

No.PHA-F/3rd – Board Meeting/2012
GOVERNMENT OF PAKISTAN
PHA FOUNDATION
MINISTRY OF HOUSING AND WORKS

MINUTES OF THE MEETING

Subject: 3RD MEETING OF THE BOARD OF DIRECTORS OF PHA FOUNDATION

3rd Meeting of the Board of Directors (BoD) of PHA Foundation was held at 1500 hours on 18-05-2012 under the chairmanship of Minister for Housing & Works/ Chairman, PHA Foundation. List of participants is annexed. The meeting deliberated on different agenda items. 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 No.1: CONFIRMATION OF THE MINUTES OF THE 2ND BoD MEETING

The Chief Executive Officer, PHA Foundation briefed the Board and stated that minutes of the 2nd board meeting held on April 12, 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 No.2: INVESTMENT OF FUNDS

More than 30 scheduled banks having a minimum "A" credit rating (both long term and short term) as appearing on the web site of State Bank of Pakistan were asked to submit their bids for placement of working balances on Daily Product/ Term Deposit basis. The "A" rating refers to the rating scale used by Pakistan credit rating agency and JCR-VIS credit rating Company for banks incorporated in Pakistan and Moody's, Fitch's and Standard & Poor's rating for foreign banks operating in Pakistan.

2. The bidders were given 15 days of response time for submission of sealed bids by April 16, 2012. Accordingly the bids were opened on April 16, 2012 by the committee of Directors in the presence of bank representatives. The bids were examined in accordance with the instructions of Finance Division & State Bank of Pakistan on deposit/investment of working balances and surplus funds belonging to public sector enterprises by the committee. The committee's recommendations and comparative statement is annexed.

Decision:

The Board approved the investment of Rs.464.203 million in different banks/ DFIs as proposed in the agenda item. The Board further observed that accounts of the PHA Foundation are scattered in different banks which may be consolidated in 4 to 5 Accounts/ Banks only.



AGENDA Item No.3: DECISION ON THE REPORT OF THE COMMITTEE ON COST & TIME OVERRUN ON 07 ONGOING PHA PROJECTS.

PHA Board in its meeting held on March 8, 2012 constituted a Committee headed by Mr. Abdul Jabbar Malano Director (Engg) PHA Foundation. Mr. Abdul Jabbar Malano, along with other members of the Committee, presented its report in a meeting chaired by Secretary Housing & Works on 08-05-2012. The committee explained in detail the reasons for cost & time overrun. The main reasons for cost & time overrun were as under.

- Preparation of Engineer's estimates without site survey and geo-technical investigation.
- Change of isolated footing into raft foundation which caused manifold increase in the quantities of higher priced BOQ item e.g. steel and concrete.
- Level difference as much, as 40 to 50 feet from north to south & east to west in the project area also caused increase in the quantities of columns, plinth beams and protection works,.
- Diversion of nullah and related protection works particularly in sector G-11/3 has also contributed significantly towards increase in the cost.
- Brick cladding which was originally not the part of the agreement also caused increased in the quantities of Brick masonry and corresponding cost.

The Committee is of the view that the concerned Consultants primarily are responsible for the subsequent increase in the cost of the projects. Two previous Committees had also held the Consultants responsible for the cost & time over run.

The Committee in its report has emphasized the need for early completion of the projects to avoid further cost & time overrun.

The Committee in its report has also pointed out that the concerned contractors have taken benefit out of the situation particularly due to many fold increase in the quantities of certain high priced BOQ items, e.g. steel, concrete and brick work.



The Secretary Housing & Works directed that the concerned PHA officers who failed to take timely action and bring the matter to the competent forum for decision, be issued charge sheets specific to their role and period for formal disciplinary proceedings against them.

The committee also pointed out that the Consultant according to rules may also be penalized twice the fee paid to them.

CEO PHA Foundation, informed the chair that since initiation of the inquiry and stoppage of payments to the Contractors, the work on all 07 ongoing PHA projects is stopped and as per recommendations of the Inquiry Committee need to be completed. The chair asked the CEO PHA Foundation that matter be placed before the PHA Board.

The following proposals are submitted for consideration.

