

**GOVERNMENT OF PAKISTAN
PHA FOUNDATION
MINISTRY OF HOUSING & WORKS**

MINUTES OF THE MEETING

Subject: 2ND MEETING OF BOARD OF DIRECTORS OF PHA FOUNDATION

2nd Meeting of the Board of Directors of PHA Foundation was held under the Chairmanship of Hon'able Minister for Housing & Works/ Chairman, PHA Foundation at 1530 hrs. on April 12, 2012 in the Committee Room of Ministry of Housing & Works. List of participants is annexed. In his opening remarks, the Chairman welcomed the participants and meeting was called to order in the name of Allah Almighty to discuss the following business:-

AGENDA ITEM-I: CONFIRMATION OF MINUTES OF PREVIOUS MEETING

The Chief Executive Officer, PHA Foundation briefed the Board and stated that minutes of the meeting held on March 08, 2012 were circulated among the members. However, no objection has been received from any member, therefore, the Board may confirm the minutes of the meeting.

DECISION:

The Board confirmed the minutes of the previous meeting.

AGENDA ITEM-II: DEVELOPMENT OF HOUSING SCHEME FOR F.G. OFFICERS AT KURRI ROAD, ISLAMABAD

The tender for infrastructure development were invited on January 27, 2012 and the work was awarded to M/s MAAKSONS (Pvt.) Ltd., being the lowest bidder.

The tender for various category of houses divided in four (4) packages were invited on March 16, 2012. In all Nine (9) contractors as per list attached participated out of which four (4) contractors became the lowest with the following bid cost per Sft.:

S #	Category	No. of Houses	Covered Area	Name of lowest Bidders	Lowest Bid (Cost/ Sft.)
1	Cat-I	117	4272 Sft.	M/s Abdul Majeed & Cos.	Rs.1,150/- (G)
2	Cat-II	178	3431 Sft.	M/s Techno Int'l	Rs.1,300/- (G)
3	Cat-III (North)	293	1995 Sft.	National Construction Ltd.	Rs.1,485/- (G)
3	Cat-III (South)			M/s Abdul Majeed & Cos.	Rs.1,450/- (G)

The tenders were sent to the design consultant i.e., M/s. Progressive Consultant and they have submitted their report to PHA Foundation.

The tenders were also issued among other contractors to M/s Techno Int'l and M/s Abdul Majeed & Co., with the condition that:

"Since the inquiry is not finalized and no responsibility has been fixed so far on the contractors for cost and time overrun therefore, the tenders for housing scheme meanwhile, be issued to them. However, it is clarified that decision of competent Authority what so ever on the inquiry report shall be applicable in letter and spirit."

The contractor for the development of infrastructure has under taken the work and the contractors for the buildings may be installed as soon as their site are made accessible for transporting the construction material and other necessary

construction plants to their respective sites. The bids received are valid for 90 days ending on June 14, 2012.

DISCUSSION:

CEO briefed the board on the tendering process of Kurri Road Housing Scheme. It was informed that the scheme was divided in four (04) packages, each package for Cat-I and Cat-II and two packages for cat III due to maximum numbers of houses. The following nine pre-qualified contractors participated in the bidding process.

1. M/S Abdul Majeed & Co
2. M/S United Engineers
3. M/S Habib Rafiq (Pvt) Ltd
4. M/S National Construction Ltd
5. M/S Techno International (Pvt) Ltd
6. M/S Ch. Abdul Latif & Sons (Pvt) Ltd
7. M/S Mark Development (Pvt) Ltd
8. M/S Maaksons (Pvt) Ltd
9. M/S Usmani Associates (Pvt) Ltd

2. The lowest bidders in each category followed by the 2nd and 3rd lowest bidders are as under:

		<u>rate per Sft for grey finish</u>
1.	<u>Category-I</u>	
	M/S Abdul Majeed & Co	1St Lowest Rs. 1150
	M/S Techno International (Pvt) Ltd	2nd Lowest Rs. 1300
	M/S Habib Rafiq (Pvt) Ltd	3rd Lowest Rs. 1350
2.	<u>Category-II</u>	
	M/S Techno International (Pvt) Ltd	1st Lowest Rs. 1300
	M/S Ch. Abdul Latif & Sons (Pvt) Ltd	2nd Lowest Rs. 1387
	M/S National const. Ltd	3rd Lowest Rs. 1500
3.	<u>Category-III (North)</u>	
	M/S National Construction Ltd	1st Lowest Rs. 1485
	M/S Techno International (Pvt) Ltd	2nd Lowest Rs. 1550
	M/S Mark Development (Pvt) Ltd	3rd Lowest Rs. 1649
4.	<u>Category-III (South)</u>	
	M/S Abdul Majeed & Co	1St Lowest Rs. 1450
	M/S National Construction Ltd	2nd Lowest Rs. 1485
	M/S Techno International (Pvt) Ltd	3rd Lowest Rs. 1550

3. On the query from chairman, CEO informed the board that tenders to the two contractors M/S Techno International (Pvt) Ltd and M/S Abdul Majeed & Co. were issued with the condition that on finalization of the Inquiry regarding cost and time over run of their respective projects, the decision of the competent authority would be implemented in letter and spirit.

