

Chapter-4 Streetscaping and Beautification of Roads around CWG Venues

Streetscape generally refers to urban roadway design and conditions as they impact street users and nearby residents. Streetscapes are an important component of the public spaces where people interact, which helps define a community's aesthetic quality, identity, economic activity, health, social cohesion and opportunity and not just its mobility.

Streetscaping programmes are an important component of the efforts to redevelop urban areas and include changes to the road cross section, traffic management, sidewalk conditions, landscaping (particularly tree cover), street furniture (utility poles, benches, garbage cans etc.), building fronts, improving signages, and materials specifications.

4.1 Planning for streetscaping/beautification in Delhi

4.1.1 Lack of overarching vision

One of the objectives of CWG-2010 was the development of city infrastructure. GNCTD decided in 2004 to implement streetscaping and beautification of Delhi roads before CWG-2010. The project remained more or less dormant till May 2008, when GNCTD initiated the process for the selection of consultants.

Audit found no evidence of GNCTD having conducted detailed studies of experiences/ of streetscaping projects in Indian/ world cities, and their impact on the local community. Further, although preserving, developing and maintaining the aesthetic quality of urban and environmental design within Delhi is clearly within the remit of the Delhi Urban Art Commission (DUAC), GNCTD did not consider it necessary to obtain clearances from DUAC for implementation of the streetscaping/ beautification project. Also, considering that traffic management is a key component of streetscaping projects, there was no evidence of consultation with the Traffic Police at an appropriately early stage to assess and co-ordinate the impact of this project on the management of the huge volumes of Delhi traffic.

Thus, the streetscaping and beautification project was conceived without a broad vision and purpose. The project was implemented at an average awarded cost of ₹ 4.8 crore/Km.

The scope of the project expanded enormously from 2004 to 2008. Initially, it was decided to implement the project in 10 sites around games venues covering 20 km through engagement of consultants. A Board of Assessors (BoA) was constituted in October 2004 who shortlisted (2004) 19 consultants for the job. The scope of the project was subsequently widened, accommodating several roads covering 73.48 km pertaining to:

- PWD - 41.08 km;
- MCD - 22.90 km;
- DDA - 2 km;
- NDMC - 3.80 km; and
- DIMTS - 3.70 km.

The streetscaping works were split up into 16 packages (PWD: eight, MCD: two and NDMC: six). Four consultants were engaged for nine packages¹. The scope of work involved survey, preparation of plan/ designs, cost estimation and construction supervision. The consultant selection was finalised as late as May -October 2008, after four years, which, created a situation of urgency in execution of the works.

The venture was a consultant-driven project as department did not provide any common design guidelines, with corresponding budgetary estimates per km of work. The consultants were to draw up designs and estimates for the packages allotted to them.

The department set the target for completing the project before CWG (October 2010). The works were not fully completed before CWG-2010.

In reply the GNCTD stated that DUAC clearance was unnecessary as it was concerned only with aesthetics of structures and all works were done as per street design guidelines issued by the UTTIPEC with active coordination with the Traffic Police. The reply is not convincing because for a project of this magnitude involving beautification of roads of approximately 72 kms, there was no visible overarching plan document.

The GNCTD further maintained that all works were substantially (95 to 100 per cent) completed before the Games.

4.2 Selection of Consultants

4.2.1 Arbitrariness in selection of Consultants

Four consultants were selected (May 2008-October 2008) through four rounds of tenders/negotiations, as evidenced by the chronology of events given below:

Table 4.1 – Chronology of events leading to selection of consultants

Date	Events/Activities
02 May 2008	EoI for the consultancy works (split into three packages) called for from 19 short listed consultants. Two bids received from Parekh Associates (Ahmedabad based firm not on the panel) and

¹ There were 9 packages for the consultants. However, these were re-grouped into 16 packages for award of work.

Date	Events/Activities
	Oasis Designs. Bids cancelled since only Oasis Designs attended the meeting with EIC.
31 May 2008	EoI floated again, grouping the jobs in seven packages. Bids received from the same two consultants – Parekh Associates and Oasis Designs. The BoA considered the firms suitable for only one package each, leaving five packages.
07 October 2008	At the instance of the Chief Secretary, roads in the remaining five packages were regrouped into eight packages (A to H) and third call delivered to 17 of the 20 short listed consultants ² , stipulating allotment of maximum two packages to one consultant. Four consultants (Parekh Associates, Oasis Designs, Pradeep Sachdeva Design Associates and Sikka Associates) participated in the bid. No bids were received for three packages (A, B and G), and one to three bids were received for the remaining packages (C,D, E and F) at values ranging between ₹ 8.26 lakh and ₹ 15.00 lakh per km.
12 November 2008 – 11 December 2008	BoA recommended no further allotment of work to Parekh Associates as they were Ahmedabad based and had no office at Delhi, and for allotment of (at most) one more package to Oasis Designs. Before the BoA, Sikka Associates and Pradeep Associates expressed their willingness for the packages. BoA considered them to be experienced consultants, and recommended for allotting two or more packages each to these consultants.

² Now including Parekh Associates

Date	Events/Activities
	<p>The Consultant Appointment Committee (CAC) accepted the recommendation of the BOA, with the modification that Oasis Design was not be given any further work (apart from the one package allotted on 31 May 2008). Package-E was scrapped. This left only two consultants (Sikka Associates and Pradeep Associates) for the seven packages.</p> <ul style="list-style-type: none"> For these seven packages, quotations were available for only two packages, with Sikka Associates quoting for package D and Pradeep Sachdeva Design Associates for packages C and D. Although the NIT prohibited allotment of more than two packages, the Chief Secretary approved allotment of more than two packages to a consultant. It was decided to allot package D to Sikka Associates (since there were multiple bids for this package). For the remaining six packages, the two consultants submitted financial bids within one day. Based on the financial bids, two more packages were allotted to Sikka Associates (A and C) and four to Pradeep Sachdeva Design Associates (B, F, G and H) at negotiated rates, without specifying the technical works to be done.

In all, Pradeep Associates and Sikka Associates were allotted four and three packages respectively Parekh Associates and Oasis Designs one package each³. Audit observed that Sikka Associates and Pradeep Associates submitted bids at the behest (12 November 2008) of the BoA for the additional packages (13 November 2008) in one day's time. No technical bids were submitted. The negotiated rates were approved by the CAC without any preliminary estimate/justification of rates and conceptual plan; these negotiated rates for the six packages ranged between ₹ 10.39 lakh and ₹ 12.50 lakh per km. In all, the consultants were engaged for the streetscaping works at a cost of ₹ 9.20 crore (averaging ₹ 12.5 lakh/km). The Administrative Approval and Expenditure Sanctions were accorded by Government on post contract stage (December 2008/April 2009). Although the process of short listing of consultants was initiated in 2004, the process was unduely delayed up to December 2008. On the ground of urgency, consultants were then selected by direct negotiation. The extra cost on engagement of consultants at variable

³ There were 9 packages for the consultants. However, these were re-grouped into 16 packages for award of work.

rates, excess payment on account of less execution of work and non-levy of LD was ₹ 1.65 crore.