- a) The Variation orders (VOs) submitted by the Consultants be scrutinized by the present Committee and rates / amount be determined for approval by the Competent Authority.
- b) Pending scrutiny of variation orders by the Committee, the Contractors be paid as per BOQ quantities. The pending recommended payments by the Consultants in respect of various projects and the payments as per BOQ quantities worked out as under:-

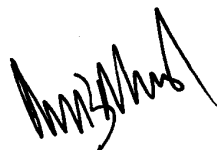
S. No	Name of Projects	Last payment recommended by the Consultants	Due payment within BOQ Quantities
1	"C" type Apartments in Sector G-11/3		
2	"E" type Apartments in Sector G-11/3		
3	Infrastructure work of "C" & "E" type Apartments in G-11/3		
4	Construction of Shops near UET Lahore		
5	"D" type Apartments at Wafaqi Colony Lahore		
6	"E" type Apartments at Wafaqi Colony		

7	Lahore "D" type Apartments in Sector G-10/2		
	TOTAL		

- c) The payment to the Contractors be made only after submission of completion schedule for balance works.
- d) The concerned Consultants (M/S Sampak, M/S Chishti & M/S ACE) may also be proceeded as per findings of the Inquiry Committee and notices be issued to them accordingly.
- e) Complete information and record be provided by PHA to Ministry of Housing & Works for issuance of specific charge sheets against the concerned PHA Foundation Officers.
- f) The quality audit of all 07 projects be carried out by 3rd party.

PROJECT-WISE INCREASE
(Engineer' Estimate & Bid Cost)

S. No	Name of Projects	Engineer's Estimate	Bid Cost	Differential Cost	Increase in %age
1	"C" type Apartments in Sector G-11/3	353.103	387.520	34.417	9.75
2	"E" type Apartments in Sector G-11/3	490.908	548.030	57.122	11.64
3	Infrastructure work of "C" & "E" type Apartments in G-11/3	178.869	184.990	6.121	3.42
4	Construction of Shops near UET Lahore	9.952	10.400	0.448	4.50
5	"D" type Apartments at Wafaqi Colony Lahore	92.481	99.830	7.349	7.95
6	"E" type Apartments at Wafaqi Colony Lahore	76.128	83.720	7.592	9.97
7	"D" type Apartments in Sector G-10/2	482.983	635.500	152.517	31.57
	TOTAL	1684.424	1949.990	265.566	15.77




PROJECT-WISE INCREASE
(Bid Cost & Revised Completion Cost)

S. No	Name of Projects	Bid Cost	Revised completion cost	Differential Cost	Increase in %age
1	"C" type Apartments in Sector G-11/3	387.520	532.513	144.993	37.41
2	"E" type Apartments in Sector G-11/3	548.030	774.930	226.900	41.40
3	Infrastructure work of "C" & "E" type Apartments in G-11/3	184.990	239.726	54.736	29.59
4	Construction of Shops near UET Lahore	10.400	13.500	3.100	29.81
5	"D" type Apartments at Wafaqi Colony Lahore	99.830	132.928	33.098	33.15
6	"E" type Apartments at Wafaqi Colony Lahore	83.720	109.506	25.786	30.80
7	"D" type Apartments in Sector G-10/2	635.500	883.300	247.800	39.00
	TOTAL	1949.99	2686.403	736.413	37.77

Decision:

The chair expressed dissatisfaction on the Inquiry Report submitted by the Inquiry Committee headed by Mr. Abdul Jabbar Malano, Director (Engg.). The Chair pointed out that the report has not been concluded. The Committee was directed to revisit the report and give comprehensive and conclusive recommendations in terms of what went wrong and where it went wrong and who were the responsible for the same. The committee was directed to submit its report latest by 24th May, 2012. The Board also directed that if necessary FIR be lodged against the officers/ Officials responsible for missing record.



AGENDA Item No.4: DEVELOPMENT OF HOUSING SCHEME FOR F.G. OFFICERS AT KURRI ROAD, ISLAMABAD

The matter was placed before the 2nd meeting of PHA Foundation Board held on April 12, 2012. The Board decided that:-

“The Committee differed that since the case is under scrutiny, the decision should pend till the outcome of final inquiry which is due on Wednesday, April 18, 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”.