4. The Board was further informed that the Inquiry already finalized by Mr. Sikardar Hayat Maken, PD (PMC), has pointed out serious financial and procedural irregularities for which he has also made the contractors responsible and recommended recoveries from them and execution of the balance work by them at their own cost. In follow-up of this Inquiry, the Ministry of Housing & Works had already initiated action against the PHA officers found responsible.

4. CEO PHA Foundation sought the directions and guidance of the Board for further action with regard to the building tenders where both, M/S Techno International (Pvt) Ltd and M/S Abdul Majeed & Co are the lowest bidders in three out of Four Packages.

5. The Board inquired as to why the action against the contractors and consultants has not been initiated when the action against the responsible PHA officers had already been initiated. CEO, PHA Foundation informed that since another committee has been constituted for looking into the financial aspects of the inquiry therefore, action against the consultants and contractors could not be initiated.

DECISION:

The Committee differed that since the case is under scrutiny, the decision should pend till the outcome of final inquiry report which is due on Wednesday, 18-04-2012. The Board further held that the lowest bidder if exonerated shall be awarded the contract and in case of default or they are found guilty, they should stand disqualified, resultantly contract will be awarded to the next lowest bidder.

activities on the ground floor? Whether it can be done without change in the existing Memorandum of Association or modification/ change in the existing objectives are to be made.

The matter was shared with our consultant Deloitte, (M Yousaf Adil Saleem & Co. Chartered Accountants) who opined that as per sub-clause (16) of Clause-IV of the Memorandum of Association, PHA Foundation can do all other such lawful acts and things as are incidental or conducive to the attainment of the objects or any one of them.

DECISION:

After detailed discussion it was decided that PHA-F may under take the project at its own and proceed further and hire the services of consultant for complete package having back ground of planning, financial management by observing the required codal formalities as per PPRA in a transparent manner.

AGENDA ITEM-IV: PHA-08/01-Construction of C-Type Apartments at G-11/3, Islamabad
PHA-08/02-Construction of E-Type Apartments at G-11/3, Islamabad
PHA-08/2002-Infrastructure Work at G-11/3, Islamabad
PHA-08/03-Construction of D-Type Apartments at G-10/2, Islamabad

The work on the above projects is held up since last six (6) months due to non-payment to the contractors. The consultants have certified and forwarded the running payments for the above projects which could not be paid to the contractors due to inquiry being conducted on cost and time overrun on seven (7) ongoing PHA Foundation projects. The following projects at Lahore are also within the same bracket.

- PHA-08/04- Construction of 'D'-Type Apartments at Wafaqi Colony, Lahore
- PHA-08/05- Construction of 'E'-Type Apartments at Wafaqi Colony, Lahore
- PHA-305- Construction of shops at UET, Lahore

Although Mr. Sikander Hayat Mekan, Project Director (PMC), Ministry of Housing and Works, has already concluded its inquiry and stands submitted in the Ministry of Housing & Works. Subsequently, Ministry of Housing & Works had constituted another committee comprising of Engineers and technical experts for looking into the technical aspects of the inquiry and points raised by Mr. Sikander Hayat Mekan, in his inquiry. The committee has convened three (3) meetings and has issued notices to the concerned consultants for necessary information related to the changes in design and other issues. The committee is trying best to complete its recommendations within the shortest possible time.

Meanwhile, it is proposed that the pending certified payments may be released to the contractors excluding the payments on account of change of design, variation orders and excess quantities if any, included in the certified payments, so that the work is resumed for early completion of balance work. PHA Foundation has already defaulted on delivery schedule of the apartments and the allottees are agitating for early possession of their respective apartments and threatening to sue the PHA Foundation for necessary damages and compensations for delay in handing over the possession.

DECISION:

This item was dropped from the agenda.

AGENDA ITEM-V: STATUS OF KURRI ROAD HOUSING SCHEME FOR FEDERAL GOVERNMENT OFFICERS

In the First Board meeting of PHA Foundation held on March 14, 2012, following decisions were taken:

1. The Board approved one category above housing units in all three (3) categories to those who were interested for the same, subject to the payment of difference in cost.
2. The eligibility criterion for the allotment of housing unit into category I, II and III was extended to all Federal Government Officers of BPS 20 to 22 including ex-cadre officers and allotment would be made on first come first serve basis.
3. It was decided that 10% of the cost of land be charged as fee for corner plot in each category. The corner plots shall also be offered on first come first serve basis and the same shall duly be publicized in the national press.

<u>ALLOTMENT STATUS OF KURRI ROAD PROJECT</u>					
S #	Description	Cat 1	Cat 2	Cat 3	Total
1	Total Units Available	117	177	291	585
2	Total Units Allocated Through Balloting	60	78	75	213
3	Fresh Applications (Including Corner Plots)	47	56	50	153
4	Total Units Allocated	109	134	124	368
5	Quota Reserved	8	12	20	40
6	Remaining Units	-	31	146	177

- ***Two applications (a Doctor & an Educationist) along with payments have been received at PHA Foundation on the pretext that they are also officers of Federal Government hence eligible for the scheme. The guidance from the Board is solicited in the matter.***

DECISION:

The Board observed that policy for allowing other than cadre and ex-cadre officers of the Federal Government for their eligibility for allotment of houses in Kurri Road Project will be reviewed later on. In the mean time PHA may conduct the balloting of the fresh applications.

