirement to service all beats (2200) will be substantially higher and that the best policing can be done if the complete police force is equipped with the latest infrastructure facility. It has also been mentioned in the reply that the availability of 10,000 sets of Delhi Police was never communicated to the GNCTD by the Police.

On the necessity of carrying two communication sets by the Police, it was stated that the new technology allows over 1000 talk groups to be configured on the TETRA sets. The audit point is however about interconnection between the TETRA and analogue sets.

9.1.4 Utilisation of TETRA during CWG-2010

The implementation of the TETRA could be completed only by mid-September 2010, but its utilisation had not stabilized by the time of the Games due to insufficient time for familiarisation, a fact accepted by the Government. As the setting up of Backup Control Centre was delayed by 4 to 5 months, there were cascading effects in different directions which was subsequently compounded by delay in providing fleet mapping up to mid September and in some cases even later. Infact the largest TETRA users during the CWG-2010 period – the DP were unable to use it due to poor signal quality.

The Delhi Police, which held 38 *per cent* of the sets during CWG –2010 and 79 *per cent* for legacy use, conveyed its dissatisfaction with the signal quality inside the buildings and underground after surveying the venues and other areas during CWG-2010, as detailed in **Annexure 9.1**. The Special Commissioner (Intelligence and Operations) called the TETRA system a “failure” and noted that it was the existing police communication network that was utilised successfully for security related communication during the Games. In response, GNCTD stated that the average duration of talk time on TETRA by Delhi Police was 72 hours/ day, while it was 178 hours/ day for all Departments. This, however, does not translate to effective and complete coverage, which was the grievance of the police.

The GNCTD in reply has not accepted the contention of the Delhi Police of poor signal quality. The Delhi Police however in reply to the Audit observation have informed that the problems faced by the field officers in the TETRA communication during CWG 2010 were intimated to the Secretary, IT, GNCTD and HCL- Motorola from time to time and as a client the Delhi Police had clearly taken a stand that they would not be paying the rentals for the TETRA system till it is fully functional.

The vendor raised a bill of ₹ 9.46 crore for the CWG-2010 period (September –October 2010), which was not justified, considering that the system was finally optimised in mid-September 2010, and pro-rata reduction should have been made. The Government stated that no rentals have been paid as of December 2011 to the vendor.

9.1.5 Other legacy users

Even in respect of other user departments, the legacy use was not properly thought through:

- MCD had public mobile radio trunking sets and mobile phones in closed user group (CUG) mode. MCD reduced its requirement of TETRA from 500 handheld sets to 415 and deployed it in departments like horticulture, education, sanitation etc. and even the PA to the Commissioner; which is not in keeping with the objective of using TETRA for emergency services. In reply to the PAC (Lok Sabha) query MCD said that it will be making use of the TETRA sets for its top priority work i.e., sanitation. It was stated that the deployment of TETRA sets will also improve the public compliant redressal system for maintenance of sanitation system in a coordinated manner.
- DTC had 27 trunk radio sets and mobile phones provided to officers, central control rooms, and regional control rooms. DTC abandoned its functioning radio communication system in April 2010, replacing it with the TETRA system, and deployed its 82 sets in all depots (47), recovery vans (10), airport express services (9), control rooms (7) inspecting staff (6) and others (3).
- The Health and Family Welfare Department had a wireless UHF based trunk radio system and a public mobile network on CUG mode for key doctors and hospital staff. They issued 83 sets to the Employee State Insurance Corporation, who sought clarification as to how the sets were to be utilised. Of the remaining 50 sets, 17 were distributed to CMOs and other officers; and 33 static terminals were kept in the emergency rooms of various hospitals. In reply to the PAC (Lok Sabha) query the ESIC informed that it has provided Internet protocol (IP) telephone to its user units and suggested that TETRA sets may be used by CATS ambulances.
- 170 sets were given to the officers of the Revenue Department in the Divisional Commissionerates. These include 12 sets given to the Delhi Disaster Management Agency (DDMA). In reply the Government stated that that the DDMA have increased their requirement to 170 and later to 426 sets on account of security requirement communicated by the Central Industrial Security Force (CISF) for the Delhi Metro Rail Corporation (DMRC).

While the decision to employ TETRA for CWG-2010, is not being questioned but the decision to extend it for legacy use for 7 years was without a proper assessment of the requirements of either DP or other public agencies. The task of replacing the existing networks with the TETRA (since no interconnection was permitted by the DOT between the TETRA network and other networks) was not properly thought through.

Post-CWG-2010, most of these expensive TETRA sets (at monthly rentals ranging from ₹ 2168 to ₹ 2365 / month) are, in effect, no more than mobile phones as they are not being properly used for the underlying objective of mission-critical communications services for public security/ safety, emergency response and other allied public services.

The Government stated that the decision to implement TETRA for the legacy period was visionary and futuristic and that Audit had erred in its judgement of legacy use of TETRA. While Audit has no objection to the introduction of new technology, it is merely emphasizing the fact that the new users of TETRA are unable to exploit the full potential of the new technology.

9.2 Transportation services for CWG-2010

9.2.1 Introduction

GNCTD directed DTC to provide transportation services for ferrying the athletes, technical officials and media persons during the Games. The requirement of buses for ferrying in different categories was:

- 600 AC low floor buses for the athletes /Games family;
- 630 non- AC low floor buses for Delhi Police; and
- 1516 low floor (AC/Non-AC) buses to the OC for “mass Cast²”, work force/volunteers and spectators.

² Cast for Ceremonies of CWG-2010

9.2.2 Purchase of low floor buses



During 2008-09, DTC procured 2500 low floor buses (1000 AC and 1500 non-AC) at an inordinately high price, which was reported in Para 5.2.6 of Report of the CAG (Civil and Commercial), GNCTD, for the year ended March 2009. Audit observed that between September and November 2009, DTC procured additional 625 buses at the same high price, exercising an option clause, which cost the exchequer an additional ₹ 61.10 crore over the estimates.

The GNCTD stated (December 2011) that while these buses may appear expensive than the conventional buses, it has been found that taking into account the longer life of the bus (12 years or 7.5 lakh kms whichever is later), the increased vehicle utilization, and availability, reduced cost of repairs and maintenance, the buses are actually more economical than the traditional buses which have a life of 8 years and 5 lakh kms and high maintenance costs. Moreover, there are obvious qualitative benefits such as increased safety, lower pollution, passenger comfort and being disabled, ladies and children friendly.

9.2.3 Incomplete implementation of LED project

Audit found that poor planning and lack of clarity till the late stage of award of the contract resulted in incomplete installation of Light Emitting Diode (LED) destination boards not only prior to CWG but even till date.