2. The four members Committee headed by Mr. Abdul Jabbar Malano, Director (Engineering), PHA-Foundation submitted the report and was discussed in a meeting chaired by Secretary Housing & Works. It was decided to place the matter before the PHA-Foundation Board. The matter has been placed as Agenda Item No.03.
3. 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.
4. 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)

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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)

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

6. The contractor for the development of infrastructure has under taken the work. The bids received for the buildings are valid for 90 days ending on June 14, 2012.

DISCUSSION:

7. Chief Executive Officer 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

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

1.	<u>Category-I</u>	<u>rate per Sft for grey finish</u>		
	M/S Abdul Majeed & Co	1St Lowest	Rs. 1150	
	M/S Techno International (Pvt) Ltd	2nd Lowest	Rs. 1300	
2.	<u>Category-II</u>	M/S Habib Rafiq (Pvt) Ltd	3rd Lowest	Rs. 1350
		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

9. The Chief Executive Officer of the PHA Foundation informed the Board that the infrastructure and buildings of the Kurri Road Housing Scheme were designed by M/s Progressive Consultant (Pvt) Ltd., during November, 2011. Thereafter, it was considered essential by the Management of the PHA Foundation to have a third party vetting of the said design carried out so as to obtain a more realistic financial effect towards architectural and engineering services. For these purposes the services of M/s Ess Ess Associates, Engineering Consultants ("EEA") were engaged during April, 2012. EEA submitted the Design Vetting Report on May 28, 2012. As per the said report the construction of the housing units can be made more economical by adopting the following measures:

- a. The plinth beams be eliminated as the structure is on load bearing walls resting on strip footing, DPC be provided at floor level.
- b. Skelton RCC columns with RCC beams may be omitted.
- c. There is no need of lintel level beams at all wall, only lintel beams are required on openings.
- d. 3" thick hard core is not required on the first floor over roof slab instead (1 ½" thick PCC 1:2:4 and 1" plaster is sufficient to hold tiles).
- e. Thickness of sand cushion under floor may be reduced to 1" instead of 6".
- f. Roof insulation is too expensive it is suggested to use 1" thick sprayed polyurethane foam covered with 2 ½" screed laid in 4' x 4' panel to slope. (Sprayed polyurethane form has both properties of thermal insulation and water proofing).




- g. The foundation cost can be reduced if on RCC strip footings 9" brick wall is raised direct from the footing pad.
- h. The foundation of non load bearing walls on ground floor be lowered from one foot below the floor level, it should be PCC (1:4:8) 6" thick with one course of 9" thick and subsequent 4- ½" thick brick wall with DPC at floor level.
10. The Chief Executive Officer, PHA Foundation informed the Board that two of the Contractors, namely Abdul Majeed & Co., and Techno International had filed Writ Petitions before the Islamabad High Court against inter alia the PHA Foundation. Abdul Majeed & Co., was the lowest bidder for Category I Houses and Category III (South), whereas Techno International was the lowest bidder for Category II Houses and Category III (North). In the Writ Petitions the Petitioners have taken the position that as they are lowest bidders for the above mentioned works, they should be awarded the contracts and work orders should be issues in their favour. The Writ Petitioners have also challenged the award of the contract for the Infrastructure Development of the Kurri Road Housing Project in favour of Maaksons (Pvt.) Ltd.
11. The Chief Executive Officer, PHA Foundation further informed the Board that the lowest bids of Writ Petitioners had not been accepted at any material stage by the competent authority, and the mere submission of the lowest bid does not give a vested right for the award of the contract. Additionally the advertisement dated 26th October, 2011 as well as the Instructions to Tenderers ("ITT") provide that the PHA Foundation reserves the right to reject all bids at any time without assigning any reason.
12. The Chief Executive Officer, PHA Foundation also produced the interim injunction order dated 12th April, 2012 passed by the Islamabad High Court whereby it has been ordered that no work order shall be issued to any contractor.
13. Chief Executive Officer PHA Foundation sought the directions and guidance of the Board for further action with regard to the building tenders.