Thus, the selection of the consultants was arbitrary and non-transparent, since six packages were assigned simply on the basis of financial quotations and negotiation with two consultants, that too, without specifying the technical works to be done.

GNCTD stated that in view of the urgent need to appoint the consultant quotations were obtained from M/s Sikka Associates and M/s Pradeep Sachdeva Designer Associates on 13 November 2008 for the packages for which they had not bid earlier. Thus the facts have been accepted by the Government.

Reply is not convincing as the shortlisting of the consultants was completed in 2004 whereas actual selection was commenced as late as in May 2008. Thus, the urgency is not justifiable. Moreover, as per Manual of policies and procedure of Employment of Consultant, the appointment of consultant through direct negotiation does not provide the benefits of competition with regards to quality, cost and transparency.

Regarding extra cost on engagement of consultants at variable rates, it was stated that the rates of different stretches cannot be identical as the work required in different stretches was different and that the minimum rate of M/s Sikka was exceptional. The rates were consistent with the rates received from the earlier call of tenders. The reply is not acceptable because while tendering no differentiation was made between different stretches and rates were received in general per km of road. If stretches were to be treated differently the department should have called the tenders with appropriate specifications. Therefore the decision itself was unsound as the consultants had not communicated their designs and the department was unaware of the specifics.

Regarding non-levy of LD it was stated that levy of compensation is subject to decision of the authority competent to extend time and final action is yet to be taken in this regard.

4.3 Cost estimation for works

Out of the total estimated cost of ₹ 209.14 crore for the eight packages (PWD portion), 49 *per cent* (₹ 101.71 crore) of the cost was on items with costs based on the Delhi Schedule of Rates (DSR) and remaining 51 *per cent* (₹ 107.43 crore) on items with costs on Market Rates (MR)/Analysis of Rates. It was found that the MR were generally not supported by any quotation, indicating that the estimates were not a true reflection of the prevailing market rates and thus, were not reliable.

As pointed out earlier, the department did not provide any common design guidelines with corresponding target budgetary estimate per km of streetscaping work. The consultants formulated plans / designs and

specifications for the works. The CEs while according technical sanction, did not undertake a comparative examination of the plan/design and cost estimates (prepared by the consultants) across the eight packages with a view to bringing in a broad level of uniformity in design/specification and cost of execution. This resulted in adoption of different specifications and rates for identical items of works.

The retired Directors of CPWD appointed as Advisor to the PWD observed that the consultants had not gone into the engineering details and suggested dispensing with various unnecessary/unwarranted works during implementation of the Projects. This was not accepted, and the projects were implemented as suggested by the Consultants.

Audit observed that due to lack of uniformity in specifications, furnishings/components and rates between the estimates, the per km cost of the works ranged between ₹ 3.14 crore (roads around various games venues) and ₹ 8.27 crore (Ring Road from Ashram to Bhairon Marg Crossing).

The streetscaping works were finally awarded at per km costs ranging from ₹ 3.63 crore to ₹ 9.75 crore with an average cost of ₹ 5.32 crore. By contrast, NHAI adopts an estimated cost of ₹ 9.50 crore/ km for construction of a four-lane highway, and Indian Railways' estimated cost of construction of a railway track is around ₹ 4.1 crore/ km. Clearly, costs of this magnitude spent on streetscaping and beautification were prohibitive and represented a waste of public money.

Incidentally, the per square metre cost of surfacing the footpath varied significantly between roads, averaging ₹ 717 for paving with normal paver blocks, ₹ 1450 with vitrified tiles and ₹ 2679 with polished granite.

Department stated that estimates were prepared by consultants and were duly scrutinised by the department before accord of technical sanction by the respective competent authorities. Reply is not tenable because as per paragraph 2.5 of CPWD Manual 2007, a technical sanction amounts to a guarantee that the proposals are technically sound and that the estimates are accurately prepared and are based on adequate data. Also, streetscaping was one project and it was the prime responsibility of the departmental engineers to comply with the above rule in assessing the actual rates and specifications required for the items and follow common specifications and technical parameters across all the packages to ensure economy, efficiency and effectiveness in execution of the project, especially since external consultants had been engaged for providing the streetscaping design. Further, since all the zones were under the technical control of EIC, comparison across the zones should have been administratively ensured.

GNCTD stated (December 2011) that cost per km cannot be compared package-wise. It will vary for different roads as per work required to be done in the same package and also for different reaches on the same road. As

different designs were approved for different consultants/ packages, hence uniform design was not adopted for all packages. It was also stated that comparison with altogether different works like highways of NHAI would not be fair.


GNCTD's views can be appreciated as far as difference in design and requirement of work to be done on different roads is concerned. However, considering the scope and volume of the work, government should have conducted a preliminary study and issued general guidelines for the designs to be adopted for ensuring economy in the work. Moreover, as per paragraph 2.5 of CPWD Manual 2007, a technical sanction amounts to a guarantee that the proposals are technically sound and that the estimates are accurately prepared and are based on adequate data. Also, it was the prime responsibility of the departmental engineers to comply with the above rule in assessing the actual rates and specifications required for the items and follow common specifications and technical parameters across all the packages to ensure economy, efficiency and effectiveness in execution of the project. Further, since all the zones were under the technical control of EIC, comparison across the zones should have been administratively ensured.

4.3.1 Adoption of Richer Specifications/ Higher Rates/Short Recovery


Audit observed that consultants increased the cost of the project at the estimation stage by providing richer specifications and higher rates for various items of work, overlooking/by-passing the provisions/specifications of DSR, MoRTH, CPWD Manual and IS codes.