In October 2009, DTC decided to install LED Destination Boards on 1500 of its standard Buses on BOT basis in lieu of advertisement right. In November 2009, tender specifications were prepared and thereafter the issue was discussed at various levels in DTC and Transport Department, GNCTD. In February 2010, Secretary cum Commissioner Transport directed (after discussion with Minister of Transport) that the contract would be awarded on

BOT basis (in lieu of advertisement rights) and DIMTS was nominated as the Bid Process Manager.

Subsequently in July 2010, the contract was awarded to Castmaster Mobitec India Private Limited and letter of intent issued in July 2010, with the stipulation of project completion within four months.

The LED Destination Boards could be installed only in 500 buses till December 2010. As per terms of BOT contract, the concessionaire was to pay ₹ 430 per bus per month in the first year; and ₹ 473 per bus per month during second year of the contract. No such payments have been received. After the issue was raised by audit, the DTC (January 2011) raised the monthly concession fee bill for 605 buses where completion certificates had been issued, and also assured that liquidated damages would be imposed on the firm.

The GNCTD accepted the facts and stated that liquidated damages as per the contract terms shall be imposed on the firm. In December 2011 GNCTD further stated that the cases where completion certificate for 605 buses has been issued, monthly license fee of ₹ 17.86 lakh was paid till July 2011 and for non-performance of contract DTC has imposed a penalty of ₹ 1.20 crore and if required recovery suit shall be filed in court of law for recovering the liquidated damages. The fact remains that this work related to CWG 2010 and installation of LED board on all 1500 buses had to be completed by November 2010 which has not been completed by the end of December 2011.

9.2.4 Ad hocism in methodology adopted for construction of Bus Queue Shelters (BQSs)

In a meeting held by the Chief Minister, GNCTD on 22 June 2006, it was decided to upgrade 1000-1500 BQSs in the city with modern designs on Built, Operate and Transfer (BOT) basis for their upkeep and maintenance. The concessionaire would generate revenue from display of advertisements on the BQSs and pay an agreed amount as Concession Fee to GNCTD. Audit observed that for getting 1500 BQSs constructed before the Games, the DTC and the Transport Department resorted to various methods, which indicated, adhocism in implementation of such a large project. From 2006 to 2010, four models of construction of BQSs have been followed. Yet, only 472 BQSs could be completed.

The details of the various methods of construction and audit findings thereon are given below:

Figure 9.1 Different models of construction of BQS



May 2007	January 2010	April 2010	May 2010
<ul style="list-style-type: none"> •Construction of BQSs on BOT model in four segments •only one segment of 248 BQSs successfully awarded to Green Delhi Pvt. Ltd at a concession fee of Rs. 93,800 per BQS per month •248 completed before CWG-2010 	<ul style="list-style-type: none"> •Construction of BQSs from GNCTD funding by DTC in 3 packages •Only one package of 157 BQSs successfully awarded to Ozone KLA JV for Rs. 18.98 crore •99 completed before CWG-2010 	<ul style="list-style-type: none"> •Construction of BQSs by DIMTS on BOT model on nomination basis •250 BQSs awarded for a concession fee of Rs. 9259 per BQS per month or 16 per cent of earning, whichever, is higher •75 completed before CWG-2010 	<ul style="list-style-type: none"> •Construction by GNCTD funding through DIMTS •Contract awarded on nomination basis to DIMTS for construction of 800 BQSs at a cost of Rs 97.70 crore •50 completed before CWG-2010

Table 9.2 – Main findings in respect of different models of BQS construction

Model	Observations
BOT for construction of 248 BQSS awarded to Green Delhi BQS Pvt. Ltd	<ul style="list-style-type: none"> • Escrow account not opened by Green Delhi BQS Pvt Ltd., though contractually required; and • It had not paid the concession fee since March 2008 following which DTC encashed its bank guarantee on two occasions and recovered ₹ 13.31 crore. The total amount outstanding from contractor as of October 2011 was ₹ 47.84 crore. • DTC gave advertising space on 79 BQSS covered under the BOT contract to OC, instead of offering its own BQSS. The OC specifically asked for these by enclosing a list and DTC agreed to OC's list without making any effort to offer its own BQSS. <p>The GNCTD accepted that the concessionaire has not provided further bank guarantee. The DTC by giving the Green Delhi BQSS to the OC had foregone a revenue of ₹ 1.18 crore. The GNCTD further stated that the DTC had earned revenue by displaying Delhi Government's advertisements. The reply is not acceptable because had the bus shelters been given to the OC, a higher revenue would have been earned by the DTC which was foregone in favour of the contractor.</p>
Construction of 157 BQSS by Ozone KLA JV	<ul style="list-style-type: none"> • The work could not be completed within the scheduled time of seven months and till 30 September 2010, only 99 BQSS were built; the project was finally completed in June 2011. • DTC was losing out on the revenue that it could have earned from advertisements on these BQSS; and • As of November 2011, ₹ 16.51 crore had been paid to the contractor by the DTC whereas no funds have been received from the GNCTD. <p>The GNCTD stated that in the process of holding a Board meeting for the said project, a two-month delay was reasonable. They added that till 30 September 2010, 99 BQSS were operationalised while the remaining were in progress. Senior officers of DTC as well as engineers of Delhi Integrated Multi Model Transit System (DIMTS) were doing the monitoring of the said work. The funds were diverted on the instruction of the Transport Department.</p> <p>The reply is not acceptable as the construction of 157 BQSS was to be completed before the CWG, therefore the DTC</p>

Model	Observations
	<p>should have taken the necessary technical and financial approval for the said work well in advance. Further, the contractor had to construct all the BQSSs before 27 August 2010 but he was able to complete them only in June 2011 despite the stated monitoring by the DTC and DIMTS.</p>
<p>Construction of 250 BQSSs by DIMTS on BOT basis</p>	<ul style="list-style-type: none"> • The concession fee was based on a similar contract entered by NDMC (with JC Decaux) in 2006, when reference rates of 2007 were available; • The concession fee fixed for DIMTS of the higher of ₹9259 or 16 <i>per cent</i> of earnings, is much lower than the BOT rate of ₹ 93,800 per BQS per month fixed with Green Delhi BQS Pvt. Ltd, JC Decaux offer of ₹ 21,000 and DTC's reserve price of ₹ 20,000 for BOT I. • DIMTS had not deposited the performance security as required and the department appointed an independent engineer to review the progress of work completed by the concessionaire only in December 2010 and at the instance of Audit, also directed DIMTS to pay the concession fee in respect of the 75 completed BQSSs. <p>The GNCTD stated that the DIMTS was set up with specific purpose in mind and decision to allot the project to DIMTS was the collective decision of the Council of Ministers and the Government. Besides, as the Government has a 50 <i>per cent</i> stake in DIMTS, the performance security is assured from it. On low concession fee it was further stated that location of 250 BQSSs was less attractive as compared to the NDMC area.</p> <p>The reply of the GNCTD is not acceptable as award of work of 250 BQSSs on nomination model is in contravention of Central Vigilance Commission (CVC) guidelines. Also the concession fee as compared to the rates considered by DTC in its various BOT projects was very low given that the rates of DTC related to MCD areas also.</p> <p>After being pointed out by Audit, the Department directed DIMTS to pay the concession fee in accordance with the agreement. The independent engineer was also appointed only in December 2010 after a delay of more than 6 months. The performance security of ₹ 1.16 crore was finally paid only in August 2011.</p>
<p>Construction of 800 BQS</p>	<ul style="list-style-type: none"> • Contract awarded despite the Finance Department's protestations of lack of funds;

