



सत्यमेव जयते

Audit Report on **XIXth Commonwealth Games** **2010**



Report of
Comptroller and Auditor General of India

Union Government (Civil)
Report No. 6 of 2011-12



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(Performance Audit)

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Preface

During the meeting of the Commonwealth Games Federation (CGF) General Assembly in November 2003, Delhi won the bid to host the XIX Commonwealth Games 2010. Having won the bid, the host city contract was signed in November 2003 between the CGF, Indian Olympic Association, Government of India (GOI) and the Government of National Capital Territory of Delhi (GNCTD) with the Organising Committee (OC) (which was constituted later), becoming a subsequent signatory.

In pursuance of this contract, the XIX Commonwealth Games were successfully held in Delhi from 3 to 14 October 2010. All sporting events and supporting activities were very smoothly conducted. The country and its management won acclaim for the successful conduct of the games. The country won a record haul of 101 medals which was the highest ever in international events of this nature wherein we had participated earlier. The opening and closing ceremonies were spectacular.

Despite such phenomenal success of our athletes and sportspersons, the events leading to the conduct of the games had attracted severe adverse attention. There were reports of irregularities in the award of contracts, delays in construction of stadia, games village and related infrastructure, procurement of equipments of inferior quality or purchase of routine items at exorbitantly high prices. The Media as also other agencies, were vociferously pointing fingers at Government and the OC on account of both delays in the preparedness and also excessive expenditure. There were not only veiled allegations of serious leakage of Government funds and favouritism in award of contracts, but also direct indictments of officials in positions in the different agencies entrusted with either the hosting of the games or developing stadia and associated infrastructure. Such adverse publicity undermined the tremendous achievements of our sports persons, and indeed, even the successful conduct of the games.

It may be recalled that towards late 2008 and early 2009 serious concerns had been expressed about India's preparedness for successfully hosting this prestigious event, largely because of perceptions about the construction of venues and associated infrastructure lagging behind schedule. The hosting of the Games was a mammoth exercise as the preparations involved at least a dozen different agencies besides local and parastatal bodies like the DDA, NDMC and MCD. There were claims and counterclaims in different quarters about the state of preparedness.

It was under these circumstances that the C&AG had decided to conduct an independent study to assess the progress of projects and preparedness of different agencies for organizing the Games and to identify the significant risks that needed to be addressed. This study which was not an audit in the conventional sense, was meant to provide an aid to the Administration as benchmarks for monitoring the progress of different works and undertaking mid course corrections. After a study by a core team from our office, carried out between March and May 2009, a brief Report was prepared and submitted to Government in July 2009, 15 months before the games were to be held. The study Report provided detailed evidence of status of completion of projects in different phases as of July 2009, both documentary and pictorial. The report highlighted the fact that there was no scope for further delays and slippages in milestones, given the confirmed deadline of October, 2010 for holding the games. The study Report also suggested that “in view of the complexity and multiplicity of activities and organizations and the progress till date, there is need to rethink the governance model for the games project as well as for similar mega-events in the future”. Copies of the Report were provided to all authorities engaged in the execution of the complex games project.

In view of the concerns expressed by all sections of society with regard to the perceived inadequacies and shortcomings in different projects and associated activities with the staging and hosting of the games, the C&AG decided to conduct an external audit post completion of the games in the shortest possible time, so that the Parliament and the country could have the benefit of an independent and objective assessment of the outcomes emanating from the expenditures incurred. Ordinarily such a mammoth exercise would have taken several months. A multiplicity of agencies were involved and the activities and projects were manifold. However, considering the urgent need to keep all stakeholders apprised of the outcome of the expenditure incurred as also to provide an assurance with regard to the manner of achieving the outcomes, a dedicated team of auditors was put together to comprehensively audit all the agencies, aspects and activities leading to the conduct of the games. This audit was comprehensive in nature, combining both compliance and performance related issues across multiple Ministries and Departments of GOI, GNCTD, Government of Maharashtra, the OC and various other bodies with regard to the role and activities in respect of the Games projects. This Report contains the results of the audit, covering the period from May 2003 when the initial bid was made for hosting the games to December 2010 when most of the Games related projects and activities were completed. The exercise was mammoth, as our audit approach follows a very meticulous and clinical process in which we have to consider all significant details and also provide opportunity to the audited entity to present their responses and comments on the audit findings.

Audit conducted by the organization of the C&AG follows a very structured, systematic and objective architecture, to ensure that a balance and objective audit methodology is brought to bear on the Institution/Sector being audited and covering all nuances of that particular organization/activity. The audit methodology is as follows:

Before actual commencement of the field audit, to ensure a comprehensive coverage and consistency in findings, a detailed set of guidelines/checklists are prepared by the department. An “entry conference” is usually held at an appropriately senior level with the audited entity to elicit the cooperation and assistance required for the conduct of the audit as also share the broad audit approach and objectives. Suggestions and concerns of the entity raised in this Conference are taken into account to ensure a holistic and balanced coverage. Thereafter field audit commences which involves scrutiny of records and documents, physical inspection of sites (including collection of photographic evidences) and, where considered necessary, discussion with selected officials and persons. Audit requisitions are issued, seeking records, information and clarifications. Preliminary audit observations are communicated through audit memos/queries (also termed as “half margins”) to the audited entity at appropriate levels, seeking their responses and comments, which are duly examined and considered. After examination of the preliminary audit observations and responses thereto, draft audit findings are communicated, either through “Statements of Facts (SOFs) or draft Audit Reports” to the head of the audited entity, seeking their written responses. ‘Exit Conferences’ are also held, usually at the level of the head of the audited entity, providing an opportunity to explain their position vis-à-vis the audit observations and furnish additional information/clarifications. It is only after receipt of replies to the SOFs/draft Audit Reports that Audit finalises its findings and prepares the Audit Report for submission to the President for tabling in Parliament.

Whilst it has been oft commented that external audit is a postmortem and conducted quite often well after the event, the issue needs to be viewed in its right perspective. External audit of the kind conducted by the C&AG is, indeed conducted post the event. It is thus distinct from internal audit, which, by definition is concurrent. The efficacy and timeliness of our Report is often dependent on the promptness displayed by the audited entities at different stages – in making available the files and records, giving responses to audit memos and SOFs, as also in the holding of the exit conferences. Invariably, agencies seek additional time to respond at every stage. In the fitness of things and to provide an ample opportunity for them to present their arguments, reasonable extension of time is generally provided.

In the conduct of the extant audit of CWG 2010, the audit teams did a commendable job in completing the field audit, involving scrutiny of voluminous documents within a challenging time schedule of 90 days assigned to them. However, the preparation and finalization of the Report was totally dependent on the time taken by the different entities to respond to the requests for files, documents and records, and the time taken to make available complete and detailed responses to Audit at the different stages when the audit findings were shared with the audited entities. In the preparation of these audit findings, all agencies audited have been given adequate opportunity to provide clarification or state their side of the facts. Requests for additional time were also liberally granted to ensure that no authority or individual feels wronged that he did not have an adequate opportunity to represent his facts. Such granting of time could have led the delay of a few weeks in the presentation of this Report, but we believe that a fair opportunity must be given to all those on whose some observations are likely to be made. Needless to state, the final findings and its onus is entirely that of this Department. Audit is also constrained by the fact that its Report can be brought into the public domain, only after being tabled in both Houses of Parliament.

It is in the nature and context of the aforesaid issues that this Audit Report has been prepared. It is hoped that all stakeholders will perceive its balanced reporting and comprehensive coverage of the mammoth exercise leading to the conduct and staging of the CWG-2010. Whilst the Report is fairly comprehensive, it focuses on issues relating to the overall perspective of the organization and management of the Games Project. Other issues and concerns which focus on agency specific aspects would be reported separately through other Audit and Inspection Reports, depending upon their materiality and significance.

Some of the projects, works and contracts are yet to be completed. Consequently final bills are yet to be received and payments made. These payments are likely to have a significant impact on the final cost of the Games. Audit would cover the same in subsequent audits.

This Audit Report for the year ending March 2011 has been prepared for submission to the President under Article 151 of the Constitution.

Executive Summary

Background

The XIX Commonwealth Games (CWG-2010) were successfully hosted in Delhi from 3 to 14 October 2010. These Games represented the largest ever multi-sport event held in India. 4336 athletes and 2115 officials representing 71 Commonwealth Games Associations (CGAs) participated in competitive events in 17 sports disciplines, besides events in 4 para sports disciplines. While Australia was the most successful team at CWG-2010, India gave its best ever performance in the Commonwealth Games by securing second position in the medal tally with 38 gold, 27 silver, and 36 bronze medals.

The right to host CWG-2010 was awarded in November 2003 to Delhi on the basis of the May 2003 bid of the Indian Olympic Association (IOA), and the guarantee of Government of India (GoI), in conjunction with the Government of the National Capital Territory of Delhi (GNCTD) to bear the financial liability for hosting the Games, including underwriting any shortfall between revenues and expenditure.

In July 2009, we presented a Study Report to the Government of India on preparedness for CWG-2010. This Study Report was intended to provide an aid to the Executive in monitoring and benchmarking progress towards preparing the infrastructure and staging the Games, and making mid-course corrections.

The current audit of CWG-2010 was comprehensive in nature, and builds on the findings and recommendations of our Study Report on preparedness for the Games. It covers the period from May 2003 (when the bid was submitted) to December 2010 after the conclusion of the Games, as well as a multiplicity of activities – not just the hosting of the Games per se, but also the development of sporting venues, the Games Village, city infrastructure projects and other associated/ supporting activities – executed by a diverse set of agencies.

We conducted our field work between August and December 2010, held entry and exit conferences with the concerned agencies, and also issued detailed Statements of Facts (SOFs) to the agencies, seeking their responses and comments, which have been appropriately considered in this report. Our main findings are summarised in the following paragraphs. Details are available in the activity-specific chapters.

Governance

The commitment of GoI, in conjunction with GNCTD, in September 2003 to become parties to the Host City Contract (HCC) and undertaking to bear the financial liability for hosting of the Games, including underwriting any shortfall between revenue and expenditure, was critical to the success of the IOA bid for Delhi to host CWG-2010. The competing bid from Hamilton, Canada did not involve deficit guarantees from the Canadian Federal and Provincial Governments, nor did they agree to be parties to the HCC. In the case of India thus, the Games became the property of the nation, rather than merely that of the IOA. This was, however, inadequately reflected in the subsequent constitution of the Organising Committee (OC).

In our opinion, the unique challenge of managing and monitoring the activities of multiple agencies for delivering the Games Project should have been met by entrusting its stewardship to a single point of authority and accountability, with adequate mandate to ensure all deliverables in time, to cost, and to specified quality standards. Further, in view of the Government guarantee for meeting the cost of the Games, it was essential for such stewardship to be fully under Government control. However, this model of management or financial control was not followed for the Games Project.

Although the bid document of May 2003 envisaged the OC as a **Government-owned registered society**, with the Chairman of the OC Executive Board (EB) being a government appointee, and the IOA President being only the EB Vice-Chairman, the OC was ultimately set up in February 2005 as a **non-Government registered society**, with the IOA President, Shri Suresh Kalmadi as the Chairman of the OC EB. This change was orchestrated through a sequence of events, commencing with a document titled as an “updated bid” of December 2003 (which had no legal sanctity or relevance), indicating a changed structure. This “updated bid” dated December 2003 surfaced only in September 2004, viz. 16 months after the IOA made its bid and 10 months after that bid had already been declared successful! Despite serious objections from the erstwhile Minister, YAS, late Shri Sunil Dutt, Shri Kalmadi was appointed as the OC Chairman, based on a PMO recommendation of December 2004. This decision facilitated the conversion of the originally envisaged Government-owned OC into a body outside Governmental control, without commensurate accountability to Government and concomitant controls to ensure propriety and transparency (despite full financial guarantee and funding from Government). Attempts in 2007 by Shri Mani Shankar Aiyar, Minister, YAS and late Shri SK Arora, Secretary, Ministry of Youth Affairs and Sports (MYAS) with the PMO, the Group of Ministers (GoM) and the Cabinet Secretariat, highlighting the ineffective position of MYAS in

exercising control over the OC, met with strong resistance from the Chairman, OC, and were hence rendered unfruitful.

In the absence of a single point of authority and accountability and the lack of a clear governance structure, a multiplicity of co-ordination committees were created, disbanded, and reconstituted at different points of time. This approach was not methodical, consistent and effective, and also led to complete diffusion of accountability. This was unlike the structure for the Melbourne CWG-2006, where the Victorian Government oversaw the planning and delivery of the Games through a specially formed Cabinet Committee. The Minister for Commonwealth Games was specifically empowered and made responsible under the Commonwealth Games Arrangements Act 2001.