The consultants' estimates were cleared by the various levels upto the CE. High cost bids were approved by the Works Advisory Board (WAB) by way of irregular justification of the quoted rates at the tender stage. This resulted in loss of ₹ 59.60 crore to the Government as summarised in Table 4.2:


Table 4.2 – Adoption of Richer Specifications

Sl No	Item of work	Audit Finding	Financial Impact (₹ in crore)
1.	Use of granite and vitrified tiles for footpath	 <p>Granite Paving</p> <p>GNCTD decided (July, 2008) that the pavement for pedestrian walking should be constructed with coloured cement concrete (CC) paver blocks. The consultants, however, proposed for use of gang saw cut mirror polished machine cut granite prescribed in the DSR for kitchen platforms, vanity counters, window sills and similar locations. The basic cost of granite in the market (February, 2011) was around ₹1022/ square metre, against which the estimates adopted were ₹ 1500/ ₹ 1765 per square metre. Also against 5 per cent wastage admissible as per DSR for all granite work, the consultants considered the wastage at 15 per cent.</p>	27.37

Sl No	Item of work	Audit Finding	Financial Impact (₹ in crore)
		 <p><i>Vitrified paving tiles</i></p> <p>They also proposed vitrified tiles for paving, in some packages even specifying a particular brand i.e. “Pavit”. The CEs did not point out the discrepancies for rectification before putting the works to tender. This increased the cost of the item of construction of the pavement. The finished rate of Pavit brand tile (16 mm) taking into account the market cost, wastage, overheads and other factors was ₹ 965.24 per square metre (April, 2010), whereas the estimates adopted was ₹ 1854.16 per square metre.</p>	

Sl No	Item of work	Audit Finding	Financial Impact (₹ in crore)
2	Cement Concrete paver block	 <p><i>Cement concrete paver</i></p> <p>As per the specifications prescribed for such work under CPWD and IS code, factory made 50 mm thick paver blocks of RMC M-30 were to be fixed on 50 mm thick coarse sand spread over a hard base. The consultants proposed for fixing factory made CC paver blocks of richer specifications and of excess thickness.</p>	12.34
3	Kerb stone	<p>Director General (Works), CPWD acting as Advisor, PWD, observed that the CC kerb stones on the central verge and the footpaths were in good condition and need not be replaced. The option was ignored and the kerb stones were replaced as suggested by the consultants in nine⁴ packages.</p> <p>Audit observed that the estimates provided for fixing the CC kerb stones of richer specifications deviated from the specifications as per MoRTH.</p>	4.36

⁴ YSC, Africa Avenue etc. Dr Karni Singh, CWG Village, Mall Road, Kisan Ghat etc. Bhairon Marg and two packages of MCD.

Sl No	Item of work	Audit Finding	Financial Impact (₹ in crore)
4	Non Motorised Vehicle lane	 <p><i>NMV lane with obstruction</i></p> <p>The Non Motorised Vehicle (NMV) lanes were executed at a total cost of ₹ 9.36 crore. The designs had deviations from the guidelines issued by UTTIPEC on street design. The NMV lane also did not fully meet the intended objectives due to lack of continuity throughout the length of the roads on account of obstructions like bus stops, plaza and road crossings in the middle of the NMV track. Audit observed that while four⁵ estimates provided for its execution in 150 mm thick CC, roads around CWG village/Mall Road were executed with richer specification of 200 mm thick CC.</p>	1.76
5	Bituminous Mastic wearing course	While the estimate for the work of roads around CWG Village provided for mastic wearing course for 25 mm on the carriageway as per the MORTH and CPWD specifications, five ⁶ other estimates provided it for 40 mm thickness over	3.40

⁵ Dr Karni Singh Shooting Range/ Bhairon Marg to ITO Fly Over/ Ashram Crossing to Bhairon Marg/roads around various games venues

⁶ Kishan Ghat, Bhairon Marg, Ashram Crossing, Mall Road and Dr Karni Singh Shooting Range

Sl No	Item of work	Audit Finding	Financial Impact (₹ in crore)
		the carriageway. Audit scrutiny revealed that such work was executed on Mall Road as an extra item at higher rates.	
6	Dense Bituminous Concrete (DBC)	The estimates for roads around Yamuna Sports Complex (YSC) and roads around various Games venues (Africa Avenue) provided for execution of DBC in carriageway and service roads using 60/70 grade bitumen. However, the estimates for four ⁷ other works provided for using higher specification of bitumen (Polymer Modified Bitumen and Crumb Rubber Modified Bitumen) for the carriageway and service roads. Besides, the DBC was executed at variable thickness ranging between 40 mm and 50 mm.	2.10
		Total	51.33

GNCTD in its reply stated that richer specifications were adopted only at few places to add the element of diversity and meaningful aesthetics and that different consultants put their creative best efforts in utilizing the constrained road space for roads users. It further gave its view on specific audit observation as follows: -

On granite paving it was stated that there was nothing on record about the decision of GNCTD of July 2008 to use coloured paver block, although there was a proposal of the government to that effect. Granite, as proposed by the consultants, was used in the footpath surface where pedestrian density was high, with the approval of the highest authority of the GNCTD. It was also stated that most of the granite has been used for plaza, ramps, table top, entry, auto lane and planters to highlight the features. Regarding 15 percent wastages, it was stated that the percentage was taken where granite was used in curved pattern and that such work had not been actually executed at site, though taken in estimates. Regarding use of Pavit brand tiles it was stated that the estimate has used the words 'Pavit or equivalent' in all except one package. It was further stated that Audit had used the cheapest available group of tiles whereas the consultant has adopted the costlier tiles in view of quality.

The reply is incorrect because as per the minutes of meeting chaired by CS on 16 July 2008 (item no. 2) clearly showed the decision of Delhi Government in this regard. Moreover of the total quantity of the granite of 90,684 square

⁷ CWG Village, Mall road, IG Stadium and Dr Karni Singh Shooting Range

metre, the area covered in plaza, as per estimate, was for 4782 square metre (5 *per cent*) pertaining to Bhairon Marg to ITO (1102 Sqm) and Ashram Crossing to Bhairon Marg (3680 Sqm). Thus, 95 *per cent* of the granite was proposed by the consultants for the footpaths and items related to it, which is against GNCTD's specific decision to use coloured cement concrete paver blocks. The contention of the government on wastage is weak, as taking 15 *percent* wastage in estimates had increased the total estimates even if the work was not actually executed. The contention of the government regarding use of Pavit tiles is also not acceptable as economy was not considered while using a specific brand.

On Cement Concrete paver block GNCTD stated that CPWD Manual provided factory made precast paver block of M 30 or otherwise specified grade to be used and as per IS code thickness 60 mm, 80 mm, 100mm and 120mm would be considered as standard thickness under this specification and that different specifications of paver blocks were prescribed by the consultants depending upon traffic category and merger of cycle track with service lane/main carriageway. However during audit it was noted that the specifications of cement concrete base, granular sub base and thickness/strength of paver blocks significantly varied across the packages irrespective of the nature of traffic.

On Kerb Stone GNCTD stated that at many places, different stretches of same roads were having different profiles of kerb stones. To give uniform and pleasant look along various stretches of the road, Consultants' proposals for improvement in central verge was approved to maintain uniformity. Reply is not acceptable in view of the fact that as per the views of the Advisor most of the kerb stones were in good condition.

On Non Motorised Vehicle Lane GNCTD stated that 90 *per cent* of the construction of NMV was in light of UTTIPEC guidelines, Delhi Master plan etc. to the extent of. The reply of the department confirms the factual position mentioned in the para.