Model	Observations
by DIMTS on nomination basis	<ul style="list-style-type: none"> ▪ Mandatory contractual provisions like depositing of bank guarantee and performance security not insisted upon; ▪ Department of Transport released payments of ₹ 42 crore (excluding Mobilization funds of ₹ 10 crore) on demand to DIMTS without having the detailed bills duly scrutinised by the engineer as required in the contract agreement; ▪ No statutory deductions on account of Tax deducted at source (TDS) (₹ 117.42 lakh), Worker Welfare Cess (₹ 57 lakh) were made at the time of release of funds and collected only at the instance of Audit from the subsequent payment of ₹ 5 crore. ▪ In the absence of funds, ₹ 52 crore was made available by the department from other plan schemes Major Head 5055 DD-1 (3) (1) 'Alternate mode of transport' and Major Head 5055 DD-1(1) (4) 'Purchase of land for New Bus Terminal'. <p>The GNCTD stated that as the DIMTS is a predominantly Government controlled company, the performance security was assured and efforts were made to complete the work by seeking cooperation from the PWD, Power & National Highway Authority of India (NHAI). They further stated that concern of Finance Department regarding lack of funds was conveyed for the year 2009-10.</p> <p>The reply of the Government is not acceptable because BQs were to be constructed on BOT basis only. Therefore possibility should have been explored by inviting tender by lowering the concession fee. The reply of the Government was however silent on non-preparation of detailed estimates and market rate justification for the work. As on 31 December 2010, the physical progress of work was 24.47 <i>per cent</i> whereas the project was to be completed before the CWG. It was further stated that the payments were made against running claims submitted by DIMTS in the interest of completing the work before CWG 2010 and accepted that no independent Engineer could be appointed by the Transport Department when the above stated payments were made.</p>

As can be concluded from above, not only did the Government lose sight of its objective of creating 1000-1500 BQs between 2007 and 2010, but, in its

very belated effort to build them before CWG-2010, failed to secure proper utilisation of public money or exploit the revenue potential of the scheme fully.

9.2.5 Award of various contracts to Delhi Integrated Multi-modal Transit System (DIMTS), a non-government company on nomination basis

As is evident from the observations given in the preceding paragraphs, DIMTS has been unduly favoured, by being awarded a number of consultancy contracts on nomination basis, despite being a non government company. The major contracts awarded to it by DTC during 2007- 2010 are summarised below.

Table 9.3 – Award of contracts to DIMTS

Particulars of Work	Type of contract and contract value	Observations
Purchase of Buses	Consultancy (PMC) ₹ 1.3 crore	<p>DIMTS could not prepare the justified price for the low floor buses, citing reasons of lack of historical data and even delayed preparation of bid documents.</p> <p>The GNCTD in their reply (February 2011) stated that DIMTS has the expertise to deal with the project and it may not be appropriate to conclude that DIMTS have no expertise on the basis of its inability to assess the reasonableness of prices only. They further added that the company was engaged by the GNCTD as ‘Bid process Manager (BPM) & Consultant to DTC’ for augmentation of DTC city fleet by purchasing 4500 new CNG Buses in the light of commitments made before High Court of Delhi and the same may not be seen from a narrow angle.</p> <p>The reply of Government is not acceptable as the intended objective of appointment of DIMTS was defeated as it failed to assess the reasonableness of the rates quoted by the VMs which cost the DTC to buy buses at</p>

Particulars of Work	Type of contract and contract value	Observations
		higher prices
LED Destination Board in Standard Buses	Consultancy (BPM) ₹ 0.32 crore	<p>DIMTS was appointed directly by Secretary cum Commissioner (Transport). When DTC refused to pay more than ₹ 16 lakh for the work (that it considered to be the rate payable for work of bid processing) the claim of DIMTS of ₹ 32 lakh was released directly by the Transport Department.</p> <p>The GNCTD stated that since DIMTS has 50 <i>per cent</i> share with the government, and considering the urgency of work it was appointed as Project Management Consultant (PMC).</p> <p>The appointment of DIMTS on the basis of urgency is not justified as the work was allotted to it in March 2010 and subsequently work was allotted to concessionaire in July 2010. The work was not scheduled to be completed before the CWG and has not been completed even upto November 2011.</p>
Construction of 500 BQSs by DTC	Consultancy (PMC) ₹ 1.55 crore	<p>The DTC Board had earlier decided to make DIMTS BPM only and if it was required, have a third party as PMC for transparency. However, DIMTS was appointed PMC and ex post facto approval of Board was taken.</p> <p>In the work of construction of 157 BQSs by DTC had the appointment of DIMTS been restricted to bid-processing work only as per the initial proposal, the cost of consultancy could have been ₹ 21.25 lakh (based on lump sum fee as proposed by DIMTS, proportionately calculated for 500 BQSs,) against the present liability of ₹ 1.55 crore. There was no penalty clause or any</p>

Particulars of Work	Type of contract and contract value	Observations
		<p>performance guarantee clause included in the agreement with DIMTS.</p> <p>The GNCTD stated that DTC did not have adequate capability to supervise and check the quality of work regarding construction of 500 BQSS which was a very big project. So the DIMTS was appointed Project Management Consultant instead of Bid Process Manager (BPM) at an agreed fee @ 3.75 per cent of cost of project if the award had been issued for 500 or more BQSS and in case of less than 500 BQSS, it would be 5 per cent of the project cost. They further stated that Hon'ble Minister had eventually agreed to DTC proposal on 12 August 2009 for DIMTS as PMC in place of BPM only.</p> <p>The reply is not acceptable because as per the Board's and the Minister's decision DIMTS was to be a BPM only and if any additional help was required, it was to be done through a third party to maintain transparency. Further no documentary evidence has been attached with the reply in support of this contention.</p>
Project of Construction of 250 BQSS on PPP model allotted by DoT	Construction (PPP)	Citing reason of urgency before the Games, GNCTD awarded the work of construction of 800 BQSS (for ₹ 96.70 crore) from government funding and 250 BQSS on PPP model to DIMTS, with several favours/relaxations mentioned in paragraph 9.2.4. The work was, however, not completed.
Project of Construction of 800 BQSS by DoT	Construction ₹ 96.70 crore	The GNCTD stated that the decision to award the work to DIMTS was a collective decision of the Council of Ministers and the Government.

