

**Minutes of the 2nd Meeting of Expenditure Finance Committee for the
Financial Year 2016-17 held on May23, 2016 at 3.00 P.M.**

Hon.ble Finance Minister/ Dy. Chief Minister, Delhi Chaired the 2nd meeting of Expenditure Finance Committee (CFY 2016-17) on May 23, 2016 to consider the following Capital proposals of Departments of GNCT of Delhi :

S.N	Particulars of the proposal	Estimated cost (₹..in crore)
Home Department		
1.	Addition/modification work in the Mandoli Jail for providing extra security to the inmates	35.75
Public Works Department		
2.	Comprehensive Maintenance of various Roads under East Zone	453.20
3.	Comprehensive Maintenance of various Roads under North Zone	565.96
4.	Comprehensive Maintenance of various Roads under South Zone	623.89
Department of Higher Education		
5.	Providing additional facilities in the Deen Dayal Upadyaya College at Sector-3, Dwarka	12.00

2. Following attended the meeting:

I Members of Expenditure Finance Committee

- i. Sh. Satyender Jain, Hon'ble Minister (PWD/Home)
- ii. Sh. S.N. Sahai, Pr. Secretary (Finance), GNCTD
- iii. Sh. Sudhir Yadav, Director General (Prisons), GNCTD
- iv. Smt. Punya S. Srivastava, Secretary (Higher Education), GNCTD
- v. Sh. D.P. Dwivedi, Director (Planning), GNCTD
- vi. Sh. L.D.Joshi, Dy. Secretary (Finance), GNCTD

II Other Senior Officers

- i. Sh. S.P. Singh, Spl. Secretary (Finance)
- ii. Sh. Shiv Kumar, Director(Higher Education), GNCTD
- iii. Sh. Pradeep Gupta, , Chief Engineer(East), PWD, GNCTD
- iv. Sh. S. K.Rampal, Chief Engineer(South), PWD, GNCTD
- v. Sh. P.B. Singh, Chief Engineer(North), PWD, GNCTD
- vi. Sh. Vimal kumar, CPM(Education Projects), PWD, GNCTD
- vii. Sh. Diwakar Aggarwal, CPM(Other Projects), PWD, GNCTD
- viii. Sh. Vijay Kumar, Spl. Secretary (Works), PWD, GNCTD

3. Pr. Secretary (Finance) apprised the Expenditure Finance Committee about the agenda items stating that the proposals at S.No. 1 & 5 are already approved by the Cabinet and are for additional works. Proposal at S.No. 2,3 &4 are being placed for evaluation and recommendations of the Expenditure Finance Committee as per Cabinet Decision No.2307 dated 24.2.2016 before taken to Cabinet for approval. Thereafter, department concerned appraised of their proposal before the Committee;

A. Public Works Department

I. Comprehensive Maintenance of various Roads under PWD.

(i) Public Works Department has submitted that for Comprehensive Maintenance of Roads, Subway and other street furniture including Civil, Electrical and Horticulture works, etc for five (05) years, three (03) Preliminary estimates were prepared for three Zones of PWD i.e North, South and East Zone based on rates taken from NIT approved by Chief Engineer, North Zone and DSR-2014 minus 12% for scheduled items with 1% each for Contingency and Labour Cess and enhancement @ 6.5% per year after two years on account of anticipated escalation. The objective of the proposal is to provide neat, clean and dust free roads to reduce pollution. The work will be awarded to a single contractor through competitive bidding. Details of the proposal are submitted as under;

Particulars	North	South	East	Total
No. of Km.	516	444	380	1340
Civil Work (₹..in crore)	483.42	556.56	393.52	1473.21
Electrical Work (₹..in crore)	15.80	22.16	22.81	62.22
Horticulture Work (₹..in crore)	66.74	45.17	36.87	153.08
Total Cost (₹..in crore)	565.96	623.89	453.20	1712.35
Cost/km for 5 yrs. (₹..in crore)	1.097	1.176	1.192	1.155

(ii) During deliberations the rationale behind booking the maintenance expenditure under Capital Head come up for discussion. It was clarified by the Chief Engineer, PWD that since the comprehensive maintenance will be done through mechanisation process for five (05) years, the expenditure has been treated as Capital Expenditure. Accordingly, Provision for the said work has also been made under Capital/ Plan Head.