On Bituminous Mastic Wearing Course GNCTD stated that mastic asphalt courses have been provided as per MORTH Specifications which provided thickness ranging from 25 to 50 mm. It further added that Mall Road package did not provide for mastic wearing course item and extra items rates were decided strictly as per the agreement. The reply is not acceptable as different thickness of the mastic wearing course were adopted for different roads without valid justification.

On Dense Bituminous Concrete (DBC) GNCTD stated that work had been executed in different contracts as scope and specifications contained therein after freezing the requirements and specifications and that costing was work based. It further added that PWD was introducing new technology in phased manner. Adoption of technologies as advanced by the government is not

tenable without reasonable justification as the works were executed during the same period and goals were the same. Rather this had resulted in lack of uniformity in specification in execution of works apart from avoidable extra cost.

Table 4.3 – Adoption of Higher Rates/ Short Recovery

Sl No	Item of work	Audit observation	Financial Impact (₹ in crore)
1	Kerb Channel	Compared to the rate of CC kerb channel adopted in the estimate of Yamuna Sports Complex, the estimates for five ⁸ projects adopted higher rates.	0.25
2	Granular Sub Base and Wet Mix Macadam	In five ⁹ packages, It was found that the rates for GSB and WMM were provided at higher rates compared to the rate adopted in the Estimate for Mall Road, compounded by a calculation error resulting in an even higher rate.	0.83
3	Application of tack coat	The rates for the tack coat on bituminous surface/sub base were provided at higher rates in six ¹⁰ estimates compared to the lower rate adopted in Mall Road.	0.54
4	Reinforced Cement Concrete Hume Pipes	The rates of hume pipes were higher in three ¹¹ estimates compared to the rates adopted in the estimate in Mall Road.	0.93
5	Dismantling items	The rates for dismantling the existing works were provided at variable and higher rates in the estimates of YSC and various Games venues (Africa Avenue) compared to other estimates.	0.83
6	Aluminium Composite Panel	The rate for fabricating, supplying and installing Aluminium Composite Panel for the roads around IG Stadium (Bhairon to ITO and Ashram crossing to Bhairon) was incorrectly computed at higher rate.	0.76
7	Cement Concrete items	The analysis was incorrectly derived in six ¹² estimates and fixed at higher rates due to calculation error.	0.54

⁸ Ashram to Bhairon Marg, Bhairon Marg to ITO, Mall Road, CWG Village and Dr Karni Singh Shooting Range

⁹ IG Stadium-3 packages, M B Road and Africa Avenue.

¹⁰ IG Stadium-3 packages, Yamuna Sports Complex (YSC), CWG Village and MB road

¹¹ IG Stadium, Dr Karni Singh Shooting Range and Yamuna Sports Complex

Sl No	Item of work	Audit observation	Financial Impact (₹ in crore)
8	Short recovery for retrieved materials	The cost of the useful materials retrieved out of the dismantled works was to be deducted from the dues of the contractors. This was either not done, or done at a lower rate in five ¹³ estimates.	3.19
9	Geo textile fabric	Three ¹⁴ estimates adopted a higher rate for Geo textile fabric membrane in place of lower rate used in estimate of roads around IG Stadium.	0.40
		Total	8.27
		Grand Total	59.60

GNCTD stated (February 2011) that the inaccuracies in the estimated rates cannot affect the rates quoted by the contractors, as such, no loss can be attributed. The arguments are not tenable as in a percentage rate tender, the bidder can quote only a single figure (*per cent* above or below) for all the items, unlike in an item rate tender where each item is quoted for individually. This makes it essential that the base cost for the items put up for percentage rate tender are consistently and accurately assessed. The CPWD manual also prescribes use of percentage rate tender only in case where most of the items are based on DSR where the costing of the various items has been done by a panel of experts. Any discrepancy in the base rate of an item in a percentage rate tender cannot be easily factored in by the bidder, as he does not have the flexibility of quoting separate rates for different items. A higher cost estimate for any given item will lead to the advantage being passed on to the bidder along with his quoted percentage premium.

Further, the streetscaping work, though executed as multiple packages, was a single project and it was the prime responsibility of the Chief Engineers to follow common rates across all the packages for identical items, especially since multiple external consultants had been engaged for providing the design.

4.4 Tendering process

4.4.1 Use of percentage rate tender instead of item rate in PWD

CPWD Manual provides that percentage rate tenders should be resorted to only when the major part of the estimated cost is based on the Delhi Schedule of Rate (DSR), irrespective of the value of the tenders.

¹² IG Stadium (three packages), M B Road, various games venues and YSC

¹³ CWG Village, YSC, Mall Road, Dr Karni Singh Shooting range and Africa Avenue

¹⁴ Mall road, CWG Village and MB Road

Of the estimates for ₹. 209.14 crore for the eight packages under PWD, 49 *per cent* of the value of the works was estimated at the DSR and the remaining 51 *per cent* at the Market rates/Analysis of rates. Despite the above position, which did not favour the call of percentage rate tenders, the CEs chose to adopt percentage rate tenders.

GNCTD stated that around 62 *per cent* of the items are based on DSR and balance items are based on market rates analysis. Hence, major part of estimated cost put to tender is based on DSR items. It was stated that Audit's contention is based on provisions of CPWD Works Manual 2010 which was issued after commencement of the work under Audit and that CPWD works Manual 2007 also stipulates use of percentage rate tender form for development works. Since the works under audit are development works, use of percentage rate forms is codal and hence justified and percentage rate tenders are easy to award and easy to operate.

Reply of the government that percentage rate was adopted for easy award and operation of the contracts was factually not correct since the department admitted in its reply that the estimate contained (a) DSR items which contributed to almost 50 *per cent* (b) derived on rates of DSR (labour and cement) which contributed to almost 10 *per cent* and (c) derived on market rates which contributed to 40 *per cent*. The DSR component as assessed in audit was 49 *per cent*. Further, major components of the analysis of rates (10 *per cent* stated by the Government) were based on the adoption of market rates. In view of the above, the remaining items were taken under market rate.

GNCTD stated that percentage rate versus item rate tender is a matter of debate. Also the preface to the CPWD Works Manual 2007 mentions one of the salient features of the revisions as “encouraging percentage rate tenders”.