14. The Board unanimously took the position that the interim order of the High Court should be respected and complied with and that no work order should be issued in favour of any contractor. This interim order did not prevent the PHA Foundation from rejecting all bids and initiating a re-tendering process.

15. The Board was of the view that the concerns of the members of the Kurri Road Housing Scheme as regards the high cost of the housing unit can be addressed by incorporating and adopting all the changes suggested in the third party Design Vetting Report in the design of the Project.

16. The Board expressed its disappointment and anxiety as to the very few parties that had submitted the bidding process for the building works. The Board was of the view that efforts should be made by the PHA Foundation to ensure maximum possible participation in the tender bidding process for the award of building contracts for the Kurri Road Housing Projects; that it is only through a tough competitive tendering process, which is openly and widely advertised, that the best possible rates, high quality of works and timely and expeditious execution of the works can be achieved by the PHA Foundation; that the two envelope process as outlined by the Public Procurement Rules, 2004, should be adopted for the re-tendering process; that a fresh advertisement should be published in major English and Urdu dailies inviting parties to participate in the re-tendering process; that all efforts should be made to obtain the highest quality of technical and professional expertise at the best possible rates from a contractor who can execute the building works in a timely and expeditious manner. In order to achieve this goal all the bids for the building contracts for the Kurri Road Housing Project should be rejected and the call deposits of all the bidders should be returned. All the bidders should be informed about the rejection of all the bids and they should be called upon to participate in the re-tendering process in accordance with law and applicable ITTs. The requirements of Public Procurement Rules, 2004 should be complied with in letter and spirit at every stage of the tendering process. All the decisions with respect to the re-tendering process shall be subject to the decision of the High Court.



17. The Board was also of the view that the matters of the pending inquiry on cost and time overruns with respect to various projects of PHA Foundation and the award of building contracts for the Kurri Road Housing Scheme should be separated. As regards the said inquiry on the cost and time overrun the conclusion should be submitted to Pakistan Engineering Council for further and necessary action.

Decision:

The Board decided that all the changes suggested in the third party Design Vetting Report of M/s Ess Ess Associates should be incorporated and adopted in the design of the Project. Furthermore, it was decided that in exercise of the powers set out in the advertisement dated 26th October, 2011 and Clause 17.04 of the Instructions to Tenderers, the bids of all the bidders for the building contracts for the Kurri Road Housing Scheme should be rejected and call deposits be returned to the bidders. Re-tendering process should be initiated on priority basis by adopting the two-envelope process as envisaged by the Public Procurement Rules, 2004. The re-tendering should be given wide publicity so as to ensure maximum possible participation and strict competition, and the existing bidders should be requested to participate in the re-bidding process. Legal and technical advice should be obtained at every stage of the re-tendering process.



Agenda Item No.5: LATEST UPDATE ON THE ALLOCATION OF HOUSING UNITS IN KURRI ROAD SCHEME, ISLAMABAD

First balloting for allocation of housing units at Kurri Road was held on 19th of March, 2012 under the chairmanship of Federal Minister for the Housing & Works and total number of units which were allocated is as under:-

S No	Description	Cat – I	Cat – II	Cat – III	Total
1	Total Units	117	178	293	588
2	Total Allocated	79	100	96	278

Subsequently Board decided in its 1st Board meeting that remaining units should be offered to all Federal Government Officers (included Ex-cadres) of BPS 20-22 on first come "first serve" basis.

Second balloting was held on 17th April, 2012 under the chairmanship of Secretary, Ministry of Housing & Works and total number of units which were allocated is as under:-

S No	Description	Cat – I	Cat – II	Cat – III	Total
1	Total Allocated	11	42	15	68

The latest position regarding the availability of housing units in Kurri road scheme is presented before the Board for information and further guidance.

S No	Description	Cat - I	Cat – II	Cat – III	Total
1	Total Units	117	178	293	588
2	Total Allocated	115	151	145	411
3	Quota Reserved	-	12	20	32
4	Remaining Units	02	15	128	145

Decision:

The latest updates regarding allocation of housing units in Kurri Road Scheme were seen by the Board.