Frequent nomination of DIMTS by GNCTD is to be viewed in the context of its legal identity. It is a joint venture of GNCTD with Infrastructure Development Finance Company, IDFC (a private sector company) with 50:50 share holding, and is not a Government Company as per the Companies Act, 1956 provisions. Effectively, while it is engaged on nomination basis on the justification that it is a joint venture of GNCTD with Chief Secretary, Delhi as its Chairman, it is not bound by any established Government financial procedures. Unlike Government Companies which come under the audit purview of the Comptroller and Auditor General of India, all activities of DIMTS are outside the audit purview.

Audit had earlier reviewed the execution of the Bus Rapid Transit Corridor (BRTC) in paragraph 4.8 of the Audit Report on the GNCTD for the year ended March 2008. In this report, Audit had commented adversely on the need to hire DIMTS as supervision consultants in addition to RITES who was the Project Management Consultant and also highlighted certain instances of undue benefits to DIMTS. The functioning of the Transport Department was also reviewed in paragraph 4.1.6 of the Audit Report on GNCTD for the year ended March 2009 wherein the irrational rate of fees for works assigned to DIMTS, despite its being a private company was commented upon. The present audit focused on the Transport Department, since DIMTS was not within the purview of audit.

9.2.6 Construction of bus parking at Ash Pond opposite Millennium Park

In October 2009, the LG, Delhi on the recommendations of the Chief Secretary and the CM, GNCTD, approved the proposal to develop Athlete Bus Parking Facility at the Ash Pond opposite the Millennium Park. Thereafter, in December 2009, Transport Department sanctioned the work at an estimated cost of ₹ 61 crore.

Audit observed that DTC had not obtained the necessary approvals for the use of the land from the DDA, which was the land owning agency. The construction was in violation of the Master Plan for Delhi 2021 and the proposed³ Zonal plan earmarks the area as being meant for recreation (green)⁴.

In reply to the Yamuna Jiye Abhiyaan and in reply to the audit observation, the Secretary-cum-Transport Commissioner stated that all the structures in the facility were semi-permanent in nature and it would be necessary to continue to use the facility so long as the Government was unable to make alternative provisions for bus parking. In December 2009, LG, Delhi directed the DDA

³ Although the zonal plan has been approved, the notification is yet to be issued

⁴ Permitted recreational uses include green stretches, bio-diversity park, forest, botanical park/ herbal park, science park, theme park etc. without pucca / permanent construction

to place the matter to change the land use of this site for Bus Depot in the Zonal Development Plan for Zone 'O' before the Authority.' DTC also sent a letter to DDA requesting for change in land use.

The management while confirming the facts (December 2010) stated that the DTC was presently using the depot for operation and maintenance of 800 buses and if the facility cannot be used by DTC, expenditure would in any case be reimbursed by the DDA, therefore the question of expenditure going waste did not arise. Further, the GNCTD in their reply (December 2011) added that the structure built and the facility developed were either temporary or semi-permanent type including carpeting of the parking area with bituminous surface and the approval of DDA was neither required nor obtained.

The above reply confirms Audit's view that the expenditure incurred on construction of the bus parking would be rendered wasteful even if not reimbursed by DDA and the fact remains that the stated objective of Zone 'O' was not realised. Moreover, the structure is violative of the zonal plan and includes permanent structures like workshop, baggage scanning work, washing pit with underground tank, bituminous road, boundary wall, sub station and high mast light costing about ₹ 47.90 crore.

9.3 Power services

9.3.1 Power Generation

GNCTD planned to commission a new power plant at Bawana to make available 1250 MW of power before the Games, on the grounds of increasing dependence on own sources of generation from the current 17 *per cent* to 50 *per cent*. The target, was however, not met, as the 1500 MW Bawana gas based power project was delayed (by eight months as of October 2010, despite an expenditure of ₹ 2330 crore) for the following reasons.

- After the Pragati Power Company Ltd (a GNCTD PSU) put up a proposal for the project in 2003, the Cabinet of GNCTD finally approved the setting up of the 1000 MW power plant at Bawana under government execution only in November 2006. GNCTD took over three years to decide whether the project should be Government funded, private funded or a PPP, as also whether to set up two power plants at Bawana and Pragati Maidan or a single plant at Bawana.
- The turnkey contractor, BHEL, who was awarded the work in April 2008, could not reportedly mobilise adequate resources at the site.

Consequently, the Ministry of Power allocated additional power supply of 100 MW to GNCTD for the CWG period (after taking into account internal and external sources of power) from the unallocated power of the central generating stations of the Northern Region.

9.3.2 Power transmission

The total capacity of 220 KVA electrical sub-stations was targeted to be increased from 6920 MVA in 2009-10 to 12,340 MVA by 2011-12. As a first priority, Delhi Transco Ltd. (DTL), a GNCTD PSU, took up projects of setting up five 220 KVA electrical sub stations (AIIMS, Ridge Valley, Electric Lane and Masjid Moth and Airport Complex) and 7 corresponding cabling projects in south and central Delhi, to strengthen the power supply position for completion in time for the Games.

Most of these projects were awarded very late (in the second half of 2009) and could not be completed before the Games. Only two (Ridge Valley and Airport Complex,) out of five sub-stations were completed and two (Ridge Valley to Naraina and Bamnauli Mehrauli (LIL0 at Airport complex) out of seven cabling projects had been completed. Reasons given by DTL for delay included non-availability of land and permission for cutting trees from the Forest Department; clearances from GAIL and other civic agencies, unprecedented rains, traffic permissions etc. These hindrances, together with delayed award, made delayed completion almost inevitable.

Audit observed that the contract award process was not transparent, as DTL had applied conditions inconsistently to award contracts to bidders as discussed below:

Irregular tender evaluation for construction, testing and commissioning of 220 KV GIS at Ridge Valley leading to selection of favoured bidder

In response to the global (ICB) tender for supply erection, testing and commissioning of 220 KV GIS Ridge Valley floated on 14 November 2006 with date of submission of bid document as 29 January 2007, 8 bidders submitted their bids.

DTL amended a clause asking for compliance with latest International Electro-technical code (IEC) relating to type test. As a result, three parties submitted the techno-commercial bid. M/s Hyosung, Korea was the lowest and the contract was awarded to them at a price of ₹ 77.87 crore. Audit found that after awarding the contract, type test was waived. It is observed that if the management of DTL had waived the condition of type test before award of contract L-1 would become L-2. The difference amounted to ₹ 2.84 crore.

The work was awarded to M/s Hyosung Corporation Ltd on 12 March 2008 with the completion period of 18 months. The sub-station was energized on 17 September 2010. Some electrical and civil work is still not completed even after 15 months of scheduled date of completion. The Company has provisionally released the Liquidated Damages (LD) of an amount of ₹ 1.32

crore without any justification. This shows undue favour to the contractor and resulted into loss of ₹ 1.32 crore to the DTL.