4.4.2 Irregularity in award and evaluation of tender

Audit observed that repeated efforts were made to deny the award of a streetscaping and beautification package (Ring Road, Bhairon Marg to ITO Flyover) to Swadeshi Construction Company, until it chose not to bid:

- In response to the NIT (October, 2009) for execution of the streetscaping and beautification, Swadeshi Construction Company, quoting Civil Works 19.41 *per cent* above, Electrical 4.8 *per cent* above and Horticulture 4.8 *per cent* above the estimated cost, was the lowest. The NIT stipulated that in case variable percentages were quoted, the minimum of the percentages would be taken for calculating the cost of the tender. The Executive Engineer (EE), Superintending Engineer (SE) and the CE, accordingly, considered the bidder as L1 and conducted negotiations.
- Works Advisory Board (WAB), however, rejected (October, 2009) Swadeshi's tender on the ground that they had quoted component wise

rates and directed calling of fresh financial bids from those who were technically qualified in the call notice floated in October 2009.

- Financial bids were called again (October, 2009) and Swadeshi Construction quoting 16.40 *per cent* above was the lowest, but the WAB again rejected it on the ground that the firm refused to negotiate the rates and directed for retendering.
- The work was finally awarded to Sharma Construction at 9 *per cent* above the estimated cost on fresh tender (wherein Swadeshi Construction did not participate). This resulted in a loss of ₹. 1.19 crore compared to the initial valid offer of Swadeshi Construction.

GNCTD stated that Swadeshi Construction had quoted three different rates for civil, electrical and horticulture components. Considering these rates, the company was not L1 and hence its bid was rejected. The reply is factually not correct since, as per the NIT clauses, the lowest of the three different quoted rates was binding for all the components. The Executive Engineer, Superintendent Engineer and Chief Engineer accordingly, considered Swadeshi Construction the L1 bidder and conducted negotiations. Therefore, subsequent rejection of the bid by the WAB was unjustified.

4.4.3 Non-adherence to prescribed criteria

The CPWD Works Manual 2007 provided that one of the criteria for selection of the contractor for the work was that his average annual turnover during the last three years should not be less than 30 *per cent* of the estimated cost of the work and that 14 days lead time should be provided for submission of tenders. The CEs, however, enhanced the limit of average annual turnover to 45 *per cent*. Lead time between 4 days and 10 days were provided in seven of the eight packages. The works were also floated to tender by the EEs, before they were technically sanctioned by the CE. The EEs did not follow electronic-tendering despite specific instructions by government.

GNCTD stated that the annual turnover had to be enhanced because completion period of the streetscaping works had to be squeezed to finish them well in time for the Games. The reply is not tenable as due to increase of annual turnover, scope of competition was restricted and technical sanction could not be given in the absence of administrative approval and expenditure sanction.

4.4.4 Irregular justification of the quoted rates

CPWD Manual provided for comparing bid values with justified cost to assess the reasonability of the bids. The justified costs are to be arrived at by taking market rates of labour, materials and cartage, other valid charges etc. Any other suitable method can also be adopted in arriving at the justified cost depending upon the kind of work. Bids received at more than 10 *per cent* above the justified costs are not to be accepted.

The department worked out the justified rates for the various works between ₹ 41.82 crore and ₹. 19.46 crore and justified that the lowest bids were varying between minus 16 *per cent* and plus 3 *per cent* of the justified costs (**Annexure-4.1**).

Audit observed that the justified costs were not supported with evidence of correctness of the rates. Therefore, Audit adopted alternate method for arriving at the justified costs, taking into account the cost index prevailing then and found that the quoted rates of the contractors in five¹⁵ packages were more than 10 *per cent* of the actual justified costs and thus, the bids were liable for rejection. The department, however, accepted the tenders considering them between 16 *per cent* below to 3 *per cent* above of the justified costs worked out by them. Thus, the tenders were accepted at high cost.

GNCTD stated that the justified rates were arrived at based on market rates, as per the provisions of CPWD Manual and the tenders were evaluated and accepted accordingly. It was further stated that normally it is not possible to collect quotations for each and every component as traders generally do not provide the same in the absence of firm commitment of placement of orders and if quotations were taken, their reliability can always be doubted. Therefore certificate given by the EE after market verification were taken.

Audit, however, did not find documentation in support of the market rates/analysis of rates. For this reason, as mentioned above, Audit arrived at the justified rates using the prevailing cost index on the date of tender (August 2009) and found that the five tenders were accepted beyond the permissible limit of acceptance.

4.5 Physical target vis-a-vis achievements

The works split up in 16 packages were awarded (October-November, 2009) to 10 contractors at a cost of ₹ 332.45 crore (Table 4.4) for completion by September 2010.

¹⁵ Kisan Ghat, Ashram to Bhairon Marg, Mall Road, Dr Karni Singh Shooting range and Africa Avenue

Table 4.4 – Award of Streetscaping Work

(₹ in crore)

Sl. No.	Name of the contractor	Packages awarded	Awarded cost
1	Satya Prakash & Brothers (PWD: Four)	4	124.69
2	MBL Infrastructure (PWD: One and MCD: Two)	3	85.08
3	SAM (India) Built Well (PWD)	1	41.95
4	Sharma Constructions (PWD)	1	31.01
5	Ralhan Construction (PWD)	1	24.42
6	Devi Construction (NDMC)	1	6.56
7	India Guniting Corporation (NDMC)	1	6.48
8	Raunaq Construction (NDMC)	2	5.28
9	KBG Engineers (NDMC)	1	5.17
10	Raghav Engineer (NDMC)	1	1.81
	Total	16	332.45

While the department reported (December 2010) to have completed all the streetscaping works, Audit, however, observed that the works were not completed before the CWG (October 2010) on account of delays in execution of works by the contractors and non-providing of designs on time by the consultants. Evidently, the objective of streetscaping and beautifying the roads around CWG venues was not fully achieved.





Despite non execution of the works as per the milestones and non completion of the works by the stipulated date, LD of upto ₹ 25.96 crore was not realised.

GNCTD stated that the realization of Liquidated Damages, if any on account of delays attributable to the contractor would be decided by the competent authority after analysis of submissions made by the contractor. It was also stated that the main streetscaping work had been completed and only paid horticulture maintenance component is in progress.