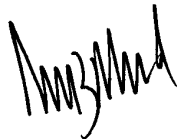
Agenda Item No.6: HIRING OF MARKETING CONSULTANT FOR HOUSING PROJECT AT I-16/3, ISLAMABAD

In pursuance of the decisions of the 27th and 28th Authority Board Meetings, the scheme was re-designed from G+3 to G+9 floors. The scheme is now ready to be launched and the requisite planning, design, costing, payment schedule and detailed terms and conditions have been prepared.

2. According to the new design of the project there will be more than 1900 apartments which will be offered to the low paid income groups and federal govt. employees. At this point it is pertinent to highlight that sale of such a large number of apartments will indeed require effective marketing, therefore services of a reputable marketing consultant firm may be hired.

Decision:

The board directed that Consultant for Marketing of Housing Project at I-16/3 may be hired through press as per PPRA.



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Agenda Item No.7: RECRUITMENT IN PHA FOUNDATION

After approval of sanctioned strength and recruitment rules by the Board of PHA-F, the PHA Foundation advertised 238 posts of different categories from BS-1 to 18 for recruitment. A number of 27245 applicants applied for these positions and out of these, 20324 were short-listed, whereas, 5154 appeared for written tests/ interviews. The tests and interviews were conducted at different stations from 9th February, 2012 to 26th March, 2012. The details are as under:

S.No	Station	Candidates (BPS-6 to 18)	Candidates (BPS-1 to 5)
1.	Quetta	118	11
2.	Lahore	599	378
3.	Karachi	364	100
4.	Islamabad	2240	549
5.	Peshawar	649	127
Total		3970	1184

2. The break-up of quota is summarized as under:-

S.No	Region / Province	No. of applications received	No. of applicants Short listed	No. of applicants appeared for test/Interview	Applicants appointed	% age
1.	Punjab/ICT	16470	13080	3077	106	54%
2.	Sindh (R)	1758	1135	242	25	13%
3.	Sindh (U)	2524	1676	269	12	7%
4.	K.P.K	5254	3253	1146	30	15%
5.	Balochistan	484	504	195	8	4%
6.	A.J.K	229	238	84	3	2%
7.	G.B./FATA	526	438	141	10	5%
Total		27245	20324	5154	194	100%



3. Furthermore, as approved in 2nd Board meeting, Management Services Wing has been established in eight completed and fully occupied projects (4 projects at Islamabad and 2 each at Lahore & Karachi) and at Head Quarter at Islamabad. The required staff has been hired at fix salaries. Since these people have been appointed on fixed salaries, therefore, they were appointed from the respective regions only where the projects are located. The details are as follows:

MAINTENACE CELL AT PHA HEAD QUARTER		
Designation	Salary per person	Total Post
Additional Director	45,000	1
Assistant Director	25,000	4
Assistant	18,000	3
Stenotypist	14,000	1
UDC	14,000	2
LDC	12,000	2
Naib Qasid	10,000	3

PROJECT TEAM TO BE LOCATED AT EACH PHA SITE		
Designation	Salary per person	No of Post
Assistant Director	25,000	2
Site Supervisor	18,000	2
Assistant	18,000	2
UDC	12,000	3
Electrician	10,000	2
Plumber	10,000	2
Sweepers	7,000	4

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Sewerage Man	7,000	1
Naib Qasid	8,000	4
Security Guard	10,000	5
Mali	8,000	3

Decision:

The Board appreciated and endorsed the recruitment process made by the PHA Foundation in different categories as well as hiring of staff for Management Services Wing.



AGENDA Item No.8: HIRING THE SERVICES OF MR. ALI AKBAR SHAIKH

The issue of implementation of the Kurri Road Scheme was discussed with the honourable Minister for Housing & Works / Chairman, PHA Foundation on May 04, 2012. Senior Joint Secretary (H&W) was also present. During the course of discussion it was desired to explore the possibility for appointment of independent Project Director for the said scheme.

2. It is submitted that the post of Project Director in Kurri Road Project does not exist in PHA Foundation at the moment. However, the post of Director (Engineering) is available and vacant. Therefore, it is for orders:-

a) whether Mr. Ali Akbar Shaikh is to be appointed on contract against the vacant post of Director (Engineering).