Although there were some changes in the governance structure of the OC from October 2009 onwards, these actions were largely in the nature of emergency fire-fighting measures. Possibly, the only effective steps taken were around August 2010 which eventually ensured the actual conduct of the Games. Early and decisive action on the governance structure for the Games of the kind witnessed in August 2010, with a single point of authority and accountability, could have made the Games delivery process less painful, more streamlined and accountable.

(Chapter 4)

Planning

There was a seven-year window from the award of CWG-2010 to Delhi in November 2003 to its hosting in October 2010, which was not appropriately utilised. The time window from November 2003 to mid-2006, which could have been effectively used for planning, clearances and approvals, was wasted. The OC itself was registered only in February 2005, while EKS was appointed by the OC as the consultant for preparation of venue briefs and site plans only in July 2006. This led to cascading delays in all subsequent activities, since the return briefs, concept designs and detailed designs and drawings for venues could be prepared only thereafter. Even after that, specifications and designs for venues continued to be revised by the OC and International Sporting Federations till late stages.

Overall planning for the Games, including the General Organisation Plan, the Games Master Schedule, and the operational plans for different Functional Areas, was also substantially delayed. So was the detailed planning for state-of-the-art city infrastructure in time for CWG-2010.

(Chapter 5)

Financial Management

Even while approving submission of the IOA bid in May 2003, and providing financial liability and deficit guarantees in September 2003, Gol did not have a clear and realistic assessment of the estimated cost of hosting the Games. The IOA bid of May 2003 estimated an all-inclusive cost of just Rs. 1200 crore (after setting off operational expenses against estimated revenues from hosting the Games). By contrast, the overall budget estimate for CWG-2010 for Gol and GNCTD (including MCD, NDMC and other agencies) as of October 2010 was Rs. 18,532 crore. This excludes investments by other agencies (such as DMRC and AAI/DIAL) on allied infrastructure.

The highly conservative and unrealistic size of the original budget envisaged in the May 2003 bid led to revisions of estimates at very short intervals even upto September 2010. This evidenced a piecemeal approach for consideration/approval of individual cost elements. The other major reason for increased costs/estimates was delays at multiple stages (including delays in grant of approvals by Gol), resulting in bunching of activities towards the end and consequential increase in cost.

The absence of a single point of authority and accountability for the Games was compounded by the early disbandment of the Finance Sub-Committee of the GoM, which would have acted as a special EFC for CWG-related proposals. This contributed to the piecemeal approach towards cost estimation and budget approvals.

We also found numerous instances of delays in grant of budgetary and financial approvals by the Gol. While we acknowledge that careful scrutiny of proposals is required to ensure due diligence before approvals and commitment of Gol funds, processing and approvals should have demonstrated a greater sense of urgency (in view of the considerable delays that had already taken place). These delays also contributed to the cascading of time at the execution stage.

(Chapter 6)

Internal Controls and Decision Making within the OC

The internal control environment and decision making structures within the OC were highly inadequate. The state of documentation in the OC was so inadequate that we are unable to derive assurance as to either the authenticity or the completeness of records.

Contract management by the OC was irregular and deficient. The state of contract documentation is such that we are neither sure of the entire sequence of events leading to award of contracts, nor about the total number of contracts and work orders awarded. We were also unable to ascertain complete contract-wise payments and outstanding liabilities.

The processing of certain sensitive contracts/ cases was allocated in an arbitrary and ad hoc manner to certain officials who had no linkages with the concerned Functional Area. Such action diluted the process of due diligence and scrutiny. There was enormous bunching of high value contracts in 2010, particularly in the second and third quarters. The argument of urgency was used to obviate the regular process of tendering for award of contracts. We found numerous instances of single tendering, award on “nomination basis”, award of contracts to ineligible vendors, inconsistent use of restrictive Pre-Qualification (PQ) conditions to limit competition to favour particular vendors, inadequate time for bidding, cancellation and re-tendering of contracts, and inexplicable delays in contract finalization, all of which seriously compromised transparency and economy. Further, there were numerous deficiencies in the appointment of external consultants and advisors and management of the multiplicity of contracts thereof.

We also found that the OC-IOA relationship was blurred, facilitating grant of irregular benefits to IOA at the expense of the OC/ Gol through various means.

(Chapter 7)

Revenue Generation by OC

At all points of time, the OC consistently presented staging of the Games as revenue neutral, if not revenue surplus. This argument was used to justify the independence and financial autonomy of the OC. However, this premise of revenue neutrality was seriously flawed, as it was never supported by robust and appropriately validated revenue projections. In fact, between March 2007 and July 2008, the revenue projections skyrocketed from Rs. 900 crore to Rs. 1780 crore. In our view, this increase in revenue projections (mainly on account of inflated projections of sponsorship revenue and donations) was made with the sole objective of keeping pace with the vastly increased operating expenditure estimates, so as to maintain the claim of revenue neutrality. Both MYAS and MoF failed to exercise necessary due diligence, and did not seriously challenge the OC's claim of revenue neutrality. In reality, the total committed revenues amounted to just Rs. 682.06 crore, and the net revenue actually realised by OC (after deducting revenue generation costs) was just Rs. 173.96 crore.

The OC's performance in revenue generation was consistently poor across all major revenue streams, e.g.

- It could generate committed sponsorship revenue of just Rs. 375.16 crore (against the target of Rs. 960 crore), out of which nearly 67 per cent was from Government agencies/ PSUs. No revenue has been received on account of merchandising and licensing rights. The engagement of SMAM as the consultant for sponsorship and merchandising/ licensing rights was flawed, as it was based on a single financial bid. It was also unduly influenced by the recommendation of the CGF CEO, and placed undue emphasis on international experience (ignoring the vast potential of the Indian market). OC chose not to derive lessons from the poor performance of SMAM leading upto the Games, and terminated its contract only in August 2010.
- The commercial exploitation of national and international broadcasting rights was badly managed. The agreement for national broadcasting rights between OC and Prasar Bharati was signed only on 23 September 2010, resulting in generation of just Rs. 24.70 crore of revenues for the OC. With regard to international broadcasting rights, OC could sign agreements for only Rs. 213.46 crore, of which only Rs. 191.40 crore has been received.
- OC's performance on ticketing was also deficient. Gross ticketing revenue of just Rs. 39.17 crore was realized (against the target of Rs. 100 crore). The appointment of the ticketing consultant and the ticketing agency was delayed enormously, and sale of tickets commenced only in September 2010. The generous distribution of high value complimentary tickets was excessive (nearly thrice that of earlier CW Games at Manchester and Melbourne). Also, OC adopted a wide range of ticket pricing, contrary to the recommendations of consultants, which contributed to low ticket sales (particularly of high denominations).
- OC included a revenue target of Rs. 300 crore in July 2008 from donations/ raffle, against which it collected a paltry sum of Rs. 0.99 crore.

(Chapter 8)

Games Planning Consultancy and Overlays

Event Knowledge Services (EKS) was awarded five consultancy contracts relating to venue appraisal/ briefs, project monitoring, games planning and workforce (awarded to an EKS consortium) during 2005-08. Three of these contracts were awarded on nomination basis, facilitated by strong patronage from the CGF (with which EKS had a close link). Tendering conditions for the other two

contracts were tailored to suit EKS. We are also unable to verify the need for this multiplicity of contracts, and the possible overlap between the deliverables from different contracts.

Planning and scoping for venue overlays was critically delayed by the OC and completed only in June 2009, after which the responsibility for procurement of overlays items was transferred from the venue owners to the OC. The procurement process followed for award of venue overlays contracts was highly irregular. OC inexplicably shifted from an item-wise basis (followed internationally) to a venue-cluster approach, based on geographical locations. This cluster-based approach, along with tailored eligibility criteria, was used to discourage competition by restricting the number of vendors. These criteria were then selectively and inconsistently applied to remove competitors, leaving a field of just four “technically qualified” consortiums – ESAJV-D-Art-Indo, Pico-Deepali, Nussli and GL-Meroform. The commercial bids of all four vendors were the lowest exactly for those clusters, which were their first and second preferences. Such coincidence points to collusion and the possibility of cartels among the vendors.

The overlays contracts were signed at exorbitant rates, causing huge financial loss to the OC (and the GoI). Although we cannot fully quantify the true total loss (based on available records), we have, however, come up with indicators of the financial loss in different ways (by inter se comparison of item-wise rates across clusters and vendors as well as rates declared to Customs).

(Chapter 9)

Ceremonies

The main ceremonial events of CWG-2010 were the Queen's Baton Relay (QBR), and the opening and closing ceremonies (which were to be signature events showcasing Indian culture and heritage). We note that the ceremonies were widely appreciated; in particular the opening ceremony was a spectacular success. However, we found numerous irregularities in the appointment of contractors/vendors for various ceremonies.

Regarding the QBR Launch Ceremony on 29 October 2009, we found an inexplicable reduction in the scope of work for JMW (the event management agency for the QBR Launch) in October 2009 (with an increase in cost). On the other hand, the OC made highly suspect payments of £ 386,237 to two little known entities – AM Films UK Ltd and AM Car and Van Hire Ltd – for diverse and unconnected services for the QBR Launch ceremony. The assignment of work and payments therefor were highly questionable; associated approvals and clearances were obtained and payments made with uncommon haste. Large

amounts were also paid in cash, perhaps to avoid leaving a transaction trail. The role of Shri TS Darbari and Shri Sanjay Mahindroo, who were unrelated to OC's Ceremony Functional Area, in the QBR Launch Ceremony is also questionable.

We found that planning for the opening and closing ceremonies was inordinately delayed. Further, a multiplicity of agencies was engaged – Shri Bharat Bala as Creative Director/ Creative Consultant, Spectak Productions (Shri Ric Birch) as International Consultant, Wizcraft as the Event Management Firm and 17 other consultants. There was considerable overlap between the roles and responsibilities of these multiple agencies. We also found that Spectak Productions and Wizcraft had tied up with other experts well in advance of the award of the contracts. The engagement of the additional consultants (for at least Rs. 6.12 crore) at OC's cost amounted to a clear financial benefit to Wizcraft.

There were also major irregularities in procurement of accessories/ special items. The consultant for the band stand, Mr. Mark Fisher, got his full fee of US\$ 514,000, even though the idea of the band stand was abandoned. Mr. Fisher then presented a design for an aerostat, which was accepted. The fact that Spectak Productions and the aerostat vendor were part of the same group was concealed. There were also serious irregularities in the technical evaluation and award of the lighting/ searchlight contract, as well as in the award of the contract for video content.

Contracts for Rs. 16.49 crore for art direction and props for the opening and closing ceremonies were irregularly awarded to Blue Lotus Productions, without even having an approved list of props which were actually required. Huge quantities of props remained unutilized. Some props were not even received. Many of these props were exorbitantly priced.

(Chapter 10)

Catering

OC was responsible for providing catering services at the Games Village and venues for athletes and team officials, CGF/ CGA officials, VIPs, technical officials and media persons, volunteers, workforce, contractors and spectators. We found inexplicable delays in planning for catering services, as well as in the execution of various catering-related activities.

There were numerous irregularities in the award of the Games Village catering contract. The process of award took 14 months, with two rounds of tendering, both on single financial bids. The cancellation of the first tender by the Chairman, OC was not only against the recommendations of OC officials, but was

also done after opening the single financial bid on the Chairman's verbal orders. This decision to re-tender weakened the OC's negotiating position vis-a-vis the vendors and resulted in frantic activity upto June 2010 for conclusion of four separate contracts/agreements.

The process for award of venue catering contracts was also flawed, with unusual delays. This witnessed one round of cancellation of tenders and floating of three new RFPs as late as July 2010, with compromises on transparency, quality and economy (due to insufficient competition). Consequently, there were numerous complaints about the venue catering services, resulting in emergency arrangements during the Games Time.

(Chapter 11)

Technology

Successful organisation of the Games required several integrated technical solutions, including a Timing, Scoring and Results (TSR) system, a Games Management System (GMS), and a Games Time Website.