4.6 Contract management

Under the project, the works were awarded to the contractors in PWD on the agreements finalized on percentage rate tender. The management of the contracts was the responsibility of the Engineers-in-Charge and the officers supervising the works. The terms and conditions of the agreements were violated on several issues leading to excess payment and undue benefits to the contractors, besides extra and excess expenditure of ₹ 8.14 crore beyond the cost of the projects as discussed in Table 4.5:

Table 4.5 – Instances of Poor Contract Management

Sl No	Brief audit observation	(₹ in crore) Financial Impact
1	<p>The scope of the contracts included provision for all safety measures for traffic, pedestrian workmen, machinery etc. Nothing extra was payable to the contractors on this account.</p> <p>It was noticed that in eight packages, an item was included in the BOQ for barricading (traffic safety), resulting in extra payment to contractors.</p>	1.79
2	<div data-bbox="336 658 699 954">  <p>Red Sand Stone Bollard</p> </div> <div data-bbox="703 658 1062 954">  <p>Precast Cement Concrete Bollard</p> </div> <p>In most of the landscaping works, precast CC cylindrical bollards were used in Non Motorised Vehicle lane. However, in Mall Road, precast CC bollard was replaced during execution with more expensive red sand stone readymade bollards.</p>	0.18
3	<div data-bbox="336 1158 699 1476">  <p>Granite stone Block</p> </div> <div data-bbox="703 1158 1062 1476">  <p>Haryana Quartzite</p> </div> <p>Audit found during execution of footpath of Mall Road, Haryana</p>	1.45

Sl No	Brief audit observation	Financial Impact
	Quartzite stone was replaced with granite stone/slab.	
4	The scope of the work of Mall Road did not provide for execution of Dense Bituminous Macadam (DBM) in the entire stretch of the road. The contractor, Satya Prakash & Brothers Private Limited, however, executed DBM in the entire stretch. It was noticed that during the identical time period, the tendered item rates for DBM in other works were lower than his tendered rate. The execution of the item through him at higher rate translated to an additional financial advantage.	1.23
5	As per conditions of the contracts, the contractors were to remove the malba at their cost and risk. Despite the above specific provisions, the agreements provided an item in the BoQ for removal of malba, enabling extra payment to the contractors. Audit observed that Satya Prakash & Brothers Private Limited did not remove the malba from the work sites of roads around YSC and roads around CWG Village. The department removed malba through IL&FS but did not recover the cost from the contractor. IL&FS was paid ₹. 280.32 per MT of malba against ₹ 73.42 per MT as per the agreement rate for Satya Prakash & Brothers.	3.49
	Total	8.14

On payment for barricading GNCTD stated that the conditions were general in nature and are kept in the contract to ensure that contractors did not make extra claims over and above the items included in the schedule of quantities. Further, it is also a term of the contract that schedule of quantities supersedes other conflicting provisions of the contract. The reply is not acceptable because in keeping with the conditions of the contract the item of barricading should not have been provided in the schedule of quantities.

On replacing CC bollard with red sandstone ready-made bollards, it was stated that red sandstone is the signature stone of Delhi and was used to give an aesthetic and the characteristic Delhi look. The reply is not acceptable because if that were the case then the item should have been provided originally itself instead of as an extra item.

On Haryana Quartzite, it was stated that nowhere has this stone been replaced by Granite as the latter was executed as per drawing of the consultant and within the provision of the agreement. The reply is not tenable because as per estimate for the work of Mall Road, 48 *per cent* of the footpath stone paving for pedestrians was to be constructed with Haryana Quartzite which was replaced with the costlier granite stone.

Regarding use of DBM on Mall Road it was stated that the requirement was based on the expert technical recommendation of IIT, Roorkee. The reply however does not address the audit observation that the work had been allowed to be executed though not in scope of work and the work had been executed by the contractor though the EE had directed (February 2010) him not to execute the DBM beyond the scope of the agreement. No programme was submitted to the Engineer-in-Charge by the contractor for approval before executing the DBM.

Regarding removal of malba, GNCTD agreed that there was a condition in the agreement about removal of malba by the contractor at his own cost. It was intimated that a recovery of ₹ 7.46 lakh in this respect had been made from the contractor. The remaining cost of malba belonged to malba dumped by local people or otherwise. The reply is not tenable as it is not supported with documentary evidence that additional malba was dumped by local people or otherwise.

4.7 Third Party Quality Assurance/Control (TPQC)

The agreements provided for Third Party Quality Control (TPQC) for the projects either by the Delhi College of Engineering (DCE)/CRRI/IIT, Roorkee or any other agency appointed by the EIC for independent quality assessment/control. Necessary tests of the materials and specifications were to be conducted in the laboratory of DCE/PWD/CRRI/IIT Delhi/IIT Roorkee or any other laboratory approved by the EIC.

The TPQC works were entrusted (March/April, 2010) for four packages each to the DCE (Dr S K Singh for three packages of IG Stadium and roads around various Games venues) and IIT Roorkee (Dr S S Jain for the Yamuna Sports Complex, around the Games Village, M B Road and Mall Road) after lapse of about 50 *per cent* of the period of the agreements. While the scope of the works for Dr Singh covered the civil works in entirety, for Dr Jain it covered only the bituminous and concrete items.

Audit observed that the team led by Dr Jain visited the work sites for two days each and submitted job mix reports of bituminous items for three packages and rated the standard of work as very good. Dr Singh conducted site visits between eight to 14 days for four packages and submitted two-three page reports for each package broadly indicative of visual work supervision suggesting minor improvements in finishing items. The amount of supervision provided by TPQC, and the quality and quantity of output by the consultants leads one to the conclusion that the TPQC had actually failed to provide independent quality assurance to the management of the specifications and materials used in the works rendering the expenditure of ₹ 1.47 crore (Dr. S S Jain: ₹ 0.48 crore and Dr. S K Singh: ₹ 0.99 crore) on TPQC wasteful.

GNCTD stated that reports submitted by third party were prepared after extensive inspection and testing by them. Since all the test reports as well as

the work were found to be satisfactory, they have suggested minor changes, wherever required. So, engagement of third party for quality control by the Government was a conscious decision to ensure the quality. As regards their frequency of inspections, they were comparable to those done by quality assurance wing of CPWD or CTE wing of CVC. Quantity of time devoted by these units and third party consultants on inspection of works is similar and hence there is no laxity on their part. The reply is not acceptable because the stated quality assurance would not have been achieved given the inadequate quantities of time devoted by the consultants for these works. Further the TPQCS were awarded after 50 *per cent* of the period of the agreements had elapsed.

4.8 Horticulture Works

4.8.1 Adoption of different rates in the estimates for identical items

As per CPWD Works Manual, the detailed estimate should be based on the rates given in the DSR for those items of work covered by it and by analysing market rates for the remaining items. Audit noticed significant variations between rates adopted in the estimates for identical items of horticulture work across the packages under PWD. The variations ranged between 12 and 400 *per cent*. The adoption of variable rates for same items without considering the minimum possible rate/DSR rate led to extra cost of ₹. 1.08 crore as shown in the table in **Annexure 4.2**.

GNCTD in its reply attributed the adoption of different rates in the estimates to differences in specifications of lead, size of plants and other charges. The reply is not acceptable because estimates should be consistent and justified. The differing specifications should have been justified in the estimates itself which was not the case. Therefore, the reply given by the government is an afterthought. The difference arose because of different consultants adopting different estimates. The department on its part did not independently study them even when estimates were approved at almost the same time. As has already been emphasized, percentage tender is a one line tender wherein the contractor can quote either above or below the estimate. Therefore through percentage premium the benefit will go to the contractor.