(iii) However, the logic put forth by the Chief Engineer for booking the maintenance expenditure under Capital Head was not found acceptable. Principal Secretary (Finance)

stated that any significant expenditure incurred with the object of acquiring tangible assets of a permanent nature shall be defined as Capital expenditure, while the charges on maintenance, repair etc. required to maintain the assets in a running order shall be classified as Revenue Expenditure in terms of General Financial Rules. In the instant case, the issue relates to maintenance of PWD roads which will be undertaken by the PWD on a comprehensive basis by hiring the services of contractors. It is the contractors who will be procuring and pressing machines and equipments for the purpose of maintenance of roads and no purchase of machines will be done by PWD directly. Since no assets are being created in the process, the expenditure shall be booked under the Revenue Head only. The proposal does not require approval from the Expenditure Finance Committee. Administrative Approval and Expenditure Sanction can be accorded by the Administrative Secretary/Head of Department as is done. For allocation of additional funds, the Committee directed PWD to submit a separate proposal under relevant Non Plan Head to Finance Department.

B. Home Department

I. Addition/modification work in the Mandoli Jail for providing extra security

(i) Home department has submitted that the original proposal for construction of Prison Complex was sanctioned in December, 2012 at a cost of ₹340.51 crore and the construction is nearing completion. For providing extra security to the inmates, certain addition/modification works are required in the Jail Complex which was not anticipated earlier. Therefore, PWD submitted a preliminary estimate for ₹35.75 crore based on DSR 2014 minus 12% for scheduled items and market rates for non-scheduled items with 1% each for contingency, labour cess and 2% WCT.

(ii) Following major items of Civil & Electrical works were considered in the proposal;

S.N	Items of Woks	Cost (₹..in Cr.)
1.	Raising of inner, middle and outer security wall, oughed glass sheet in windows, filling gaps in watch towers, covering of exposed CI pipes & drains, extra window in guard room, secured locking system, modification in hospital, boom barriers, P/F laundry, modifying existing rooms of kitchen block, barricading and sheds for mulakaties, converting rooms to Armoury, lining in X-ray rooms, Porta Cabins, etc	27.99
2.	P/F Video Conferencing, talk back system in all jails, AOs, provision of LAN, electric fence, UPS for CTV Cameras, video conferencing and other computers	7.76
	Total	35.75

(iii) It was observed by the Members of the Committee that there are certain inconsistencies in the documents submitted by PWD and the latter was advised to submit the mandatory documents to complete in all respects. It was further directed that instead of the conventional Porta Cabins, insulated and 'all weather friendly' Cabins shall be erected, and specifications for the same shall be clearly indicated by PWD in the tender documents.

(iii) It was submitted by Finance Department that inclusion of 2% WCT is not admissible as per Government Order dated September, 10, 2014. Therefore, provision of 2% WCT i.e ₹20,15,570/- need to be deleted from the estimation. After deleting the provision of WCT, the estimated cost works out to be ₹35,55,15,048/- say ₹35.55 crore.

(iv) The Committee observed that completion of the project is getting delayed repeatedly, a definite timeline must be fixed for completing the Project. After deliberations, it was assured by the department that every effort will be made to operationalise the Jail Complex latest by 30th September, 2016. Therefore, considering the recommendation of Administrative Department on the requirement and its satisfaction regarding technical, administrative, operative, maintenance and financial aspects etc, Expenditure Finance Committee has made the following recommendation:

- i. The proposal for addition/modification in the Mandoli Jail for extra security shall be placed before the Cabinet for approval and expenditure sanction of **₹35.55 crore (Rupees thirty five crore fifty five lakh only)**
- ii. Project shall be completed as per approved scope of work within scheduled period at sanctioned cost. No cost escalation will be considered in future.
- iii. The tender shall be invited as per the approved cost considered on the recommendation of the department.
- iv. Compliance of pre-sanction / post-sanction guidelines / requirement circulated as Annexure to Government order no. PA/DSF/Misc/2012-13/Exp-4/538-45 dated 17.05.2012 during planning and execution period
- v. While submitting the proposal for consideration of Competent Authority, the department may be advised to incorporate the current status of the main project, reasons for revision, comparative statement of original vs. revised cost, etc also in the Cabinet note along with the recommendation of EFC.