The GNCTD in their reply stated that the terms and conditions of the tender clarify that for the purpose of tender evaluation, the charges of type test shall be included, however, the type test may be conducted or waived at the discretion of DTL based on the technical requirement.

Further on the issue, it was stated that the type test condition was kept in the tender keeping in view the situation that if a firm which has not supplied the equipments in India becomes L-1, then it would be prudent to get their equipment, in GIS sub-stations type tested. If type test was not included in the tender, then a situation could have arisen when the type test cost is added to the offer of these firms and they may become L-2 and L-3 post bid. Since before opening and finalization of the tender the L-1 would not be known hence it would not be possible to know whether the type test would be required to be done or not. This will only be known after L-1 is selected. This is why the condition of type test was incorporated keeping in view that if not required, the same shall be waived off or not waived off depending upon the selected bidder's past record of execution of similar cases in India. In the present case L-1 bidder Hyosung was selected through transparent bidding process and they had already supplied at least two GIS sub-stations, which are functioning satisfactorily in and around Delhi. In fact one of the GIS sub-station was executed by PGCIL on behalf of DTL and paid by DTL.

The reply is not acceptable because if execution of similar cases in India was the criterion for conduct or waiver of type test, it should have been stated so upfront in the NIT, so that the bidders got a chance to quote with full information. In any case the fact of supply of equipment to India would have been known at the time of evaluation of technical bid itself and the L-2 bidder Areva, France was technically qualified and had supplied atleast 34 GIS systems of 220 KV in the country to NHPC, BNVNL and NTPC. So at the time of comparison of financial bids, its type test should also have been waived and compared.

On LD it was stated that the execution of project was delayed due to various reasons beyond the control of DTL including non-availability of land from BSES and permission to cut trees from Forest Department and accordingly provisional time extension was given to the party without prejudice to DTL's rights to levy LD as per provisions of contract agreement as well as DTL's delegation of powers. The final decision of levy of LD shall be decided on completion of contract on merit basis, however 15 *per cent* amount is already available with DTL against the contract and as such there is no loss to DTL on this account.

The reply is not tenable, as these facts have not been found recorded in hindrance register at the time of audit. Also initial deduction of LD and

thereafter releasing of LD without any justification and approval from competent authority shows undue favor to the contractor. Further no decision regarding levy of liquidated damages has been taken even after expiry of one year of completion as confirmed in GNCTD's reply of December 2011.

Irregular restriction of competition by reducing the time of completion of work from 18 months (time period for similar project at Ridge Valley) to 12-15 months

In the contract for the 220 KV sub-station at Airport complex, DTL included a restrictive clause in the contract stating that the completion period for the contract should be 12 months in view of CWG-2010, when the previously awarded Ridge Valley stipulated a completion time of 18 months. Accordingly, bid of M/s Areva was rejected as it had stipulated a completion period of 18 months. In this work also M/s Hyosung was the L-1 bidder, but actually took 21 months to complete the project.

The GNCTD replied in December 2011 that the completion period had already been standardized as 12-15 months range for all 220 KV sub-station projects. Accordingly, tender for Ridge Valley as well as Airport sub-stations were floated with standard completion period of 12 months. However, completion period of Ridge Valley project was changed to 18 months on the request of prospective bidders in the pre-bid conference. No such request for change of completion time period was received from prospective bidders in case of airport sub-station and hence it was retained as 12 months.

The reply is not acceptable as the contractor could not complete the work within the 12 months timeframe assured by him, taking 21 months, which shows that the clause was restrictive to keep out competition and favour a particular bidder.

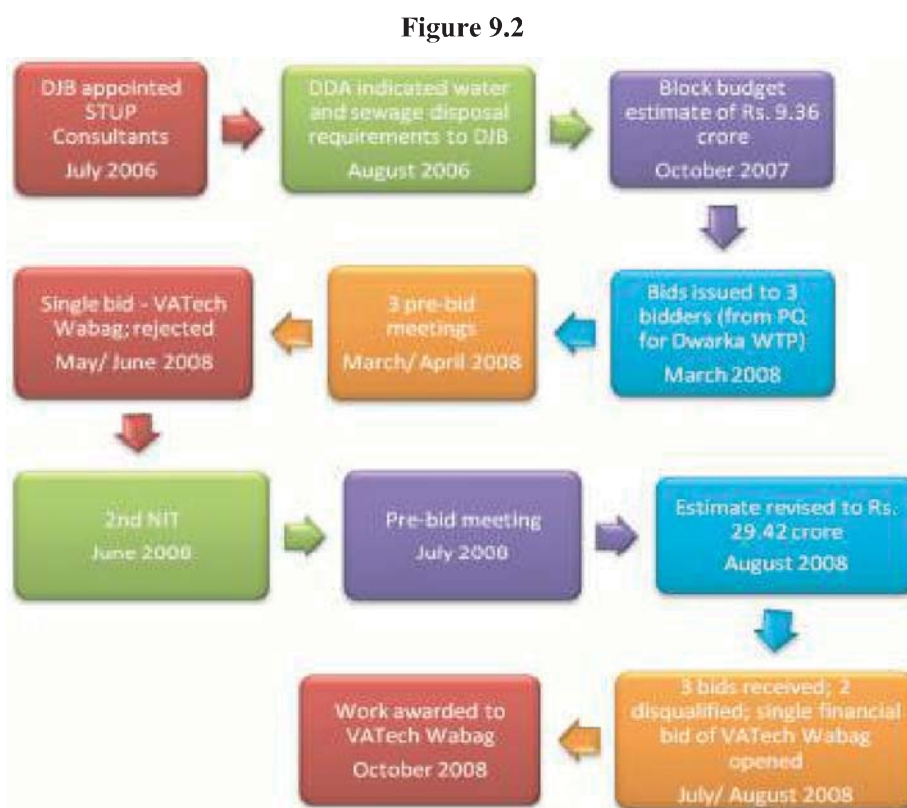
9.4 Other infrastructural facilities

9.4.1 Construction of 1 MGD Water Treatment Plant by DJB

In August 2006, DDA indicated its requirements of water and sewage disposal of 1 MGD and 0.80 MGD respectively for the Games Village, Akshardham Temple and surrounding areas to the Delhi Jal Board (DJB), and asked them to make necessary arrangements. Incidentally, DJB had already decided to set up a separate 1 MGD Water Treatment Plant.

A contract for setting up a 1 MGD Water Treatment Plant (WTP), with membrane filtration technology was awarded by DJB to VA Tech Wabag in October 2008 at a cost of ₹ 28.20 crore, with an additional ₹ 7 crore for 1 year of Defect Liability Period (₹ 1.56 crore) and 3 years of operation and maintenance (₹ 5.44 crore). The WTP was scheduled for completion by January 2010. Figure 9.2 depicts the chronology of events.