We found that planning for TSR was badly delayed and initiated only in January 2009. There were clear and repeated interventions at different stages to steer the TSR contract towards Swiss Timing Omega and eliminate MSL, Spain. Restrictive experience criteria for “end-to-end service” were specified and altered, and used to irregularly disqualify MSL, Spain. Swiss Timing Omega and MSL Spain had jointly provided TSR solutions for Melbourne CWG-2006, Doha Asian Games-2006 and Beijing Olympics 2008, and were, thus, equally qualified / unqualified as to the “end-to-end service requirement”. OC was left with a single financial bidder, effectively eliminating any opportunity for competitive pricing of TSR. This facilitated award of the TSR contract to Swiss Timing Omega at an exorbitant cost of Rs. 135.27 crore (compared to just Rs.39.84 crore equivalent at Melbourne CWG-2006 from the same vendor). There were also several deficiencies in the performance of TSR - in particular, the Commentary Information System (CIS) and the Games Information System (provided as Value-in-Kind sponsorship by Swiss Timing Omega).

The award of the Games Management System was also flawed. Restrictive RFP conditions resulted in disqualification of three out of four bidders, with MSL, Spain being eliminated through a biased evaluation. Gold Medal Systems was finally awarded the GMS contract on a single financial bid at a total cost of Rs. 25.29 crore (compared to just Rs. 4.15 crore equivalent at Melbourne-CWG from the same vendor).

Inexplicably, OC failed to consider the need for a Games Time website till June 2010. The award of the contract to HT-Hungama was flawed and irregular, with award procedures appearing to lack transparency. In addition to adverse media reports about the website's performance, the CGF President also confirmed serious problems with the website.

(Chapter 12)

Sports

The Sport Functional Area in the OC was responsible for organisation of sporting events, maintenance of results records, presentation ceremonies, and purchase of sporting equipment.

There were several deficiencies in the procurement of sports equipment, such as not following global tendering procedures, purchases on single tender basis, and deficient assessment of requirements.

The procedures followed for hiring Mr. Greg Bowman and his company, Great Big Events (GBE), for a multiplicity of contracts relating to sports presentation ceremonies were questionable. One contract was, in effect, deactivated in September 2010, and re-awarded at exorbitant rates to GBE. We also noticed fraudulent payments to GBE for false claims of personnel assignments (when they did not even visit India).

(Chapter 13)

Games Branding

Games branding essentially involved running the Games News Service (GNS) and other press operations, communication and marketing, and “image and look” (i.e. promoting a unique Games look and identity through banners and graphics).

We found that the exorbitant cost of Rs. 10 crore for the GNS contract was due to a decision to go in for outsourcing (as against the internally developed option used at Melbourne-CWG 2006) and also on account of flawed tendering procedures (with re-tendering) resulting in award on a single financial bid to Infostrada Sports. GNS failed to perform satisfactorily during the Games, as the Games news content was inaccessible from 5 to 8 October 2010 and was rectified subsequently using makeshift arrangements.

The selection of the “Games Look Provider” for preparing banners was marked by a cluster-based approach (as in the case of overlays). Further, on the pretext of urgency, a snap bidding process was used. As in the case of the venue overlays contracts, OC allowed several ineligible vendors to bid, while disqualifications were made on a selective basis. We also found the same vendor quoting different prices for the same items across clusters.

(Chapter 14)

Workforce and Other Supporting Activities of the OC

We found serious deficiencies in the award of the workforce consultancy contract to a consortium of E&Y and EKS. The tendering process was clearly tailored to favour EKS. There were several deficiencies in the contractual clauses, which tended to favour the interests of the consultant, as well as in the execution of the contract.

We found that the OC managed the work force in an arbitrary and ad hoc manner, leaving ample scope for patronage, favouritism and nepotism in the appointment and promotion of officials. Security and reference checks were not carried out for most employees. Certain employees, whose past records should have rendered them unfit for appointment in the OC, were nevertheless appointed.

Other major deficiencies in certain functional areas included the following:

- 492 persons who had not received security clearance were incorrectly listed in the data for the Integrated Security System, which indicated that the accreditation system was not followed strictly.
- 1.5 lakh lanyards at a cost of Rs. 0.68 crore were procured with an inexplicable fire retardant requirement of 800 degrees Celsius.
- Contracts for venue cleaning services were awarded irregularly, using a cluster-based approach, to just two contractors. Restrictive eligibility criteria were applied in a biased manner. 8 out of 9 packages went to A2Z Maintenance and Engineering Services, which was also engaged by OC for office automation services.

(Chapter 15)

Common Issues in Venue Development

There were delays relating to venue development at all stages – planning delays on account of late preparation/ approval of venue briefs, return briefs, and concept designs; delays in tendering and contract award; and delays in works execution and handover.

In the absence of in-house design skills, the venue owners/ implementing agencies were dependent on external design consultants. There were considerable variations in the performance of these consultants. We noticed that where the role of the foreign partner in the design consultants consortia (with relevant experience in design of sports stadia) was less, there were significant deficiencies in design inputs for execution.

Different implementation agencies followed different processes for award of major construction works. CPWD awarded most of the venue development contracts on item-rate basis, which is the preferred method as per the CPWD manual, since it is best suited to deviations from the original scope of work. Two major works, were, however, awarded on lump sum basis. Large number of extra/ substituted items and deviations in these works tended to change the very essence of the contract. PWD, GNCTD awarded most of its works on percentage rate tenders. This method of tendering is acceptable, only when the major portion of work is on account of items included in the Delhi Schedule of Rates (DSR), which was not the case in most of the venue development works.

Deficiencies in the process for award of major works related mainly to pre-qualification and eligibility. The pre-qualification of bidders separately for each venue not only introduced arbitrariness and inconsistencies in eligibility criteria, but also delayed the process of award and execution. Considering the similar nature of works for sports venue, we believe that a common pre-qualification process should have been conducted.

We found several deficiencies in the process of “justification” for awarding works at substantially higher amounts than the cost estimates. There were also numerous instances of deviations (quantity deviations, extra items, and substituted items) from the original scope of work, with adverse implications in terms of increased cost and delays.

We found numerous instances of delays in achieving the milestones listed in the contract, for which adequate penal action was not taken, and Extensions of Time (EOTs) not managed properly.

A key element of cost escalation is labour wage escalation. We found several deficiencies in the application of this escalation clause. In our opinion, although

such payments are in the nature of compensation, the payments are routinely made as per a specified formula and there is no mechanism to verify that payment is made for labour actually engaged by the contractor/ sub-contractor. In order to ensure that the benefit of increased minimum wages reaches the actual beneficiary, we recommend that such payments should be made only on production of proof of unskilled labour actually engaged, duly authenticated by the Labour Welfare Department.

(Chapter 16)

Venues developed by Central Public Works Department

General Issues

CPWD was engaged by the Sports Authority of India (SAI) for upgradation/ renovation of five competition venues – Jawaharlal Nehru Stadium, Dr. SP Mukherjee Stadium, Major Dhyani Chand National Stadium, Indira Gandhi Indoor Stadium, and Dr. Karni Singh Shooting Range, as well as one training venue – DPS, RK Puram. In addition, CPWD renovated the Kadarapur Shooting Range on behalf of CRPF.

We found that the appointment of Consulting Engineering Services (CES) as the main design consultant for the five main stadia was seriously flawed. CES was favoured at the evaluation stage by award of marks on “concept design” (which were largely outputs of a previous set of consultancy contracts for “condition survey” awarded to CES). Further, the technical qualification of CES on the basis of “concept design” is all the more surprising, since the OC's consultant, EKS was engaged only in November 2006 and thereafter prepared the venue briefs, on the basis of which “concept designs” were to be prepared. The performance of CES in almost all the venue consultancy contracts was abysmal.

A Centralised Co-ordination Committee, chaired by Chairman, OC and including representatives from venue owners/ implementing agencies, was responsible for selection of brands of sports surfaces. We found clear instances of favouritism and bias shown by this Committee (which was largely guided by the OC) in selecting sport surfaces for athletic tracks, hockey turf and badminton court mats.

A joint tendering mechanism was put in place for selection of agencies for laying the sports surfaces at the venues. We found serious deficiencies in the award of the contract for laying of synthetic athletic track surfaces by CPWD to Shiv Naresh Sports Pvt. Ltd. The restrictive tendering conditions resulted in a situation where the awarded rates were much higher than comparative rates

quoted for similar works. We also found that the area over which the synthetic track was laid included 9,130 sqm outside the main track and area of final warm-up and call rooms at JLN Stadium at a cost of Rs. 6.63 crore. We are unable to derive assurance that this additional quantity was required for the Games, and confirmed as such by OC. We also found deficiencies in the quality of the main competition track during our field visits in November 2010.

A joint tendering mechanism was evolved for supply and installation of VVIP/VIP chairs and media chairs for five venues. We found a systematic pattern of calculations and re-calculations for inflation of rates, which ultimately benefited the vendor, Superior Furnitures.

We found excessive “redundancy” in power supply arrangements for the venues, including installation of DG Sets as permanent fixtures, installation of UPS, and hiring of additional DG sets of huge capacity by OC.

Jawaharlal Nehru Stadium

In Jawaharlal Nehru Stadium, we found instances of non-adjustment for work not executed, extra payments for work already covered by the scope of the lumpsum contract, and non-levy of compensation for delayed completion of the work of the membrane roof. We found deficiencies in execution of work in the construction of the weightlifting auditorium at JNS, and common areas.

Dr. SPM Swimming Pool Complex

The main work of Dr. Shyama Prasad Mukherjee Swimming Pool Complex was awarded on a lumpsum contract. We found a number of concessions to the contractor, in deviation from the spirit of the lumpsum contract – large number of extra items, additional payment for work covered in the original contract, as well as substitution of the original galvalume roof with an aluminium roofing system, due to the failure of the contractor. The essence of the lumpsum character of the contract was, thus, defeated. There were also instances of poor quality of work execution.

IG Stadium Complex

Work at the Indira Gandhi Stadium Complex involved upgradation/construction of venues for cycling, gymnastics and wrestling. We found that a firm, otherwise ineligible for the composite work of the indoor cycling velodrome, was irregularly qualified. Strangely, competition for laying the permanent timber track for the velodrome was limited to Indian furniture contractors (in association with an international track design and construction expert), with no attempt to float

international tenders. This was compounded by dilution of eligibility criteria. There were deficiencies in the bidding process for the wrestling stadium, ultimately resulting in a single financial bid, which raises concerns on the competitiveness of the bidding process. Numerous irregularities/ relaxations in the tendering process for different works relating to the gymnastics stadium, hostel/ media centre and roads, boundary wall etc. to favour a particular bidder, Swadeshi Construction Co. was also observed.

Major Dhyan Chand Stadium

In the case of the Major Dhyan Chand Stadium, audit revealed dilution of pre-qualification criteria benefiting a particular contractor. Estimates were lowered substantially from the RFQ to the RFP stage, which may have discouraged larger companies from participating. We also found that the “justified” rates calculated by the CPWD did not truly reflect the market, as there was evidence of much lower rates for components of the main work from outsourced agencies. Also, despite additional costs for reduced time period for completion factored into the “justification” process, the project took 37 months, against the stipulated 18 months. There were inexplicable delays, with re-tendering twice along with dilution of bid criteria, in award of the work of the PA system to a firm, which was found ineligible in the first and second rounds of tendering.

Other Venues developed by CPWD

The originally envisaged renovation/ upgradation of Dr. Karni Singh Shooting Range was changed to reconstruction of ranges, creating a squeeze of time at the execution stage. There were deficiencies in the quality of works executed, which persisted even after the Games. We also found certain deficiencies in the execution of works at the Kadarpur Shooting Range. The training facilities to be constructed at the CRPF campus, Jharoda Kalan for police sportspersons for participation in CWG-2010, had not been completed.

(Chapter 17)

Venues developed by Delhi Development Authority

Delhi Development Authority (DDA) developed competition/training venues at Siri Fort Sports Complex (SFSC), Yamuna Sports Complex (YSC) and Saket Sports Complex (SSC).

There was an inexplicable delay of nearly a year in engagement of the design consultants for construction work of the new venues, which resulted in cascading

delays in award and execution of the main works. We found deficiencies in the selection and performance of Architect Bureau-GSA Group Consortium as design consultant for the archery competition venue, training venues and refurbishment work.

There were significant deficiencies in the procurement of chairs (with justification rates being unreliable). Deficiencies were also noticed in the contracts for synthetic surface for table tennis court as well as maple wood flooring at one venue.

(Chapter 18)

Venues developed by other agencies

NDMC and PWD, GNCTD developed competition/training venues at Thyagaraj, Talkatora, Shivaji, and Chhatrasal Stadia and Government Model Ludlow Castle School. The main contractor hired for Shivaji Stadium was a foreign company, China Railway Shisiju Group Corporation (CRSGC), when it is apparent from the conditions of the NIT, that such was not the intention. Shivaji Stadium could not be completed in time for the Games and the completed hockey pitch in the stadium has an East-West orientation, as against the required North-South orientation.