AGENDA ITEM-VI: REVIEWING THE DECISION REGARDING DISCONTINUATION OF MAINTENANCE SERVICES OF PHA PROJECTS

Handing Over The Maintenance Services To The Allottees:

In Consequence to the 29th Authority Board decisions PHA handed over the maintenance issues to the allottees. In this connection allottees were requested to constitute their representative bodies for running the affairs of their projects. Resultantly, PHA Foundation handed over the maintenance matters to the allottees w.e.f February 15, 2012 and in this regard the allottees were informed through letters about the authority's decision. Many requests were received from allottees against this decision. Some allottees and their associations approached the Ministry and wrote letters to the Secretary Housing and Works. It was observed by the worthy Secretary that "*we need to review & discuss*" this decision.

Recommendation:

In this backdrop the management of PHA Foundation proposes that the maintenance issues be outsourced and services of some management firm/company may be hired on competitive basis for this purpose. The management company or firm, selected by the PHA Foundation, will provide the maintenance services in lieu of the monthly contributions from the allottees. A representative of the Foundation may be appointed at each project to coordinate with allottees and the service providers will also ensure the observance of terms and conditions of the allotment. The over all role of PHA Foundation will be of coordination and monitoring.

DISCUSSION:

CEO brief the Board that in view of the 29th Authority Board decision, PHA handed over the maintenance issues to the allottees through the elected Allottees Welfare Associations in Islamabad, Lahore and Karachi w.e.f February 01, 2012 but Allottees are reluctant to take over the maintenance services due to following reasons:-

- It has been reported by the field staff that some of the allottees have altered/encroached the original design/drawing of their apartments due to which neighbors are facing problems.

- Allottees of different projects requested that the maintenance issues should not be left entirely upon the associations. PHA Foundation should supervise the services.
- Some allottees have approached Ministry of Housing & Works and wrote letters to Secretary Housing and Works and requested that maintenance services should be managed by PHA Foundation. Resultantly Secretary Housing and Works instructed to review and discuss the decision of handing over maintenance services to the allottees welfare association.

DECISION:

The Board directed to rationalize the staff strength for the proposed Maintenance Services Wing with minimum required staff. The Board further directed that the PHA should own up the responsibility of maintenance on self-financed basis by charging from the residents.

AGENDA ITEM NO. VII: REMUNERATION / HONORARIA TO MEMBERS OF PHA FOUNDATION BOARD OF DIRECTORS.

It is an established tradition among different Public Sector Organizations that remuneration / honoraria is paid to the members of the Board who attend board meetings. A few examples of such organizations include Pakistan International Airlines, State Bank of Pakistan, Investment Companies and Federal Govt. Employees Housing Foundation.

On similar lines it is proposed that PHA Foundation's Board of Directors may approve remuneration / honoraria at the rate of Rs.10,000/- per meeting for the members of PHA Foundation Board. However, this remuneration / honoraria will not be admissible to the employees of PHA Foundation who are members of PHA Foundation Board. However Chairman decline to receive the Honorarium.

DECISION:

The board approved a Honorarium of Rs.15,000/- per member per board meeting and Rs.10,000/- per member per meeting for the sub-committees whenever constituted by the board for specialized tasks.

AGENDA ITEM-VIII:	<u>HIRING OF SERVICES OF ABDUL JABAR MALANO ON CONTRACT BASIS</u>
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The services of Mr. Abdul Jabbar Malano were hired on contract basis in October 2011 as a Consultant (Engg) for a period of six months. His contract would expire on 20th April, 2012.

2. During the association of six months with PHA Foundation, he has contributed significantly in the overall performance of PHA-Foundation, particularly the engineering wing. He has vast and varied experience in different disciplines of the civil engineering as mentioned in his CV (attached). He did his graduation in 1974 and started his professional career with the private sector and joined NHA then Indus Super Highway Board in 1976 and his services were transferred to CDA in 1979 where he had worked in different positions and finally promoted and posted as a Member Engineering of CDA. He had also worked as Member Planning in CDA in addition to his own responsibilities of Member (Engg) for a period of about 9 months.

3. Since his joining PHA in October, 2011, he has been making continuous and concerted efforts to make the Engineering Wing of PHA more responsible and proactive and no doubt he has made a difference.

4. The Kurri road housing scheme has been launched successfully and the scheme has to be completed in a period of 24 months.

5. Therefore, in order to keep the continuity of the scheme for its smooth execution and completion, it is recommended, that the services of Mr. Abdul Jabbar Malano may be hired for 24 months on contract basis with monthly charges as per last drawn pay in CDA plus house rent as allowed to PHA Foundation Directors.

DECISION:

Differed.