Figure 9.2 : Chronology of events for award of work for construction of WTP



The WTP was over designed for the following reasons:

- **The need for a separate 1 MGD WTP was not clear** - DDA indicated its water and sewage disposal requirements for the Games Village, Akshardham Temple in August 2006 and asked DJB to make necessary arrangements; it did not specifically indicate the need for a separate 1 MGD WTP. There was no evidence of a formal request from DDA for construction of a separate WTP. Incidentally, DJB had already engaged STUP Consultants in July 2006 itself for a separate 1 MGD water treatment plant. DJB's reply that the plant was constructed to create an independent source of water free from dependence on external sources "*as the Sonia Vihar WTP is dependent on Uttar Pradesh for its supplies*" is unconvincing.

In its reply GNCTD stated that the Sonia Vihar water was not considered absolutely safe against any possibility of disruption due to accident /sabotage as it was carried through a long transmission and distribution network and it would not have met the requirement without further treatment. Accordingly, dedicated WTP was planned based on ground water sources and Sonia Vihar

water was used as a standby source. It was also claimed that the WTP had a legacy value as it was to serve the DDA complex post Games.

The reply is not acceptable as DDA had only projected its water requirement and did not ask for a dedicated WTP at Games Village. Government could not provide any documentary evidence in support of its contention that the Games Village would require water of higher standard quality than was being supplied from Sonia Vihar WTP. The need for a separate WTP remains questionable even after the Games as plant was shut down for three months and currently running at 50 per cent of its capacity.

- **Over-designed plant with expensive membrane filtration technology -**

The water quality requirement was specified as conforming to WHO standards. However, the technology for the WTP was subsequently changed in 2008-09 to membrane filtration technology, on the purported grounds of a “green project with zero discharge”. Audit got the source water⁵ tested in January 2011 for 14 parameters indicated in the NIT of June 2008, and found that all parameters (except for total hardness) were met. Such hardness could have been easily treated with the lime and lime-soda softening process, in accordance with the Ministry of Urban Development’s Manual on Water Supply and Treatment (which is based on WHO standards). DJB’s argument that higher treatments were necessary to bring the water to WHO standards, particularly of turbidity below 0.5 NTU, is not tenable. WHO standards have left the level of turbidity undefined, since it is material only for effective disinfection of water; otherwise, water with turbidity of 5 NTU or less is usually acceptable to consumers⁶. Further confirmation of the plant’s overdesign is derived from the fact that the proof of experience accepted in respect of VA Tech Wabag (the single and winning bidder) was that of a fully automated “Treated Refinery Effluent Recycle Plant”, and not a mere Water Treatment Plant.

In its reply GNCTD stated that it normally constructed WTPs for treatment of surface water. In this case, the source of raw water was through a Ranney Well and few tubewells which contained high chemical contents such as iron, ammonia, dissolved solids, hardness etc. The parameters existing in the raw water sources were analysed over a period from 2003 to 2008 and the treatment process was finalized to bring the parameters within the prescribed limit based on examinations of the variations / trends of these parameters. Regarding water quality of the source tested by Audit in January 2011, DJB contended that the samples from Ranney Well were drawn by audit while the same was not in regular use for the last two months resulting in stagnant water

⁵ Ranney Well P4

⁶ water tests showed the turbidity less than 1 NTU.

which could not represent the true parameters of raw water. The testing as carried out by Audit was not relevant according to the reply of the Government. Regarding turbidity it was stated that the acceptable limit of median turbidity as per WHO guidelines was below 0.1 NTU however DJB decided to keep the turbidity value as 0.5 NTU. The WTP was designed as per the requirement of an international sports meet as guided by the source water quality parameters.

The reply is not tenable as any international sports meet should not require any specific design for WTP and the parameters of raw water collected by Audit were of raw water source available at the time of testing. The reply did not explain how the sample collected by Audit did not represent the true parameters of raw water, in case the Ranney Well was not in regular use. Moreover, WHO standards have left the level of turbidity undefined. Also, in general the water quality reports of the drinking water reservoirs of Delhi (UGR Majlis Park 2, Nangloi 35 and Bhagirathi 3) show that the turbidity of water ranged between 2 and 4 NTU. That the plant was over-designed is also borne out by the fact that the proof of experience accepted for M/s VA Tech Wabag by DJB was that of “a fully automated Treated Refinery Effluent Recycle Plant (TREP) on turnkey basis including civil works for generating demineralised quality of water suitable for process/boiler feed for power generation from the treated effluent”. The major process equipments involved were “solids contact clarifier with lime handling system, dual media filters, ultra filtration plant, micron filtration, reverse osmosis blocks (primary, reject and permeate blocks) followed by degasification and the final polishing mixed bed exchangers with regeneration and tank ages system”.

Further, the award of the contract to VA Tech Wabag was also flawed and irregular for the following reasons:

- **Undue and inexplicable delays -**

The entire process took an unduly long 26 months from July 2006 (appointment of consultants) to October 2008 (award of work). In particular, between August 2006 and March 2008, there was practically no progress, except the approval of a block estimate in December 2007. However, there were two rounds of tendering, with only a single qualified bidder (VA Tech Wabag).

- **Injudicious evaluation of bidders -**

In the second round of bidding, DJB took an unduly harsh stand in disqualifying one bidder (Triveni Engineering and Industries) and an unduly lenient stand in holding VA Tech Wabag eligible. Triveni submitted experience of three projects; all three projects were rejected - one was rejected for not being commissioned in the last seven years, the second was rejected for not submitting certificate in support of experience of successfully commissioning a EPC/DB/DBO contract, and the third was rejected as the

capacity of the plant was 3.24 MLD (which fell short of the required 4.5 MLD). VA Tech Wabag submitted experience of only one project - an IOCL project commissioned in October 2006. Going by the same strict standards, this plant did not meet the NIT criterion of being in operation for at least one year after the Defect Liability Period (DLP) as on 30 May 2008. DJB's records failed to contain any details of the DLP (which would normally be 1 year)⁷; consequently, such experience would be invalid.

In its reply GNCTD stated that M/s VA Tech Wabag Ltd. had submitted performance guarantee test run after it commissioned IOCL project in October 2006 as per the relevant contract. Thereafter the firm performed O&M of the plant commissioned on 19th December 2006. The reply also referred to the High Court Decision on the eligibility of M/s VA Tech Wabag Ltd. and ineligibility of M/s Triveni Engineering in the case.

The fact is that Audit did not contradict High Court's decision in any manner. It was pointed out that DJB did show leniency towards M/s VA Tech Wabag Ltd. as far as the firm having experience of 1 year O&M after DLP in strict sense of NIT is concerned.