4.9 Unwarranted Costly Electrical Furnishing

The consultants suggested design for electrical lighting work by specifying costly electrical furnishing, some of which were imported. The quotations for the items were also obtained by them. The estimates were technically sanctioned by the CEs without verifying the actual cost of the items prevailing in the market. The possibility of procuring such items from indigenous companies was not explored.



Audit observed one instance where electrical fittings costing over ₹ 50 lakh were installed in a small area of 10m x15m.








Fittings worth over ₹50 lakh installed opposite IG Stadium


A few high cost electrical fixtures are given in Table 4.6. Each of these items was specified by brand name without giving a generic description, thereby favouring a particular manufacturing company. Further, these high cost items were included in a percentage rate tender, whereby the true cost of procurement cannot be easily assessed. Examination of some invoices suggested that the costs of the fixtures were far less than the costs adopted in the estimates. Due to adoption of high cost, undue benefit of ₹ 0.83 crore (**Annexure-4.3**) for these items alone was passed on to the contractors and the government was burdened by this expenditure.

Table 4.6 Instances of high cost electrical items

	Item	Rate per unit (₹ in lakh)	Amount (₹ in crore)	Photograph of the item
1	Nemo Torch Keselec Schreder (Roads around IG Stadium)	4.30	1.05	
2	Trapeze Pole Keselec Schreder (Roads around IG Stadium)	4.54	0.33	

	Item	Rate per unit (₹ in lakh)	Amount (₹ in crore)	Photograph of the item
3	Decorative Street light- JUNIPER, Bajaj (Roads around IG Stadium)	0.33	2.07	
4	Nemo Pole Keselec Schreder (Roads around IG Stadium)	0.49	0.75	

	Item	Rate per unit (₹ in lakh)	Amount (₹ in crore)	Photograph of the item
5	Berlin Lamp & Pole Philips/Bajaj (Roads around IG Stadium)	0.37	1.2	
6	T5 Light fixture ATL (Roads around IG Stadium)	0.08	0.71	
7	Bollard Keselec Schreder (Roads around IG Stadium)	0.28	0.48	

	Item	Rate per unit (₹ in lakh)	Amount (₹ in crore)	Photograph of the item
8	Schreder-CFL36 Watt (Safdarjung Flyover)	2.91	1.11	

GNCTD stated that the consultant suggested design for electrical work by specifying suitable electrical furnishing keeping in view the importance and use of the area around IGI stadium and the Delhi Secretariat. In the area Bhairon Road, a Plaza was constructed and the consultant constructed the fittings accordingly. The quotations for the items were obtained by the consultants from the respective manufacturer/ authorized dealers/ distributors of the fittings. It was further stated that in the tender document atleast two other options of equivalent make were also available for the contractor to choose from. The fact remains that the recommendations of the consultant were accepted without exploiting the indigenous options.

4.10 Street furniture in the vicinity of Games venues

4.10.1 Planning for Street Furniture

Street Furniture (SF) is a collective term for objects and pieces of equipment installed on streets and roads for various purposes. As part of city infrastructure upgradation, the streetscaping and beautification consultants (appointed between May 2008 to November 2008 by different agencies) also prepared the street furniture plans for the three agencies (MCD, PWD and

CPWD). The street furniture items to be put up included information kiosks, police booths, vending kiosks, public toilets, tree guards, bus queue shelters, dust bins, information panels, benches and free standing panels. The consultants provided street furniture drawings containing nature, quantum and location of the SF items in accordance with their overall landscaping plan for identified roads.

NDMC was appointed as the nodal agency in August 2008 for the project. DIMTS was appointed as the Transaction Advisor (June 2009) on nomination basis for evaluating EOI submissions; data collection and project structuring; and preparation of bid documents and bid process management.



Street furniture - Public convenience

The SF project was to be implemented on BOT basis, with advertisements on the street furniture created and revenue from operations during the contract period in the form of quarterly concession fee (QCF) being the revenue source.

To achieve uniformity in design of SF items around a particular venue, DIMTS, in consultation with NDMC/MCD/ PWD grouped roads around the Games venues into five clusters – Delhi University, IGI Stadium, R.K. Khanna Tennis Complex, Siri Fort Sports Complex and Dr. Karni Singh Shooting Range, and the Games Village and Yamuna Sports Complex.

The chronology of events for the planning and award of contracts for street furniture is summarised below:

Table 4.7 – Chronology of Events for Award of Street Furniture Contracts

Time	Events/Activity
August 2008	NDMC appointed as nodal agency
May-November 2008	Streetscaping consultants appointed by different agencies
May 2009	EOI called by NDMC
June 2009	DIMTS appointed as Transaction Advisor
June 2009	Short listing of bidders
November 2009	Street furniture requirement report by DIMTS
January 2010	Issue of RFP by MCD for 3 clusters
April 2010	Issue of RFP by DTTDC (on behalf of PWD) for 5 clusters
February/ May 2010	Opening of financial bids by MCD and DTTDC/ PWD
March/ June 2010	Award by MCD for clusters 2,3 and 4 for concession period of 7 years
May/ June 2010	Award by DTTDC/PWD for clusters 1, 2, 3, 4 and 5 for concession period of 15 years

4.10.2 Tendering irregularities

Out of eight companies that responded to the EoI floated in May 2009 by NDMC, five companies fulfilled the criteria of net worth given in the EoI document and were also pre-qualified for issuing of RFPs.

- J.C.Dcaux Advertising Pvt. Ltd.
- Graphisads Pvt. Ltd.
- Laqshya Media Pvt. Ltd.
- Adlabs Films Ltd.
- Hindustan Publicity Pvt. Ltd.

A sixth company, MEC, did not fulfil the net worth criteria, but was irregularly pre-qualified on the strength of its parent company.



Street furniture - Traffic police booth

Audit found the following deficiencies in the tendering procedure adopted by the agencies:

- Selection of six bidders merely on the basis of net worth fixed for each cluster was restrictive. The value of work in the desired field in the last few years was not considered at all. Further, DTTDC (which implemented the project on behalf of PWD) and MCD increased the net worth criteria fixed by NDMC (differently for different clusters), making it even more restrictive.

The DTTDC stated that the net worth method is a more scientific parameter to decide the financial capabilities of the agencies. It was also stated that the estimated expenditure to be incurred on the installation of the street furniture for each cluster was worked out by DIMTS for PWD and the net worth required for each cluster was based on these calculations.