OR

b) Be appointed as Project Director for which the subject post is required to be created.

3. Bio-data of Mr. Ali Akbar Shaikh retired as Director General, Pak (PWD) in June, 2009 after serving 34 years in the field of Civil Engineering in Pak. PWD is enclosed. During his service he also remained posted as Director General, Federal Government Employees Housing Foundation and Managing Director, NCL. The officer has variety of experience in the field of housing and works.

Decision:

The Board approved the creation of post of Project Director in the Kurri Road Project. The Board further directed that Mr. Ali Akbar Shaikh and Engr. Farooq Khan Sherwani may be appointed on contract as Project Director for a period of one year and Director (Engg.) for a period of three years at fixed salaries of Rs.120,000/- and Rs.160,000/- respectively and efforts should be made to hire the services of Director (Finance) from the market.



Agenda Item No.9: EXTENSION OF CONTRACT OF PHA-FOUNDATION EMPLOYEES

During 1st Board Meeting, the contract of those employees whose cases have been referred to the Cabinet Sub-Committee for regularization or those who are involved in litigation in Islamabad High Court were extended up to March 31, 2012 for the purpose of pay. So far, neither the Cabinet Sub-Committee has sent the minutes of the meeting held on March 15, 2012, nor the case been decided in the Islamabad High Court. Therefore, it is proposed that contract employment of these employees may be extended up to May 31, 2012 so that their salaries are paid.

Decision:

The Board approved the extension in the contract of employees upto 31-05-2012 for the purpose of salary only.



Agenda Item No.10: TERMINATION OF CONTRACT – I-11/3, ISLAMABAD

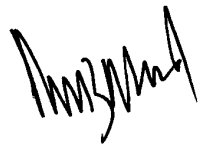
The contracts for construction of 'C' and 'D' Apartments at I-11/3 Islamabad were awarded to M/s Hajvairy Associates (Pvt.) Ltd in the year 1999 and were required to be completed in Dec 2000 & 2001 respectively.

Unfortunately, the progress of the projects never at any stage had remained satisfactory, as a result, the said projects even after lapse of 12 years are still incomplete.

Despite continuous and vigorous pursuance by PHA, the contractor failed to improve the rate of progress. No of notices were issued by PHA as well as the Consultants for expediting the progress but, of no avail. Consequently, both the projects were terminated for the first time in October 2003.

However, due to some improvements at the site after termination of the contract, the action of termination was postponed upto April 2004, but, the improvements could not sustain for long and all the activities went slow at the site. Consequently, 2nd termination notice was issued to the contractor in October 2004. The contractor approached, the Court of Law and obtained a stay order against the notice which was subsequently withdrawn, on the written assurance by the contractor regarding improvement in the progress.

Several high level meetings were held in an attempt to push the contractor for early completion of the projects. The meetings were held on March 15, 2006, June 28, 2006, August 19, 2006 and October 10, 2006. All these meetings were chaired either by Secretary or Minister (H&W).



The above meetings were followed by series of other meetings but, the contractor every time failed to deliver on his commitments regarding early completion of the project.

The Authority went to an extent of even allowing financial assistance in the form of loan through a joint escrow account and pumped Rs.39.30 Million into the escrow account.

Last notice to terminate the contract was issued on 3rd January 2012, and the same was again with drawn conditionally on assurance and written undertaking by the contractor for phase wise completion of the project within the period of 4 months. But, this arrangement also could not work as the contractor demanded for the payment of escalation and release of part security which could not be made as per agreement.

There is tremendous pressure from the allottees for early handing over of the possession, therefore, allowing any further relaxation or time to the contractor would be shear waste of time and will further compound the miseries of the allottees who are waiting since long for moving into their apartments.

Therefore, it is recommended that the contract of M/s Hajvairy be terminated under clause 63.1 of the contract and the balance work be re-tendered as per rules.

Decision:

The Board directed that CEO/MD should make last effort to resolve the issue, failing which the contract of M/S Hajvairy be terminated under clause 63.1 of the contract and the balance work of I-11/3 project may be re-tendered as per rule.