Simplex Project Ltd. was engaged as the main contractor for the works at Talkatora Indoor Stadium on a single bid basis; we are unable to derive assurance that the best price was determined for the work in a competitive market. The quality of construction was also found deficient by CTE, CVC.

In the case of Thyagaraj Stadium, we found several instances of adoption of higher cost items for estimation/execution from among multiple options, and also numerous instances of specifying a single brand or “equivalent”, thus favouring these brands, with consequential reduced competition and increased costs. We also found multiple forms of power back up – a solar power generator unit, and a dual fuel gas turbine with add-on Vapour Absorption Machine (VAM). The expenditure of Rs. 22.41 crore on the turbine and the VAM is largely infructuous, as it would be highly expensive to generate power from this unit post the Games.

Irregularities were also observed in the appointment of the design consultant for the Chhatrasal Stadium and Ludlow Castle.

JMI was selected as a training venue for Rugby 7s and table tennis. We found that the Rugby 7s field, developed at a cost of Rs. 2.11 crore, was being converted back into a cricket field, which defeats, at least partly, the objective of

creation of state of the art sporting infrastructure. Further, Rs. 2.58 crore was diverted for creation of sporting facilities for other disciplines (basket ball, lawn tennis, volley ball, hockey/football etc). While we recognise that development of university premises for providing sports facilities is desirable, the diversion of funds sanctioned for a specific purpose is irregular.

Delhi University and its affiliated colleges were designated as the competition venues for Rugby 7s and training venues for netball, boxing, rugby 7s, athletics and women's wrestling. We found that the legacy plan for training venues at individual colleges, covering the optimum utilisation of developed infrastructure as also arrangements for their regular maintenance and upkeep, is still pending.

The R.K. Khanna Tennis Complex, under the All India Tennis Association, was designated as the competition venue for tennis. We found that the consultant for this upgradation project was irregularly selected on nomination basis. However, AITA's concept of deleting the steel portion from the original contract (on account of volatility in steel prices in 2008) and procuring it directly had its advantages, especially since it did not include any 'escalation/ de-escalation' clause in the contract.

(Chapter 19)

Commonwealth Games Village

The Commonwealth Games Village, near the Akshardam Temple, had three major components – a residential complex for housing the athletes and officials, practice areas for athletes, and temporary structures (overlays) for the international zone, village operations and other areas.

We found that key issues related to selection of site were not properly addressed. Except for strengthening of the Akshardam bund, there was no evidence of compliance with the upstream flood mitigation/ abatement measures on the river Yamuna stipulated by the Ministry of Environment and Forests while according conditional environmental clearance. DDA essentially attempted to abdicate responsibility for this issue. We could also not verify compliance with the orders of the Hon'ble Supreme Court, which had permitted construction on the basis of an assurance regarding monitoring of construction activities by a PM-appointed committee in association with Dr. RK Pachauri. Surprisingly, when contacted, Dr. Pachauri confirmed that he had not been involved with any such monitoring activity.

We found serious irregularities in the award of the contract for construction of the residential complex in PPP mode to Emaar MGF Constructions Pvt. Ltd. There

was a series of misrepresentations and accommodations at the RFQ and RFP stage that resulted in Emaar MGF Constructions Pvt. Ltd, which was not qualified in terms of the PQ criteria, emerging as an eligible (and successful) bidder through the consortium route. Further, a short time period of just seven days was allowed after a significant addendum, introducing significant changes to the bid conditions.

In response to the RFP, two bids were received from Emaar MGF Constructions Pvt. Ltd and DLF Ltd. While DLF's conditional bid was summarily rejected without any interaction or negotiation, DDA chose to engage in a prolonged correspondence with its financial consultants, legal advisors and Emaar MGF Constructions Pvt. Ltd to find solutions to address the deficiencies in its proposal. Finally, only Emaar MGF Constructions Pvt. Ltd was declared technically qualified, and was awarded the contract on the basis of a single financial bid, thus denying DDA the benefit of financial competition.

The execution of the residential complex project was also plagued by several irregularities and deficiencies. The FAR constructed by the project developer substantially exceeded not only the sanctioned plan, but also the maximum permissible FAR under the Master Plan for Delhi – 2021. Emaar MGF also illegally constructed 17 additional dwelling units in the basement meant for parking. DDA allowed several financial concessions to Emaar MGF, including revision of milestones and delayed / non-levy of liquidated damages. Against the stipulated deadline of 1 April 2010, the residential flats were handed over to DDA between June and August 2010 and that too in incomplete condition.

The Central Building Research Institute, Roorkee (CBRI) was appointed by DDA as the third party independent quality inspection agency for the residential complex only after most of the foundation work was executed. CBRI pointed out serious lapses in construction work through thirteen reports between June 2008 and October 2010. These included deficient secondary reinforcement of beams and columns, lack of adequate concrete cover to Reinforcing Steel, improper beam-column joints, improper alignment of columns and tapered columns (which were plastered to cover up the deficiencies, contrary to CBRI's advice), and differences in the levels of grade slabs leading to seepage and leakages in the basements. CBRI concluded that on seeing the permeability of the concrete and the corrosion of reinforcing steel, it gave an impression that the service life of these towers could not be more than 20 years, unless substantial expenditure was incurred on repair and retrofitting. DDA did not take adequate action on these reports, as the deficiencies continued to recur in CBRI's successive reports.

There were serious deficiencies with regard to the award and execution of the design consultancy contracts for construction of the practice areas. The

selection of Sportina Payce Infrastructure Ltd. as the main contractor for the practice areas was manipulated to ensure that Sportina Payce Construction (India) Pvt Ltd. (a different entity) pre-qualified and the successful bidder for the project was different from the pre-qualified consortium. Subsequently, due to poor performance, the contract was terminated, and re-awarded.

The selection of GL Litmus Events Pvt. Ltd. as the contractor for delivering temporary structures (overlays) for the international zone and other areas was equally flawed. The successful bidder was entirely different from the pre-qualified entity, and the foreign entity with relevant expertise was not part of the successful bidding entity. Further, for a contract of Rs. 41.38 crore, the bulk of the material for which was to be imported, the value assessed at the Indian customs was only Rs. 5.32 crore.

Delhi Jal Board (DJB) constructed a 1 MGD Water Treatment Plant (WTP) for the Games Village, Akshardham Temple and surrounding areas at a cost of Rs. 35.20 crore. We found that the need for a separate 1 MGD was not clearly established and the plant was over-designed with expensive membrane filtration technology. Further, the tendering process was flawed and irregular, with undue and inexplicable delays. The bid evaluation was tailored to favour award of the work to a single bidder. The WTP is currently shut down and its requirement on a legacy basis is questionable.

DDA also purchased four 1250 KVA each generating sets with excessive and undue redundancy, which are now lying idle. Plans to shift two of these sets to DDA Headquarters (Vikas Sadan) appear unreasonable, as Vikas Sadan's current load is just 1230 KVA.

(Chapter 20)

Streetscaping and Beautification of Roads around CWG Venues

In 2004, GNCTD decided to implement streetscaping and beautification of roads for “aesthetics” before CWG-2010. However, in our view, the street-scaping and beautification project was ill-conceived and ill-planned, without a broad overarching vision and perspective of how this would impact urban design and development. The project was not part of Delhi's City Development Plan under the Gol's flagship JNNURM programme for urban development and renewal. GNCTD did not deem it necessary to obtain clearance from DUAC for this project, nor was there evidence of consultation with the Traffic Police at an appropriately early stage to assess and co-ordinate its impact on the management of the huge volume of Delhi traffic.

Streetscaping and beautification works at exorbitant average awarded costs of Rs. 4.8 crore/ km (compared to NHA's estimated cost of Rs. 9.5 crore / km for constructing a four-lane national highway or Indian Railways' estimated cost of about Rs. 4.1 crore/km for constructing railway track) were awarded and executed in an ad hoc and arbitrary manner, with wasteful expenditure of Rs. 101.02 crore.

The project was largely a consultant-driven project, with the selection of consultants being arbitrary and non-transparent, and without any common design guidelines and targeted budgetary estimates. The consultants were given a free hand to draw up designs and estimates for the packages allotted to them. This resulted in adoption of richer specifications in an arbitrary and inconsistent manner in different packages. We also found adoption of higher rates/ short recovery, and other deficiencies in contract management. Third Party Quality Control failed to provide adequate assurance on the specifications and materials used in the works.

(Chapter 21)

Upgradation of Street Lighting of Roads in Delhi

The project for modernisation of Delhi Street Lighting System was conceived by GNCTD in June 2006, with plans to implement it across Delhi within 2 years. Detailed lighting standards were prepared in November 2006. Although these standards provided only the technical parameters of performance of lamps and luminaries and did not distinguish between indigenous and imported luminaries, PWD stipulated the use of a mix of imported and indigenous luminaries for different categories of roads. Records show the decision on use of imported luminaries being taken with the active involvement of the CM at various stages. No technical note regarding reasons for use of imported luminaries along with cost benefit analysis was found on record. The decision taken by PWD regarding use of imported luminaries was also adopted by MCD and NDMC.

The imported luminaries were procured at a far higher cost than the domestic luminaries, leading to avoidable extra expenditure of Rs. 31.07 crore across the three agencies. Models of various companies of vastly different reputation and of different price range were selected at the same level, without any record of techno-economic evaluation of options offered by different bidders. We also found that the procurement price of imported luminaries was far higher than the fair price computed on the basis of actual invoice price.

The awarding of work in NDMC after calling of design based tenders resulted in an extra expenditure of Rs. 6.77 crore, as work was awarded to the bidder with higher unit rates for various items. NDMC also awarded additional

work of 18.445 km, incorrectly terming it as deviations to the original contract. We believe that this may lead to an estimated additional loss of Rs. 6.13 crore.

Restrictive tendering conditions were stipulated and the work was split into three parts in PWD, with requirement of not more than one work to one bidder, reducing the competition between the bidding firms. After once being declared disqualified, one of the firms, Spaceage was irregularly declared qualified on subsequent re-assessment, following his appeal to the CM.

We found avoidable expenditure of Rs. 2.54 crore in contracts awarded by MCD (due to non-compliance with design specifications), as well as suspected post tender alteration of bids in two cases, which had resulted in enhancement of the quoted amounts by Rs. 6.97 crore.

(Chapter 22)

Road Signages

In February 2006, it was decided that the entire city of Delhi should have state of the art road signages with appropriate structural system for the forthcoming CWG-2010. A pilot project was taken up by PWD in May 2008 through authorised converters of the two leading manufacturers of the retro reflective sheets.

We found that the department did not facilitate healthy competition, but merely ensured sharing of signage work between the two major sheet manufacturers, 3M and Avery-Dennison. Instead of calling a single tender for the complete work, the project work was divided among three PWD Zones for separate tendering and execution, with restrictive conditions, leading to only two valid bidding parties, with work automatically getting distributed between them. The anti-competitive bidding conditions led to work of one zone being awarded at least Rs. 1.40 crore above the corresponding cost in the other two zones as well as higher overall costs of procurement in PWD, as compared with NDMC.

Subsequent to the award of work, the designs for the signages were substantially revised, leading to large number of extra and substituted items of dubious utility with additional avoidable expenditure of Rs 14.88 crore.

(Chapter 23)

City Infrastructure Development: Roads and Flyovers

GNCTD undertook construction of 25 roads and bridges for upgradation of city infrastructure and in preparation for CWG-2010. We selected seven of these projects for detailed review.

All the seven projects adopted Contractor's Profit and Overhead Charges (CPOH) of 37.5 per cent for the bridge/ flyover components in contrast to CPOH of 15 per cent stipulated by CPWD. This resulted in increasing the justified cost, worked out by the department after opening of the financial bids, by Rs. 352.47 crore. A higher CPOH leads to a higher cost baseline for potential bidders. The CPOH rate also forms an indirect input into the process of preparation of justified costs, where required, and the assessment of reasonableness of rates for final award of the contract.

There was irregular award of work in two projects where L-1 was determined by considering separate letters quoting a lump-sum amount, while use of correction fluid in tender documents, and large number of cuttings/corrections were seen in another bid (which was accepted).

Two works costing Rs. 62.63 crore were got executed by PWD through deviations of ongoing works, instead of calling for fresh tenders, on grounds of urgency. These works however, were, not completed in time for the games. PWD also awarded work for construction of two arch foot over bridges (FOB) for Rs. 10.35 crore at JLN Stadium using for the first time, a suspension bridge design using imported Macalloy suspension system. One of the FOBs collapsed and the work was subsequently stopped on both the FOBs. Both are still lying incomplete.