The reply of the DTTDC management is not acceptable because when the tenders were invited by NDMC for selection of bidders for all the projects to be undertaken by PWD, CPWD, MCD, NDMC and DDA, the limit of minimum net worth required was ` 1 crore only. NDMC also had, at that time, with the help of DIMTS, indicated the specification of street furniture items and the cost per unit and the cluster-wise estimated project cost. However when the DTTDC issued the RFP it had not indicated the project cost in it at all. As far as transferring the risk is concerned, the contractor is liable only up to the performance bank guarantee provided. Also the fact that weightage of 80 marks was given for the technical bid shows that work experience was important and should have been specifically enquired about specially when

DTTDC itself in reply said that operation and maintenance of street furniture is a specialised activity.

- Six bidders quoted for four clusters in case of DTTDC/ PWD. In the technical evaluation by the Board of Assessors, the minimum qualifying marks were fixed as 70 for the technical bid. Two agencies, MEC and Hindustan Publicity Pvt. Ltd. scored less than 70 marks and their financial bids were not opened. Thus, in three out of four clusters, single bids were received/ remained.
- Bids for cluster 5, i.e. Games Village and Yamuna Sports Complex were re-tendered by DTTDC with modified numbers of street furniture items, modified net worth and bid security required from the three eligible bidders, giving them 7 days for bidding. The work was awarded to the sole bidder Adlabs Films Ltd (Reliance Media World).
- All the four bidders who had qualified the technical bids for DTTDC/ PWD, secured one contract each. There was no need for urgency for re-tendering for cluster 5, since the stipulated time for completion of four months from the Letter of Award fell beyond the date of conclusion of the Games.
- In case of MCD too, single bids were received for three clusters - Graphisads for IGI and JLN Complex cluster and R.K. Khanna cluster, and MEC for the Siri Fort Sports Complex cluster. The single bids were accepted on the ground that the captioned projects related to the CWG. The works were awarded just three and a half months before the Games, with a completion period of three months.

The agencies had not estimated the revenue expectation from the clusters, and no reserve price was fixed. Since nearly all 7 out of 8 were single bids, there was lack of competitive tension, and there is no assurance regarding generation of maximum revenue.

The table below shows wide variations between the monthly concession rates (calculated on a per sq.m basis) across different agencies, which further confirms inadequate exploitation of the full revenue potential and corresponding undue favour to the bidding contractors.

Table 4.8 – Wide range of monthly concession rates for street furniture items

(Range of rates in ₹ per sq.m)

Street Furniture items	PWD/ DTTDC		MCD		CPWD	Other benchmarks
	Minimum	Maximum	Minimum	Maximum		
Public toilets	54	714	238	472	270	MCD High End Toilets (IRR statement)- 1291 DIP ¹⁶ - 2985 DTC – 796 to 1592
Vending Kiosks	32	606	33	152	161	
Police booths	32	303	20	48	161	
Information Panels	76	1816	91	439	380	
Free standing panels	124	629	97	850	692	
Auto pre paid booths	32	397	-	-	159	



The rates for PWD/DTTDC and MCD are comparatively lower, despite the concession period of 15 years and 7 years (against the original period of three years indicated in the EOI). The long term revenue loss would be large although it cannot be fully quantified in the absence of reliable and comparable benchmarks.

The revenue from advertisements is singularly based on the location of such advertising displays taking into account the importance of the road, visibility of the panels, traffic density in the area, stoppage time, etc. Comparing the location of the panels at ITO with Mehrauli Badarpur Road (Majedia to Prahaladpur) or Yamuna Sports Complex in East Delhi will be an irrational exercise and have no relationship with the Opportunity to See (OTS)

¹⁶ Department of Information and Publicity

mechanism of revenue generation prevailing in the industry. The DTTDC stated that the agreement is also based on a dynamic revenue sharing model under which the concessionaires have to share 16 *per cent* of the revenue generated with DTTDC. As per the conditions of the agreement the concessionaire has to operate the entire project only through an exclusive account, to be audited by DTTDC on quarterly basis. This provision of the agreement would provide full details of the revenue generation to DTTDC and would safeguard the interest of DTTDC in case of any higher generation of revenue at a later date or from any particular cluster.

The averment of Audit is that the agencies at the time of RFP had not worked out the estimated revenue (reserve price). Further the percentage of share of revenue of 16 *per cent* is on the overall revenue generated. This does not safeguard revenue of the government because not all furniture items are public utility items having a high maintenance cost. While it is alright to fix a lesser percentage for public utility items like toilets, in case of items like free standing panels the share should have been 50:50 like in the case of MCD which takes 50 *per cent* of revenue from the DTC, being the land owning agency. Basically revenue should be decided unit-wise, of a smaller percentage where capital cost is more and of a larger percentage where capital cost is less. The audit point is further borne out by the fact that the DTTDC has made changes, post tender, in the area given for advertisements in favour of generation of more revenue for the concessionaire. The DTTDC in its note dated 2 July 2010 stated and approved that “as per the agreement conditions the area of advertisement on information panels shall not be more than 50 *per cent* of either side. However, in a meeting taken by Chief secretary this issue was discussed with the preferred bidder and it was agreed that this provision can be relaxed to have full advertisement on one side and public messages on other alternate panels.” In another note dated 15 September 2010 the dimension/height of police booth/ auto booth was increased to 4.16 meters instead of 3 meters provided in the agreement, that has resulted in additional advertisement space due to increased heights of the booths. The DTTDC itself has noted that the matter of additional revenue from additional advertisement space would be decided after the CWG.



4.10.3 *Status of work*

The delayed planning and award of SF contracts for different clusters meant that most were not ready in time for CWG-2010. Most of the SF clusters for DTTDC/PWD (which were awarded later than MCD) were incomplete, ranging from 60 – 90 *per cent* for 4 clusters, with only one cluster complete as of March 2011. The MCD cluster had, however, been completed as of March 2011.

The DTTDC replied that the provision of street furniture involves procuring the equipment, installing the same on prepared foundations, providing services like water supply, sewage, electricity etc. The progress of the work was directly dependent on the co-operation of different departments/organisations like PWD, DJB, BSES, NDPL, etc. Thus, wherever PWD had completed the street scaping work, decision was taken on a case to case basis to provide or not to provide the furniture. In July 2010, the GNCTD, in view of the incessant rains in the unusually strong monsoons, decided to stop all earth/foundation works and no digging/earth work was allowed after 31 July 2010. In addition the area immediately around the Games Venues was taken over by the security agencies of CWG, which did not allow entry to any other agencies to execute any kind of work.

The reply is not acceptable because the purpose of beautification before the Games was not served. Lack of coordination should not be an issue as there were high powered committees set up only to coordinate. Further J C Decaux and Adlabs had specifically informed that they would not be able to complete the work because they were importing the street furniture items and excessive time would be taken in their shipment which shows that the implementation plan portion at the time of technical evaluation was not ensured. In this connection, DTTDC stated that as already pointed out, provision of street furniture was not restricted to Commonwealth Games only but these facilities are meant to continue for use of the public for the coming 15 years as provided in the agreements.