C. Directorate of Higher Education

I. Providing additional facilities in the Deen Dayal Upadaya College at Sector-3, Dwarka

(i) Directorate of Higher Education has submitted that for providing additional facilities like VRF Air-Conditioning, LAN Networking System, Audio Video System & CCTV System in the Deen Dayal Upadaya College at Sector-3, Dwarka, a preliminary estimate for ₹12.00

crore has been submitted by PWD based on market rates including contingencies, Labour Cess @ 1% and service tax @ 5.6%. The original proposal was earlier approved by the Cabinet at a cost of ₹150.98 crore in December, 2011. The college is fully funded by the Government of Delhi.

(ii) It was informed by the department that the work of construction of college is nearing completion. To make the college fully functional, these additional works are required which were either not part of the earlier approved estimate or were taken for lesser areas and are now required in some additional areas. It was stated that in the original proposal, provision was made for 245 tons of Air-conditioning (140 units Split & Window Acs). Considering economy and aesthetics, VRF Air-Conditioning has been proposed instead of individual units. The college is using Audio-video facilities in the existing campus and therefore proposed for the new campus as well. Since the entire campus is wi-fi enabled and keeping in view the large volume of computers (450 desk top & 780 laptops), Up-gradation of LAN is a vital requirement. Details of cost of the proposed facilities are as under;

S.N	Particulars of work	Estimated cost (₹..in crore)
1	Audio Video System	2.90
2	CCTV System	1.73
3	LAN Networking System	3.35
4	VRF Air-Conditioning	4.02
	Total	12.00

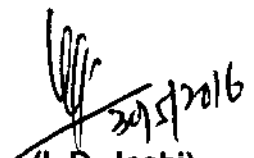
(iii) It was further informed that proposed expenditure shall be met from the anticipated saving of ₹8.45 crore from the existing sanction plus 10% allowed over the A/A & E/S. After incurring the additional expenditure of ₹12.00 crore for the aforesaid works, the total cost of the project would be ₹154.53 crore.

(iv) Considering recommendation of Administrative Department on the requirement and its satisfaction regarding technical, administrative, operative, maintenance and financial aspects etc, Expenditure Finance Committee has made the following recommendation on the proposal of the Directorate of Higher Education:

- i. The proposal for providing additional facilities in the Deen Dayal Upadhyaya College at Sector-3, Dwarka, at an estimated cost of ₹12.00 crore (Rupees twelve crore only) shall be placed before the Cabinet for approval and sanction.
- ii. Project shall be completed as per approved scope of work within scheduled period at the sanctioned cost. No cost escalation will be considered in future.

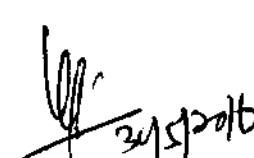
- iii. The tender shall be invited as per the approved cost considered on the recommendation of the department.
- iv. Compliance of pre-sanction / post-sanction guidelines / requirement circulated as Annexure to Government order no. PA/DSF/Misc/2012-13/Exp-4/538-45 dated 17.05.2012 during planning and execution period
- v. While submitting the proposal for consideration of Competent Authority, the department may be advised to incorporate the current status of the main project, reasons for revision, comparative statement of original vs. revised cost, etc also in the Cabinet note along with the recommendation of EFC.

4. Meeting ended with vote of thanks to the Chair.


(L.D. Joshi)
Deputy Secretary (Finance)
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NO.F.2(5)/2016-17/012344510/Fin/Infra/Exp4/1241-1852 Dated: 30/05/2016

1. Secretary to the Finance Minister/Dy. Chief Minister/Minister, Education for appraisal of Hon. Finance Minister / Dy. Chief Minister, Delhi.
2. Secretary to the Minister (Home, PWD) for appraisal of Hon. Minister, Delhi.
3. Pr. Secretary, Home Department, GNCTD, Delhi Secretariat, New Delhi
4. D.G. (Prisons), Tihar Jail, New Delhi
5. Secretary, Directorate of Higher Education, 5, Sham Nath Marg, Delhi
6. Secretary, Public Works Department, GNCTD, Delhi Secretariat, New Delhi
7. Engineer-in-chief, PWD, MSO building, ITO, New Delhi.
8. Director, Planning Department, GNCTD, Delhi Secretariat, New Delhi
9. PS to Pr. Secretary (Finance), GNCTD.
10. PA to Spl. Secretary (Finance), GNCTD.
11. Programmer, Finance Department, GNCTD
12. Concerned file/Guard file.


(L.D. Joshi)
Deputy Secretary (Finance)