(Chapter 24)

Renovation and Restoration of Connaught Place

Although the project for renovation and restoration of Connaught Place (CP) was envisaged in April 2004, it was plagued by undue delays. The original estimated cost of Rs. 76 crore (as of May 2005) went up nearly nine-fold to Rs. 671 crore by July 2007, with a huge increase in scope of work.

The approved DPR for the project was submitted only in February 2008, and it was, therefore, unreasonable to expect that the project could have been completed in time for the Games, especially in view of the constraints of traffic management considering the importance of Connaught Place to Delhi's traffic. NDMC chose not to follow the approach of dividing the project into manageable packages, so organised as to minimise traffic disruption across the whole of CP, and taking up those project components which could have been completed in time. Instead, the project was divided into packages spanning the whole of CP, with all activities getting underway around the same time.

Apart from the pilot project for facade restoration of 'C' block (which was completed in August 2008), the project remained incomplete at the time of the Games. We also found significant deficiencies in contract management, with consequent avoidable expenditure.

(Chapter 25)

Other Infrastructure Development Activities

Secured Communication Services

In September 2008, GNCTD decided to introduce a TETRA network (a professional mobile communication service essentially meant for emergency services and government agencies) in time for CWG-2010. GNCTD awarded the contract for TETRA at Rs.99.81 crore for an 87 month period, covering not only the Games period but also a seven year legacy period. In our view, the decision to extend TETRA for legacy use for seven years was ill-conceived. A proper assessment of the requirements of Delhi Police (the main user) and other public agencies as well as the replacement of existing networks with TETRA (since no communication was permitted by DoT between TETRA and other networks) was not carried out. Post CWG-2010, most of these expensive TETRA sets are, in effect, no more than mobile phones.

Transportation Services

During CWG-2010, low floor buses of DTC were used for ferrying the athletes, technical officials and media persons. For keeping the buses 'new' for CWG-2010, DTC kept about 16 per cent of its low floor fleet idle between March and August 2010; further, 78 per cent of the Blueline fleet was also taken off the roads in the NDMC area for the duration of the Games. This, compounded by large scale diversion of DTC drivers for Games-related duties, led to significant disruption of public transport services.

Modernisation projects like LED destination boards on standard buses, and construction of Time Keeping Booths could not be completed before CWG-2010 as envisaged. The construction of 48 ticketing booths all over the city appears to be an anachronism at a time when the buses are being fitted with GPS/ AVTS.

For getting 1500 Bus Queue Shelters (BQSs) constructed before the Games, DTC and the Transport Department of GNCTD resorted to various methods of execution (including award of 1050 BQSs on Government funding/ BOT mode to DIMTS, a non-Government entity with 50 per cent private

shareholding), which indicated arbitrariness, ad hocism and lack of clarity in implementation of such a large project. So far, only 472 BQs could be completed.

The bus parking constructed at the Ash Pond opposite the Millennium Park is not really a temporary structure. It has certain permanent constructions. Its use has continued well beyond the short requirements of the Games. This was clearly in violation of the Master Plan for Delhi 2021 and the proposed Zonal plan of Delhi, which earmarks the area as a green zone with recreational uses but without permanent construction.

Power

GNCTD planned to commission a new power plant at Bawana on the grounds of increased dependence on own power generation sources. The construction of the 1500 MW Bawana gas-based power plant was, however, delayed, and could not be completed in time for the Games. Delhi Transco Ltd. (DTL) also took up five 220 KVA substations and seven corresponding cabling projects to strengthen the power supply situation in Delhi in time for the Games. Most of these projects were awarded very late (in the second half of 2009) and could not be completed before the Games. There were numerous deficiencies in the contract award process.

(Chapter 26)

Organisation of Commonwealth Youth Games – 2008, Pune

The Commonwealth Youth Games 2008 (CYG-2008), a sub-event of CWG-2010, was held between 12 and 18 October 2008 at the Shiv Chhatrapati Sports Complex Balewadi- Mhalunge, Pune, which was refurbished and upgraded for the event.

We found serious deficiencies with regard to the construction of the 3-star hotel on PPP basis for accommodating the participants. The plot for the hotel was located in a public/ semi-public land use zone, and commercial use was not permitted. The proposal for change of land use was mooted to the Government of Maharashtra (GoM) on the grounds of urgency/ late stage, work already having commenced on the ground, and lack of other alternatives. This was approved by the then Chief Minister in October 2007. The Review Committee, headed by the Chief Secretary, abdicated its responsibility in this regard.

Further, the tendering process for the hotel was severely flawed. Tender conditions were relaxed substantially in various stages, purportedly on grounds of lack of response. Strangely, the issue of change of land use was not raised at all during the tendering process. It is possible that only bidders who were confident of getting post facto clearance from the GoM would have gone ahead with the bidding process. The contract was finally awarded on a single financial bid to Unity Infra Projects with an NPV far below that recommended by the Finance Department.

CYG-2008, Pune was expected to be a learning experience for the staging of CWG- 2010 at Delhi. The deficiencies noticed at Pune, and the resulting recommendations were intended to ensure that these were not repeated in CWG-2010. We, however, noticed that OC lost this opportunity to learn and test its preparedness for Delhi 2010, and consequently repeated its mistakes in key functional areas during CWG-2010, notably technology, ticketing, sponsorship and merchandising, press operations, catering and accommodation.

We also found several deficiencies in the procurement of electronic, sports and other equipment for CYG-2008. Most of the security equipment indented for CYG-2008, Pune was either ordered after the Games, or received after the Games. Many of the city infrastructure projects (taken up largely under JNNURM) could not be completed in time for the Games.

(Chapter 27)

Media and Broadcasting Services

Although Doordarshan was indicated as the Host Broadcaster in the May 2003 bid, it was formally notified by the OC only in March 2007. The Host Broadcaster agreement between the OC and Prasar Bharati (PB) was signed in May 2009.

The award of the broadcasting services contract by PB to SIS Live was flawed on several counts:

- Only one bidder, SIS Live, was qualified on technical grounds, and the contract was awarded on a single financial bid, without any competition. Lack of competition was facilitated by a rigid stand taken by PB at the stage of bidding (especially on the payment schedule), which restricted potential competitors from bidding. However, PB agreed at the pre-bid meeting to finalise the contract terms “mutually” with the selected entity, and subsequently amended numerous clauses of the draft contract to make it one-sided in favour of SIS Live.

- Contrary to the intent of the contract with PB, SIS Live outsourced almost the entire contract on the same day to Zoom Communications, which would have been ineligible for bidding. We found that SIS Live and Zoom were in alliance much before the signing of the contract with PB, and even at the contract drafting stage, the intention of SIS Live to outsource the contract was clearly evident.
- While PB's contract with SIS Live was for Rs. 246 crore, the sub-contract between SIS Live and Zoom was for only Rs. 177.30 crore (which would also factor in Zoom's profit margin). Clearly, there was a substantial loss to PB and Government, although we are unable to quantify this loss (based on available and verifiable records).
- As per the contracted schedule of payment, SIS Live was to receive only 30 per cent payment before 14 October 2010, with the balance only on verification of performance. This was irregularly amended to allow 60 per cent payment in advance of the Games (subject to successful installation and testing of equipment).

PB failed to enforce compliance by SIS Live with even the conditions associated with the relaxed payment schedule viz. short supply of equipment, irregular changes in make/ model of equipment, and non-co-operation by SIS Live with PB's technical inspection team. There were also several deficiencies in the execution of the contract, notably with regard to delayed/ non-receipt of tapes for QBR coverage and non-deployment of stipulated technical personnel by SIS.

We found that the Host Broadcast Management Committee (HBMC) set up by the PB did not achieve the desired results. There was a lack of consensus among members of the HBMC; this ultimately resulted in debatable decisions, which favoured the interests of SIS Live. The Ministry of Information and Broadcasting, as well as an Oversight Committee (chaired by the Minister, I&B and co-chaired by the Minister of Law and Justice) which was constituted to monitor the progress of activities and expedite decisions, chose to largely accept the proposals put forward by PB.

The legacy value of HDTV coverage of CWG-2010 to PB, both in terms of improvement of infrastructure and development of in-house skills, was insignificant. PB participated in production of only three events, as against the initial plan of coverage of 10 out of 17 events in-house. Training was imparted to PB staff only in non-Games venues, and there was no evidence of such training being imparted on the highly specialised OB vans used for Games production. Further, PB failed to take advantage of the Cabinet approved scheme for upgradation of Doordarshan to HDTV. Consequently, the training received by PB personnel from

SIS Live would also become largely redundant, in the absence of HDTV equipment in PB.

(Chapter 28)

Telecommunications Services for CWG-2010

MTNL was appointed on “nomination basis” in October 2009 for providing telecommunications services for CWG-2010, on the premise that it would follow all norms and procedures for public financial accountability. However, we found that the process of awarding the telecommunications services contract was flawed.

MTNL, with OC's agreement, pushed through a vastly more expensive technical solution (IP/ MPLS) for the Broadcast Video Network and Broadcast Audio Network, which had not been tested in the previous Games and was not acceptable to the Rights Holder Broadcasters (RHBs) from different Commonwealth countries. Eventually, in addition to IP/ MPLS, the tested and existing technical solution (“point-to-point dark fibre”) was provided to meet the requirements of RHBs. Even Doordarshan made use of only the dark fibre solution for its video broadcast requirements. This solution would have been vastly cheaper, with less cost to the public exchequer.

The premise of the PSU following public financial accountability norms was jettisoned, as the technical requirements were altered without adequate justification by MTNL to leave only one technically qualified bidder, the HCL/Cisco team; there was, thus, no financial competition. Essentially, MTNL acted as a conduit for placement of a contract, on a back-to-back basis, in a non-transparent manner.

The estimates for telecommunications services provided by MTNL at different points of time were unreliable and lacked adequate support, with the final infrastructure cost of Rs. 270.70 crore (excluding taxes) approved by the Gol being more than eight times the estimates of approximately Rs. 33 crore for Melbourne CWG-2006. The contract awarded by MTNL to the HCL/ Cisco team was for an even higher amount of Rs. 387.19 crore. Clearly, there was a substantial loss to the Gol on account of this decision.

MTNL did not provide realistic and detailed business plans or strategies regarding the post-CWG market potential for the high speed IP/ MPLS solution obtained at considerable cost to the Gol (except for a reference in the tender documents to the requirement of network capacity to handle 1,00,000 customers each in Delhi and Mumbai). This, further, confirms the redundant nature of this expensive technical solution.

(Chapter 29)

Health Services for CWG-2010

In October 2009, the Directorate of Health Services (DHS) in the Department of Health and Family Welfare (DoHFW), GNCTD formulated a Health Action Plan (HAP) for CWG-2010 for providing free medical services to athletes, officials, spectators and others at the Games Village, venues and other locations.

While healthcare for the athletes and the Games Family was ensured, we found that the delayed finalization of the HAP, compounded by further delays during tendering/ award, was used to facilitate deviations from stipulated procurement procedures for ensuring transparency and competition on purported grounds of urgency.

The procurement of medical equipment was marked by serious irregularities. Despite CWG-2010 requirements having been identified well in advance in the HAP, DHS followed multiple procurement processes in an arbitrary manner – including procurement through one-year Rate Contracts (RCs) finalized in June 2010, operating of RCs of other hospitals, and use of “spot quotations” from the open market. We found that the rates for many of these items were exorbitant, by inter se comparison of rates for the same items between multiple modes of tendering. Further, 5 items of medical equipment (estimated at Rs. 5.89 crore) included in the HAP were not ordered at all, while an additional 5 items (which were not included in the HAP) were purchased for Rs. 1.10 crore.

Although the Sports Injury Centre (SIC) at Safdarjung Hospital was inaugurated in September 2010, it was not fully commissioned even in November 2010. Many items of equipment were yet to be procured and/or installed, and training on use of equipment was yet to be fully imparted. There was also a severe shortage of qualified manpower for providing necessary services.

The attempt to strengthen ambulance services in time for CWG-2010 through deployment of 150 ambulances in PPP mode was a failure, since the contract with the selected concessionaire (Fortis Healthcare) was terminated for failure to deliver the ambulances in time. In our opinion, this eventuality arose because of the DoHFW's failure to specify the exact nature of the ambulance vehicle well in advance. Government then acquired just 31 ambulances in June/ August 2010 on direct procurement for the Games at a much higher price. This difference in prices was largely due to higher specifications for the medical equipment than that originally envisaged. It is inexplicable why this was not considered earlier. Further, 21 of these ambulances were Advanced Life Support (ALS) ambulances, which require the services of trained doctors and are generally attached to hospitals. Only 10 ambulances were Basic Life Support (BLS) ambulances, which primarily address the need of Delhi and its citizens for a

general ambulance service for immediate pre-hospital emergency response services.