• **Increase in estimate just before bid receipt-**

The estimate for the WTP was increased from ₹ 9.36 crore (as per the December 2007 block estimate) to ₹ 29.42 crore on 26 August 2008, just three days before opening of the single financial bid of VA Tech Wabag on 29 August 2008. VA Tech Wabag's bid was for ₹ 45.42 crore. DJB arrived at a suggestive (justified) cost of ₹ 32.59 crore, and the price was negotiated down to ₹ 35.20 crore (which was within 10 *per cent* of the justified cost).

GNCTD stated that a block estimate was first approved for ₹ 9.36 crore without a specific choice of technology. Later it was intended that state of art technology should be chosen for treatment of water from Ranney Well and tubewells in the bed of river Yamuna. At the time of tenders the precise cost estimates were not prepared. It was however claimed that a rough cost of ₹ 18 crore was assumed, though not specifically recorded, for the financial eligibility criteria. The suggestive cost was worked out at ₹ 29.42 crore before opening of bids that was subsequently reworked out to ₹ 32.59 crore at the instance of Sub Technical Committee due to some omissions in the suggestive cost as worked out by the consultant. The contention of the GNCTD does not contradict the Audit observation pointing out that the suggestive cost was amended after opening the bid which was for ₹ 45.42 crore.

⁷ In the exit conference, DJB attempted to re-interpret the clause to mean operation and maintenance for one year, after completion of a Peak Guarantee Test (and not DLP): this is not borne out by the wording of the NIT.

The WTP was “substantially completed” in June 2010, although no completion certificate was on record. DJB failed to levy liquidated damages (LD) of ₹ 2.82 crore on the contractor.

GNCTD stated that there were hindrances like tree cutting, shifting of plot, confirmation of plot layout by DDA, modifications in the raw water pipe line routing, access to working front and coordination with different agencies working simultaneously at the site. It was further informed that EOT upto 19 September 2010 to the firm had been allowed without levy of compensation.

The reply is not acceptable as the work should have been awarded after ensuring free site. Moreover, the hindrance registers (civil and electrical) for the project did not have any record of such hindrances at the time of audit.

The WTP was run only during the Games period, and is currently running at 50 *per cent* of its capacity for want of demand. DDA’s estimated requirement of water for the Games Village was just 0.27 MGD (out of the total of 1 MGD). The balance requirement was for hotels and other facilities (which have not come up) and the Akshardam Temple (which is still not connected to the WTP). Further, there was an additional connection from the distribution line of the Sonia Vihar WTP as a standby arrangement, which would have met the needs of the Games Village.

In its reply GNCTD stated that during Games the plant normally treated 0.50 MGD of water with peak treatment of 0.70 MGD and that plant remained idle from 11 November 2010 to 16 March 2011 as there was no demand of water from DDA. DJB started running the plant by treating 0.50 MGD water w.e.f. 17 March 2011 and utilizing the water in DJB network.

The reply is in effect acceptance of audit observations made in the preceding paragraphs that there was no specific need of a separate WTP for the Common Wealth Games Village.

In short, the 1 MGD Water Treatment Plant awarded at a cost of ₹ 35.20 crore was over-designed and overpriced, with a flawed bid evaluation process. The requirement for this plant on a legacy basis is questionable, and the plant is currently underutilised. Further, DJB has a liability of fixed O&M costs, totaling ₹ 7 crore, till 2013. DDA has not raised any infrastructure charges on Emaar MGF for its share of the cost of the WTP, although Emaar MGF indicates in its advertising brochure that the residential complex has a dedicated WTP.

In its reply GNCTD intimated that DJB had already raised the demand to DDA for payment of cost of WTP. The facts remains that DDA has not paid or made any commitment to pay the cost as of yet.

9.4.2 Construction of a 1 MGD Sewage Treatment Plant by DJB

DJB awarded a contract for setting up a 1 MGD Sewage Treatment Plant (STP), with Membrane Bio-Reactor (MBR) technology, to UEM India Ltd. in October 2008 at a cost of ₹ 24.75 crore, with an additional ₹ 7.20 crore for operation and maintenance of 10 years. The STP was scheduled for completion by November 2009.

As in the case of the WTP, there was an undue delay in the case of STP also till March 2008, when block estimates of ₹ 23.42 crore were prepared. The STP commenced its operation w.e.f. August 2010 without the issue of completion certificate. DJB failed to levy liquidated damages (LD) of ₹ 0.92 crore on the contractor.

In its reply GNCTD stated that the project was delayed mainly as DDA provided land in June 2007 and could confirm the capacity of plant only in February 2008. Approval of estimates, tendering etc. could be initiated in March 2008. However, the case for EOT was under consideration and as a precaution ₹ 2.47 crore had been withheld from the bills of the contractor.

The reply is unconvincing as the delay in completion of project was after the award of work in October 2008 i.e. after getting the land and proposed capacity from DDA. The reply does not specifically explain the reasons for non-completion of the project by scheduled date i.e. November 2009.

The STP was to receive sewage from the Games Village and hotels (0.53 MGD), the Akshardham Temple complex and others (0.25 MGD). After the CWG, the STP was getting sewage only from the Akshardham Temple complex. Audit observed that the STP was utilised upto 44 to 70 *per cent* of its capacity between August and October 2010. After 31 October 2010, for a short period of time, utilization was nil due to non evacuation of the effluent from the plant by the DDA (a pre-condition for operating the STP). Consequently, the sewage from Akshardham was diverted to Mandawali pumping station (which was already operating at its full capacity of 45 MGD), leading to discharge of untreated sewage into the Yamuna.

Thereafter, the STP remains grossly under-utilised (less than 17 *per cent* of its capacity). Without adequate utilisation, the required quantity of Mixed Liquor Suspended Solid (MLSS) bacteria (needed for proper treatment of sewage) was not sufficiently maintained, defeating the purpose of installing a MBR STP. During the exit conference, DJB indicated that they were bringing sewage from elsewhere and injecting into the STP for this purpose.

In its reply GNCTD admitted that the plant was under utilized after the Games as there had been no habitation in the Games Village. Only the sewage from Akshardham temple was being received and treated.

DJB raised a demand of ₹ 32.70 crore⁸ on DDA which included ₹ 10.58 crore in respect of the residential complex of the Games Village. However, DDA paid ₹ 24.75 crore to DJB between February 2008 and March 2010, and raised a demand for ₹ 10.58 crore on Emaar MGF only in July 2010, which is yet to be recovered.

GNCTD, in its reply confirmed the facts about non-receipt of the outstanding amount from DDA and informed that the demand had been raised.

9.4.3 Award of security contract for WTP and STP to IL&FS

In April 2010, DJB awarded a contract for security arrangements at the WTP and STP at the Games Village to IL&FS at a cost of ₹ 0.42 crore, which was increased to ₹ 0.75 crore in August 2010 through an additional work order.

The work was awarded on nomination basis without inviting tenders and without recorded justification of the exceptional circumstances for such award.