(Chapter 30)

Integrated Security System (ISS) for CWG-2010

Electronics Corporation of India Ltd. (ECIL), a PSU, was appointed by the GoI in May 2009 on “nomination basis” to provide an Integrated Security System (ISS) for CWG-2010. We found that ECIL prepared a highly inflated cost estimate (approved at Rs. 346 crore) which allowed it to make an exorbitant profit of at least Rs. 126 crore. We recommend that final payments may be released to ECIL only after detailed examination of actual costs and an appropriate certification by ECIL's statutory auditors after allowing a profit margin of upto 20 per cent.

We found that 176 Portable Explosive Detectors (PEDs) worth Rs. 39 crore were wrongly procured by ECIL, and remained unutilised; similarly, 15,090 out of 18,700 RFID tags for accredited vehicles also remained unutilised.

MHA did not have an approved legacy plan for the utilisation/redeployment of the security equipment, without an “a priori” identification of items as legacy, non-legacy and consumables. Subsequent to CWG-2010, ECIL identified legacy and non-legacy equipment worth Rs. 272.65 crore, which had still not been redeployed or utilised.

(Chapter 31)

Preparation of Indian Teams for CWG-2010

In June 2008, MYAS initiated a scheme for “Preparation of Indian Teams for CWG-2010” for imparting state of the art training, with well-equipped infrastructure and other supporting facilities, through the Sports Authority of India (SAI) and its regional centres to a core group of 1286 elite athletes, who would be the medal probables for CWG-2010.

We found that SAI utilised only 30 per cent of the budget of Rs.678 crore allocated for the period 2008-11. Further, there were substantial delays in selection of core probables, as well as in appointment of coaches and other supporting staff. The performance parameters for judging improvement in the performance of the core probables were decided as late as 15 to 20 months after commencement of implementation of the scheme.

A total number of 284 training camps were held for 18 (17 normal disciplines and one para sports). However, many disciplines and sub disciplines had not had training camps during the year.

For supporting training of core probables, SAI awarded 28 contracts/ orders for procurement of imported sports items and equipment at a cost of Rs. 40.12 crore during 2008-11. We found serious deficiencies in the procurement process. All 28 orders were awarded on single tender basis as “preferred items” without adequate justification. In the absence of competitive tendering, we are unable to derive assurance regarding considerations of economy and transparency. Further, this expenditure was largely unfruitful, as many of the items were received after the training camps or during/ after the Games, while some items could not be installed or were received at the wrong SAI regional centres or remained otherwise unutilized.

On the infrastructure front, SAI failed to construct hostels in five regional centres, while hostels constructed in three regional centres could not be utilised due to non-availability of furniture, kitchen and other supporting facilities. Seven out of eight sports science centres, all eight standard modern fitness centres, and renovated/ upgraded halls at various centres could not be utilised before the Games. Thus, out of funds of Rs. 78.63 crore released for infrastructure upgradation, expenditure of Rs. 74.35 crore was not fruitful in time for the Games. Further, out of the envisaged Rs. 9.20 crore of sports science equipment, only a negligible amount of equipment was in position before the Games.

There were deficiencies in financial management, including non refund of the unutilised amount of Rs. 45.50 crore by SAI and diversion of Rs. 19.00 crore for construction of the administrative block of SAI Hqrs building.

(Chapter 32)

Conclusion

It is acknowledged that India hosted the largest and among one of the most successful Commonwealth Games in Delhi in October, 2010. It is indeed a remarkable commentary on the nation's managerial and sporting capabilities that despite a multitude of adversities leading to the actual conduct of the games, India emerged successful both as hosts and as competitors.

It may be recalled that while submitting a study done by this Department in July, 2009, we had strongly recommended that Government should revisit the model of governance for a smooth and successful delivery of the games. Audit continues to feel that serious cognizance was not taken of the issues pointed out

in that report, as timely remedial action may have mitigated some of the adverse attention that the conduct of the Games attracted.

This report has commented upon the model of governance adopted for CWG-2010, in which authority was dissipated, accountability was defused and unity of command was not provided for or followed. It was also inadvisable to have placed such huge public funds at the disposal of non-government officials, who were not willing to heed to any advice from informed government officials.

The modus operandi observed over the entire gamut of activities leading to the conduct of the Games was: inexplicable delays in decision making, which put pressure on timelines and thereby led to the creation of an artificial or consciously created sense of urgency. Since the target date was immovable, such delays could only be overcome by seeking, and liberally granting, waivers in laid down governmental procedures. In doing so, contracting procedures became a very obvious casualty. Many contracts were then entertained based on single bids, and in fact, some of them were even awarded on nomination basis. Taking liberties with governmental procedures of the aforementioned kind led to elimination of competition. A conclusion from such action which seems obvious is that this could indeed have even been an intended objective! Eliminating competition led to huge avoidable extra burden on the exchequer.

As per established procedure in Government, whenever an outside entity makes a proposal to the Government involving budgetary commitments, the concerned departments are required to conduct an in depth and de novo examination of such proposals. However, such independent examination of proposals, especially regarding revenue generation by the OC and the expenditures likely to be incurred, as also the total financial liabilities to be borne by the Government, were conspicuous in their absence. Appropriate due diligence was conspicuously absent at all levels, while scrutinising and according approvals to expenditure proposals.

A basic canon of financial propriety is that the expenditure should not prima facie be more than what the occasion demands, and officials charged with stewardship of Government funds must exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money. Further, not only should transparency and fair play be exercised, the public at large should perceive that Government monies have been expended in a fair and transparent manner and officials will be held accountable for lapses. Government needs to take appropriate measures to live up to the high expectations in this regard.

(Chapter 33)





1.1 Commonwealth Games

The Commonwealth Games (CWG) is a multi-sport event held every four years among the Commonwealth Countries. The Members of the Commonwealth Games Federation (CGF), which is responsible for direction and control of the CWG, are the 71 Commonwealth Games Associations (CGA) from 53 countries.

1.2 Commonwealth Games 2010

The XIX Commonwealth Games (CWG-2010) were successfully hosted in Delhi from 3 to 14 October 2010. These Games represented the largest ever multi-sport event held in

India, surpassing the IX Asian Games (held in Delhi in November- December 1982) and the I Asian Games (held in Delhi in March 1951).



The official Games mascot "Shera"



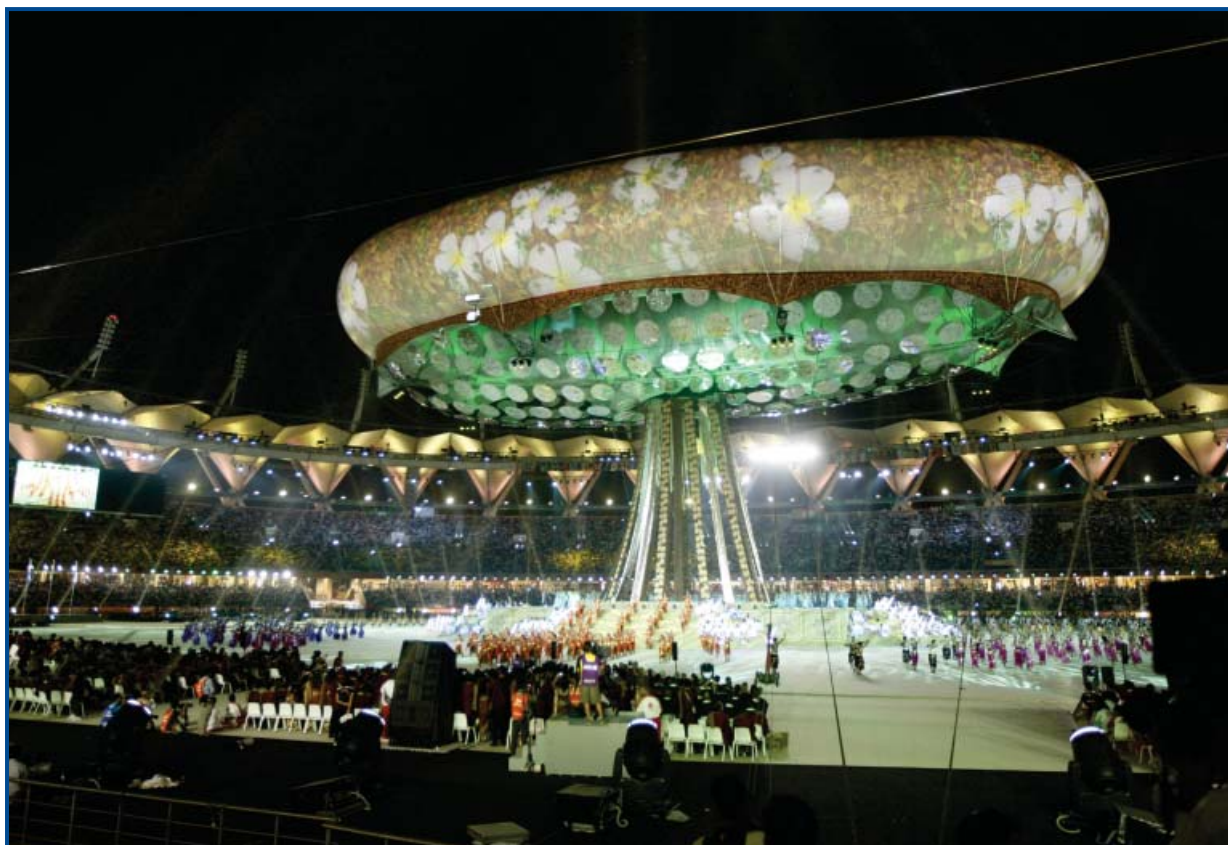
The Games logo

Chapter 1 - Introduction

The hosting of CWG-2010 was the culmination of the bid in May 2003 by the Indian Olympic Association (IOA), with the support of the Government of India (GoI) and the Government of the National Capital Territory of Delhi (GNCTD), for hosting the XIX Commonwealth Games 2010. Delhi won the right to host the Games with 46 votes against 22 cast in favour of the other bidding city Hamilton, Canada, at the Commonwealth Games Federation (CGF) General Assembly in November 2003. A Host City Contract (HCC) was signed in November 2003 between the

Commonwealth Games Federation (CGF), IOA, GoI, GNCTD, and the Organising Committee (yet to be formed).

The organisation of the Games was to be delegated by the IOA to the Organising Committee. However, all the Indian parties were jointly and severally responsible for all commitments, including financial liabilities without limitation, relating to the organisation and staging of the Games. In particular, GoI undertook to bear the financial liability for hosting of the Games, by underwriting any shortfall between revenues and expenditure.



1.3 Commonwealth Youth Games – 2008, Pune

The Commonwealth Youth Games are a small-scale version of the Commonwealth Games, designed for children and young people. The III Commonwealth Youth

Games took place in Pune, Maharashtra, from 12 to 18 October 2008, and were viewed, in part, as a test event for the XIX Commonwealth Games.

Highlights of XIX Commonwealth Games 2010

- 4336 athletes and 2115 officials representing 71 CGAs participated in CWG-2010.
- Competitions were held in 17 sports disciplines viz. archery, athletics, aquatics, badminton, boxing, cycling, gymnastics, hockey, lawn bowls, netball, rugby 7s, shooting, squash, table tennis, tennis, weightlifting and wrestling.
- In addition, 15 events were contested across four para sports viz. athletics, powerlifting, swimming and table tennis for elite athletes with disabilities under the Inclusive Sports Program.
- The events in 17 disciplines were held in competition venues in 12 stadiums and training/practice venues in 22 stadiums/ complexes. Details are given in **Annexe 1.1**.
- 108 Commonwealth Games records and two world records were set at the Games.
- Triple jumper from Jamaica, Trecia-Kaye Smith, was conferred the prestigious David Dixon award.
- With five gold medals in swimming, Alicia Coutts (Australia) was the most successful athlete. Gagan Narang (India), who won four gold medals in shooting, was the most successful male athlete.
- Australia was the most successful CGA at CWG-2010, with 74 gold, 55 silver and 48 bronze medals.
- India gave its best ever performance in Commonwealth Games by securing second position in the medal tally with 38 gold, 27 silver and 36 bronze medals. It also won all the medals in the women's discus throw event.

Major assets created/upgraded

- Creation of world class sporting infrastructure through renovation/ upgradation of sporting venues;
- Construction of several flyovers and roads and an elevated corridor;
- Upgraded metro connectivity and airport infrastructure;
- Induction of additional low-floor buses (AC and non-AC), and construction of new/upgraded bus queue shelters
- Streetlighting; and
- Restoration of heritage monuments (Safdarjung tomb, Purana Qila complex, Humayun's tomb complex, group of monuments at Hazrat Nizamuddin complex and Lodi Garden etc)

1.4 Organisation of CWG-2010 – a complex, long-term and multi-dimensional project

The organisation of the Games (and, indeed, any other multi-sport international events) constitutes a complex, long-gestation, multi-dimensional project with numerous participants/ activities.

Figure 1.1 - Organisation of CWG 2010



Governance and Management for CWG-2010 involved:

- Putting in place adequately empowered governance structures;
- Identification of activities, and delineation of responsibilities of different agencies;
- Funding and budgeting arrangements;
- Setting up of the “Organising Committee” (OC) for conducting the Games;

- Arrangements for monitoring, oversight and co-ordination; and
- Planning for legacy.

Development of sporting venues involved:

- Finalisation of 17 sporting disciplines (15 mandatory disciplines – as per CGF guidelines - and 2 optional disciplines – tennis and archery);
- Identification of stadiums as competition venues and training venues;



- Finalising plans for construction of new venues and renovation/ upgradation of existing venues;
- Venue building, testing and hand-over to the Organising Committee (OC) in time for the Games.

City Improvements involved:

- Transport improvements – roads and flyover projects to improve connectivity, road signages, traffic management, purchase of buses, construction of bus depots and bus queue shelters etc;
- Civic amenities – street lighting, public toilets, street “furniture”, streetscaping and beautification, restoration of heritage structures;
- Tourist accommodation and facilitation; and
- Power supply and other infrastructure arrangements.

Conduct of CWG-2010 involved:

- Games Planning and overlays;
- Sports and technology arrangements;
- Ceremonies (Queen's Baton Relay and Opening and Closing Ceremonies);
- Catering arrangements for athletes, officials and others;
- Workforce and volunteers;
- Games branding and image and look; and
- Revenue generation to offset the cost of organising CWG-2010.

Other services included:

- Security and law and order arrangements;
- Health services for the Games family; and
- Broadcasting and media coverage for the Games.

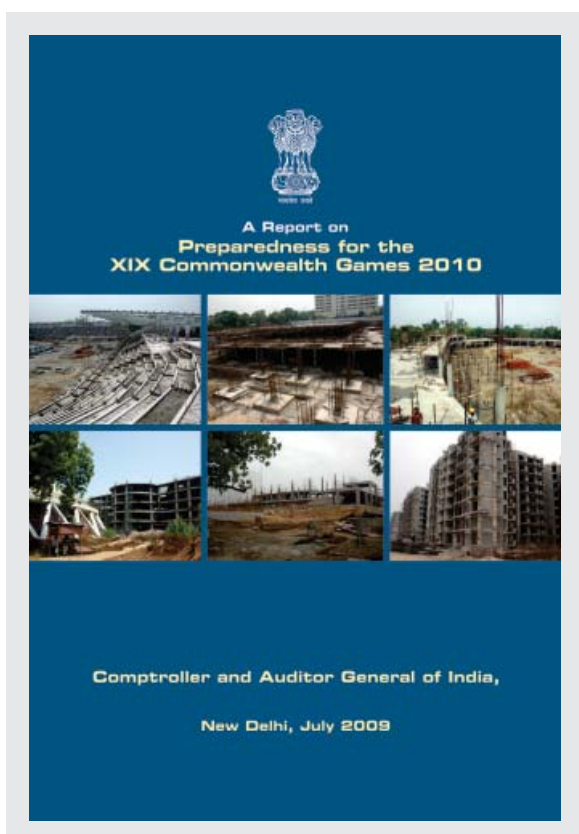


The organisation of CWG-2010 was a mammoth exercise. Notwithstanding the issues and concerns raised in this Audit Report, the Games were successfully conducted and received high praise nationally and internationally. Many of the objectives of hosting CWG-2010 – in terms of building state of the art sporting infrastructure as a lasting legacy; and large scale improvement of city infrastructure – were largely achieved.

We acknowledge the tremendous efforts put in by various agencies (both Government and non-Government) in working to very tight deadlines and under difficult circumstances to make CWG-2010 a grand success.

Study Report on 'Preparedness for the XIX Commonwealth Games 2010'

In July 2009, the Comptroller and Auditor General of India presented a Study Report to the Government of India on 'Preparedness for the XIX Commonwealth Games 2010'. The objective of the Study Report was to assess the progress of projects and preparedness of different agencies for organising the Games, and to identify significant risks that needed to be addressed.



The Study Report, which was the first of its kind produced by us, was intended to provide an aid to the Executive and the organisers in monitoring progress and in making mid-course corrections. It was

prepared to serve as a checklist and a ready reckoner to benchmark further progress towards preparing the infrastructure and in staging the Games.

For this Report, we conducted our field work between March and May 2009, and collected photographic evidence to record the status of construction as of 15 May and 1-2 July, 2009. Progress of works between May and July 2009 was also appropriately incorporated, based on available and verifiable information.

The main findings and recommendations of the Study Report were as follows:

- The scope for further delays and slippages in milestones no longer existed, given the immovable deadline of October 2010. In view of the complexity and multiplicity of activities and organisations involved and the progress till date, there was a need to rethink the governance model for the Games Project.
- While we witnessed renewed vigour and redoubled efforts by the agencies towards the close of our engagement, much time had been lost and it was imperative to move forward with the new-found sense of urgency, tempered by the realisation that crashing of timelines and bunching of decisions carried with it the heightened risk to transparency and accountability.

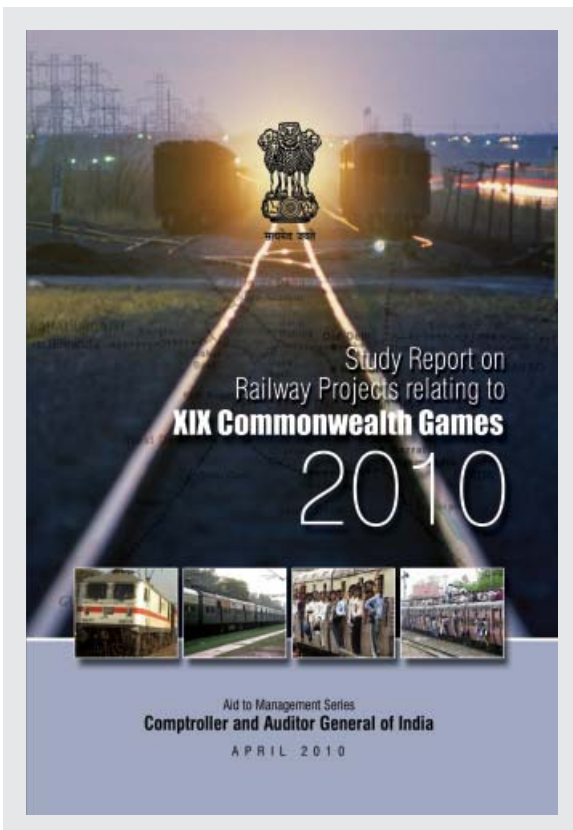
Chapter 2 - Study Report on 'Preparedness for the XIX Commonwealth Games 2010'

- The OC should finalise the pending basic planning documents and operational plans immediately. Further, it should expedite approval of final venue designs and detailed specifications. Freezing all specifications (howsoever minor) in all respects for all projects and works should no longer be delayed.
- There was considerable scope for improvement in the documentation and filing systems within the OC.
- Attention should be focused on the games venues identified by us as medium risk and high risk. Even the revised deadlines for completion would be challenging, considering the poor progress of work till date.
- The Games Village Project had run into several hurdles and required close monitoring and oversight to ensure successful and timely completion. Further, the bunching of the latest schedules of activities from June 2010 onwards would, in our opinion, put substantial pressure on the administrative and monitoring resources of DDA to ensure timely completion, without compromises on cost or quality.
- Many of the bridge and flyover projects assessed by us as critical on account of their location were at high/ medium risk, due to slow progress; three such projects had been delinked from the Games Project. Failure to address these risks in time would lead to traffic overload on roads being managed through sub-optimal solutions like reduction, diversion and restriction of non-Games traffic;
- Although the Games project was envisaged as a revenue neutral project, given the state of documentation supporting the revenue generation estimates, we were unable to derive an assurance that the organisation of the Games would be revenue neutral (especially regarding the increased estimates of revenue).
- Considerable work remained to be done in key outsourcing arrangements for HDTV production and broadcasting and related areas. Also, OC had not developed a comprehensive legacy plan for the overall legacy and long-term impact of the Games.

The Executive Summary of the Study Report is appended as **Annexe-2.1**.

We found that the draft audit report on preparedness for the Games was reviewed by the Committee of Secretaries (CoS) in July 2009. The main emphasis at this meeting was in responding to the audit findings, rather than using them as a benchmark for monitoring progress and making mid-course corrections. Ministries and Departments were asked to provide necessary documents to audit to enable to them to “share the confidence that the Ministry/ Departments concerned have on completion of works entrusted to them in a time bound manner.” Further, it was indicated that the OC may take the assistance of marketing agencies to give a convincing reply in the Exit Conference with regard to the audit concerns in respect of revenue projections.

Many of the issues and recommendations highlighted by us in our Study Report were not adequately addressed by the concerned agencies in a timely fashion, as detailed subsequently.



The CAG had also prepared a Study Report on the status of Railway Projects relating to

CWG in April 2010, which focused on the extent of completion of the Railway Projects identified for completion before the commencement of the Games and highlighted areas of risk that needed to be addressed by the Railway Administration.

Our initial review of Railway projects in January–February 2010 revealed substantial delays at every stage of the planning process, approvals for the projects, preparation of estimates, provision of designs and drawings, execution of works and monitoring. Our subsequent verification of the status of the Railway projects in April 2010 revealed satisfactory progress both in construction of rail over/under bridges and development of the facilities at the railway stations. We were especially heartened to see the progress in infrastructure works and provision of passenger amenities at New Delhi Railway Station, considering that about 290 trains pass through this station every day with approximately five lakh passengers commuting on a daily basis.

All the major activities relating to makeover of New Delhi Railway Station were completed before the Games and within a tight budget of Rs. 44.68 crore.



New Delhi Railway Station in time for the Games



Audit Approach

3.1 Audit Arrangements

3.1.1 Financial and Transaction/ Compliance Audit

Agencies, other than the Organising Committee, fall within the normal audit jurisdiction of the Comptroller and Auditor General of India (CAG). The scope, extent and frequency of audits of these agencies is decided through risk assessments, based on expenditure incurred, criticality/complexity of activities, assessment of internal controls, and previous audit findings. An annual audit plan is formulated to conduct audit on the basis of such risk assessment.

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the head of unit, for their responses within one month. The audit findings are either then settled, or further action for compliance is advised. Only important audit findings, where large government expenditure has been incurred, are separately processed for inclusion in the CAG's Audit Reports, which are submitted to the President of India under Article 151 of the Constitution of India.

Notable findings presented in the CAG's Audit Reports included shortcomings in the bail-out package provided by DDA to the developer of the residential complex at the Games Village (reported through paragraph 9.1 of Audit Report No. 23 – Union Government (Civil) Autonomous Bodies – of 2009-10).

3.1.2 Audit of the Organising Committee (OC)

The constitution of the OC in February 2005 stipulated audit of its financial statements by Chartered Accountants appointed by the OC, and audit of its financial statements upto 2007-08 was carried out as such.

Over the period of three financial years from 2004-05 to 2006-07, the GoI released loans totalling Rs. 127.51 crore¹, against which expenditure of Rs. 123.53 crore was incurred by the OC (largely on Games Hosting License Fee, expenditure on the closing ceremony component of Melbourne CWG-2006 and other items). From 2007-08 onwards, the volume of loans given to the OC increased substantially.

In May 2007, the Ministry of Youth Affairs and Sports (MYAS) requested the CAG for a “concurrent audit” of the Organising Committee from April 2008. Such concurrent audit is an internal audit function and, thus, the responsibility of the Executive. Concurrent audit is not the mandate of the CAG. Consequently, in July 2007, we requested MYAS for entrustment² of the external audit of the OC through the Ministry of Finance³. This was entrusted to the CAG in April 2008. Audit of the

¹ In addition, GNCTD provided grants of Rs. 29.54 crore.

² Under Section 20 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971

³ As per the approved procedure for entrustment of audit of autonomous bodies and authorities circulated by Ministry of Finance on 12 January 2008 to all Ministries/Departments of GoI.