In its reply, DJB stated that as the decision for security of WTP and STP was taken by the government at a very late stage, there was no time for tendering. It further added that it did not have IT experts for preparing estimates and detailed specifications. While accepting that approval for awarding the work on nomination basis was not sought on file, DJB stated that the work was awarded to M/s IL&FS after due diligence and consideration of all relevant issues as the matter was urgent. DJB's contention of urgency is untenable, since GNCTD had decided in February 2008 itself to provide security at these sites.

9.5 Creation of Park and Ride facility at Safdarjung Airport by NDMC

In August 2009, NDMC proposed the creation of a Park and Ride and holding facility at Safdarjung Airport with a parking area of 170000 sqm, as per the approved traffic plan for CWG-2010. The facility was to cater to the traffic during CWG-2010 events at JLN stadium and thereafter be dismantled to restore the Safdarjung Airport area to its original position. In October 2009, while approving the proposal for ₹ 31.25 crore, EFC observed and advised that the dismantling of assets should be kept at minimum.

- Audit observed that out of the expenditure of ₹ 38.37 crore incurred on creating the temporary park & ride facility, ₹ 20.48 crore was on assets some of which have been dismantled and others to be eventually dismantled; This is not in line with EFC approval as more than 53 per cent of expenditure was without creation of any asset.

⁸ ₹ 4.75 crore in September 2007 and ₹ 27.95 crore in November 2009

NDMC replied that the airport area was to be restored to its original state after the Games therefore concrete pavers were used so that the same could be reused after removal. The reply is not acceptable as Audit has already taken into account the utilization of concrete paver blocks, jersey barriers, signages, public utility structure etc valuing ₹ 17.89 crore.

- In addition, out of 48 lakh paver blocks costing ₹ 12.13 crore laid in parking facility, 35 lakh paver blocks valuing ₹ 8.45 crore were to be dismantled and reused by DTC and remaining were stated to be retained for use by AAI/NDMC. The dismantling was to be completed within three months from completion of the Games, however, till November 2011 only 4.10 lakh (12 *per cent*) paver blocks out of 35 lakh paver blocks have been lifted by DTC.

NDMC replied DTC has been repeatedly requested to take away the interlocking paver blocks urgently. Now DTC has asked NDMC to shift pavers at different locations in DTC depot for which the cost will be borne by DTC. The fact remains that the area has not been brought to its original condition as required and Airports Authority of India has also warned NDMC that it would levy demurrage charges against NDMC as construction material lying in airfield is a safety hazard for aircraft operations.

- The work of laying roads and interlocking paver blocks is normally executed by NDMC, however, ₹ 0.13 crore was paid to CRRI and Design Action Group for consultancy services for park and ride facility.

NDMC replied that there was need to have a specialist consultant to give design and specifications for huge parking lot of 170000 sqm catering to 3000 cars, 6000 two wheelers and 450 buses. The reply is not acceptable as GNCTD has also objected to the inclusion of payment of consultancy charges in the revised proposal.

- No Liquidated Damages (LD) for delay on the part of contractor (M/s K. R. Anand) was levied against contractor on the plea of delay due to VVIP movements/security instruction from MHA. Audit observed that, out of total delay of 70 days, delay of 24 days was attributable to VVIP movements/ security instructions by MHA and remaining 46 days delay was on contractor's part for which LD of ₹ 0.71 crore should have been levied. The major reasons recorded in hindrance register were rains /bad weather, that do not hold good since the works were initially to be completed in mid July before the onset of monsoons.

NDMC replied that no compensation was levied against contractor since delay was not on the part of the contractor. Majority of work was completed before 16 July 2010 but as per security instructions issued by MHA certain activities

like installation of fencing jersey barriers and signages were to commence three weeks before commencement of the Games. The reply is not acceptable as progress of work was slow and NDMC issued a show cause notice to the contractor on 16 July 2010 for wrongful delay/slow progress of work. Further while calculating the LD of ₹ 0.71 crore Audit has already considered the hindrances due to VVIP movements/security instructions.

- An amount of ₹ 30.33 crore against total contractual value of ₹ 31.60 crore (including additional work of ₹ 0.98 crore) has been paid to M/s K.R. Anand till September 2011 despite the fact that the second phase of work i.e. restoring area to its original form by dismantling paver blocks, GSB and WMM laid underneath the pavers is yet to be completed.

NDMC replied that final payment to M/s K.R. Anand will be made after completion of work. Sufficient amount has been withheld as part payment and other heads. The payment will be made to contractor after completing all codal formalities. The second phase of work is held up due to non lifting of paver blocks by DTC. The reply is not acceptable as more than 95 *per cent* payment has already been made to the contractor despite non completion of the work.

- The contractor (M/s Fiber Fill) engaged for constructing public utility services was technically ineligible at the time of opening of financial bids. The required experience certificate was received post opening of financial bids; and the other bidder (KR Anand) who was otherwise eligible, was declared ineligible.

NDMC replied that as per CPWD Memorandum, the value of executed works can be brought to the current level by enhancing the actual value of work at the simple rate of 7 *per cent* per annum calculated from the date of completion to last date of receipt of tenders for works executed. M/s K.R. Anand did not submit mutual agreement with M/s Pooja Enterprises. The reply is not acceptable as enhancing to current level is to be applied for completed works. The completion certificate proving the eligibility of M/s Fiber fill was received by NDMC on 16 February 2010 i.e. after opening of technical and financial bids. MOU submitted by M/s K.R. Anand was on stamp paper duly signed by M/s Pooja Enterprises confirming its association for execution of electrical work.

- DCE was engaged TPIQA on offer basis for a fee of ₹ 0.38 crore, but no agreement determining its scope of work and terms of payments linked to milestones achieved by the contractors was signed. DCE was contracted to be paid ₹ 3.58 lakh in excess of 1 *per cent* of tendered cost as sanctioned by EFC.

NDMC replied that Delhi Government sanctioned additional amount of ₹ 8.75 crore and the payment to TPIQA was within 1 *per cent* of total sanction of

₹40 crore. The obligatory service tax over the fee was paid to TPIQA. The reply is not acceptable as TPIQA was engaged for main civil work and Public utility structure work and TPIQA fee @ 1 per cent on tendered cost of ₹ 34.80 crore works out to ₹ 34.80 lakh against which ₹ 38.38 lakh was to be paid. Further as evident in the TPIQA contract for Talkatora & Shivaji Stadium consultancy fee is inclusive of taxes in NDMC contracts.

- Integrated Security System was provided at temporary parking facility at a cost of ₹ 2.45 crore, out of this the non legacy equipments worth ₹ 2.08 crore were to be removed for utilization by NDMC.

NDMC replied that non legacy equipment have been handed over to security branch of NDMC for their proper use in due course and NDMC is in process of utilising the same. The fact remains that equipment have not been utilized so far.