Chapter 3 - Audit Approach

transactions⁴ of the OC for the years 2005-07 was carried out in November/ December 2008. Following this audit, an Inspection Report was issued in March 2009 to the OC and the Ministry of Youth Affairs and Sports. The audit of transactions for 2007-08 and 2008-09 was carried out in December 2008 and March/ April 2010, and the Inspection Reports issued in May 2009 and May 2010 respectively.

Audits of the financial statements of the OC for 2008-09 and 2009-10 were conducted independently and Separate Audit Reports (SARs) issued in July 2010 and April 2011 respectively.

3.1.3 Study Reports on Preparedness for CWG-2010.

In addition to the transaction and financial audits mentioned above, we also presented, in July 2009, a Study Report on Games preparedness, which also covered the activities of the OC, as well as a Study Report in April 2010 on preparedness of the Indian Railways for activities related to CWG-2010; the main findings of these Study Reports are summarised in Chapter 2 of this Report. These Study Reports were intended as aids to management for monitoring progress on a concurrent basis, to be followed by *post facto* audits of expenditure.

3.2 Audit Objectives

This audit of the XIX Commonwealth Games was comprehensive in nature, covering compliance and performance issues related to the preparation of the infrastructure and organising of the Games, and builds on the findings and recommendations of our

earlier Study Report of July 2009 on preparedness for CWG-2010.

The main objectives of our audit were to assess the following:

- Adequacy and effectiveness of the high-level governance structures for overall stewardship, planning, co-ordination, and monitoring of the Games Project and its different components, particularly in view of the multiplicity of agencies involved;
- Effectiveness and efficiency of agencies in planning, executing and delivering the Games and associated infrastructure projects and in organising the Games;
- Propriety, economy, transparency and probity (including compliance with relevant rules and regulations and accepted best practices) in procurement of goods and services by different agencies;
- Robustness and prudence of budgetary and financial management for the Games Project; and
- Adequacy and effectiveness of internal controls and oversight mechanisms for ensuring successful delivery of the Games within pre-determined time and cost budgets and to stipulated quality standards.

3.3 Audit Scope and Coverage

The scope of our audit covered the period from May 2003 (submission of the bid for hosting the XIX Commonwealth Games) to December 2010. The main activities and agencies covered by us in this audit are summarised in Table 3.1.

⁴Under Section 14 of the CAG's DPC Act

Table 3.1 – Agencies Covered in Audit

Area	Main Agencies Covered
Overall Planning and Management	Ministries/ Departments of the GoI and GNCTD, and inter-Ministerial/ Departmental Committees; OC
Venue Development	Venue owners (Sports Authority of India, GNCTD, MCD, NDMC, DDA, DU, JMI, AITA, DPS RK Puram, and CRPF) and other implementing agencies (CPWD)
Games Village	DDA
City Infrastructure Projects	PWD (GNCTD), NDMC, MCD, DJB, DTC, DTTDC, PPCL, DTL
Organisation of the Games	OC
Organisation of CW Youth Games, 2008 Pune	Agencies of the Government of Maharashtra and Pune Municipal Corporation/ Pimpri Chinchwad Municipal Corporation
Preparation of Indian Teams	MYAS and SAI
Media and Broadcasting	Ministry of Information and Broadcasting and Prasar Bharati
Others	Ministry of Home Affairs, Delhi Police, ECIL, Ministry of Health and Family Welfare, Directorate of Health Services, GNCTD, MTNL and TCIL

This report focuses on issues, which would be of interest from the overall perspective of the organisation and management of the Games Project. Other issues and concerns, which focus on agency-specific aspects, would be reported separately, through other CAG's Audit Reports and Inspection Reports, depending on their materiality and significance.

3.4 Audit Methodology

We conducted our field audit between August and December 2010 (with a suspension of the audit from mid-September to mid-October 2010 to avoid inconvenience to the agencies during and around the Games period). We held an

entry conference with the Ministry of Youth Affairs and Sports (MYAS) and representatives of other agencies (except the OC) on 1 November 2010.

Our audit methodology covered scrutiny of records and documents of different agencies, interviews with concerned officials and persons, and physical inspection of sites, including collection of photographic evidence. Audit requisitions were issued, seeking records, information and clarifications (where necessary). Preliminary audit observations were communicated to the agencies at appropriate levels, seeking their responses.

Draft agency-specific audit findings were communicated through “Statements of Facts” (SOFs) in January- February 2011 to the concerned agencies for their responses. Exit Conferences were also held with the concerned agencies to discuss the main audit findings. The responses of these agencies at various levels have been examined and considered, as appropriate, in this report.

Details of the audit processes/ methodologies followed are indicated in **Annexe – 3.1.**

3.5 Scope Limitation

Our findings on the functioning/activities of the Organizing committee should be read in the context of the following:

- Given the state of documentation (refer para 7.2.3), we could not find evidence that documents produced for audit were complete and authentic in all cases.
- We could not derive any assurance regarding completeness of the number of contracts/agreements/work orders etc. entered into by OC.
- Till March 2011, OC could not provide information on contract wise payments made to vendors, limiting our scrutiny to

the contracted amount rather than the actual payments.

- We followed the formal reporting channels in the OC to obtain records and communicate findings. However, we noticed that informal reporting lines existed to the offices of Shri Suresh Kalmadi, ex-Chairman, Shri Lalit Bhanot, Secretary General and Shri V.K. Verma, DG-OC. We do not have access to the documents/ files/ records generated /maintained through these informal reporting channels and their consequential impact on the contracting and decision making.
- On certain issues, in addition to the official reply, we received several other replies from individuals associated with the OC. We have not treated their replies as the official view of the OC.

Final payments in respect of most of the venues have still not been made, despite lapse of considerable time since the conclusion of the Games. These are likely to have significant impact on the overall cost of the Games project. These would be covered in subsequent audits.

We acknowledge the co-operation and assistance extended by the Ministries/ Departments, Organizing Committee and other agencies of GoI and GNCTD during the conduct of this audit.

Governance and Monitoring Arrangements

Prime Ministerial approval for the IOA to bid, in May 2003, for CWG-2010 was processed by MYAS, without even obtaining the IOA bid document. In September 2003, Cabinet approval was obtained for Gol to underwrite the shortfall between revenue and expenditure (a deficit guarantee) without any cap. Although MoF did not support the proposal for such underwriting without a cap on Gol liability, MYAS felt that the shortfall was an unlikely event (based on the projections of revenue, expenditure, and surplus by the IOA), and it was not possible to put a cap on Gol's liability. By contrast, the competing bid from Hamilton, Canada for CWG-2010 involved a deficit guarantee only from the Hamilton City Council, and the Governments of Canada and Ontario Province did not provide any such guarantee, nor did they agree to be parties to the Host City Contract.

Thus, the commitment of Gol, in conjunction with GNCTD, to underwrite any shortfall between revenue and expenditure was critical to the success of the IOA bid for CWG-2010. In the case of India, thus, the Games became the property of the nation, rather than merely that of the IOA. This was inadequately reflected in the subsequent constitution of the Organising Committee (OC).

The unique challenge of managing and monitoring the activities of a multiplicity of agencies for delivering the Games Project was best met by entrusting its stewardship to a single point of authority and accountability. The authority should have been accorded adequate mandate to ensure all deliverables in time, to cost, and to specified quality standards. Further, in view of the Government guarantee for meeting the cost of the Games, it was essential for such stewardship to be fully under Government control. However, this model of management or financial control was not implemented for the Games Project.

The bid document of May 2003 envisaged the OC as a Government-owned registered society, with the Chairman of the OC Executive Board (EB) being a government appointee, and the IOA President being the EB Vice-Chairman. However, the OC was ultimately set up as a non-Government registered society, with the IOA President, Shri Suresh Kalmadi as the Chairman of the OC EB. This change was orchestrated through a chronology of events, commencing with a document titled as an "updated bid" with the dateline of December 2003. This had no legal sanctity or relevance, since the Games had already been bid and awarded to Delhi in November 2003. This document indicated the OC as a non-Government society and also removed references to the IOA President as EB Vice-

Chairman. These changes were objected to, and highlighted, by the erstwhile Minister, YAS, late Shri Sunil Dutt in November 2004 in correspondence with Shri Arjun Singh (Chairman, GoM) and the Prime Minister. These objections were ignored, and Shri Kalmadi's views prevailed. In our view, the decision to appoint Shri Kalmadi as the OC Chairman, based on a PMO recommendation, facilitated the conversion of the originally envisaged Government-owned OC into a body outside Governmental control, without commensurate accountability to Government and concomitant controls to ensure propriety and transparency. This was despite full financial guarantee and funding from Government. The late Shri SK Arora, Secretary, MYAS had, in 2007, highlighted the lack of effective authority with Gol representatives on the OC EB, and concluded that all decision-making was concentrated with the Chairman. He suggested multiple options – allowing OC to retain its flexibility and financial autonomy, but without direct financing by Gol; empowering the EB and providing Gol with control over high-value financial commitments; or broadbasing the OC's EB on the pattern of the 1982 Asian Games with representation from Gol and GNCTD at ministerial level. Shri Mani Shankar Aiyar, the erstwhile Minister, YAS, also highlighted the Ministry's ineffective position in exercising control over the OC to the PMO and GoM in 2007. This was, however, met with strong resistance from the Chairman, OC and did not yield the desired results.

The absence of a single point of authority and accountability for ensuring the successful conduct of CWG-2010 and the lack of a clear governance structure led to ad hoc creation of a multiplicity of co-ordination committees that were created, disbanded, and reconstituted at different points of time. This approach was not methodical, consistent and effective, and also led to complete diffusion of accountability. This was unlike the structure for the Melbourne CWG-2006, where the Victorian Government oversaw the planning and delivery of the Games through a specially formed Cabinet Committee. The Minister for Commonwealth Games was specifically empowered and responsible under the Commonwealth Games Arrangements Act 2001.

There were changes in the governance structure of the OC from October 2009 onwards, with the appointment of a CEO for the OC, deputation of senior Government officers to the OC, and the constitution of a Finance Sub-Committee of OC for scrutinising proposals before submission to the OC EB. This finally culminated in Gol's appointment of 10 senior officers in August 2010 to co-ordinate, monitor and take immediate decisions for each competition venue. However, these actions were largely in the nature of emergency fire-fighting measures. Early action on these lines, with a single point of authority and accountability, could have made the Games delivery process less painful and more streamlined and accountable.

4.1 Award of CWG-2010 to Delhi

The chronology of events leading upto to the award of the XIX Commonwealth Games, 2010 to Delhi is summarised below:

Table 4.1 - Chronology of events leading to award of XIX CWG to Delhi

June-July 2002	Gol conveyed its no objection to IOA making a bid presentation at Manchester to bid for the Games and also subsequently (February 2003) reiterated its support for the proposal, in connection with a preliminary presentation to the CGF Executive Board
May 2003	IOA submitted a formal bid for the Games to the CGF
August 2003	Visit of CGF Evaluation Commission to Delhi
September 2003	Guarantees given by Gol, Lt. Governor, Delhi and Chief Minister, GNCTD to bear all costs and underwrite any shortfall between revenues and expenses
November 2003	CGF General Assembly voted for allotment of XIX CWG to Delhi; Host City Contract (HCC) signed

4.1.1 Approval to IOA for bidding, without obtaining or examining the IOA bid

In May 2003, approval of the Prime Minister was sought (and granted) on a Cabinet note proposed by MYAS, allowing IOA to bid for the Games and underwriting Government's support for the bid.

However, while submitting this Cabinet note, MYAS did not even obtain the actual bid of the IOA to the CGF. The Cabinet note merely reproduced IOA estimates of Rs. 490 crore of revenue and expenditure of Rs. 295.50 crore, without an examination of the underlying IOA bid. In fact, these figures do not tally at all with those indicated in the IOA bid. This bid indicated:

- revenues of Rs. 840 crore, offset by operating expenses of Rs. 635 crore, leaving a projected surplus of Rs. 205 crore;

- grants of Rs. 518 crore and revenue from sale of flats of Rs. 477 crore;
- capital and repair/ renovation expenditure on stadia of Rs. 1,050 crore;
- city beautification and additional services of Rs. 150 crore;

The comments of the Ministry of Finance on the draft Cabinet note were focused on the relatively miniscule expenditure of Rs. 1.61 crore on the bidding process, rather than on the larger (and more serious) financial and other implications of the bid on Gol. In fact, the IOA bid specified that “for conducting the Games, the Central Government shall provide the necessary grants”, although it expected the Games to generate a surplus.

In short, Prime Ministerial approval in May 2003 for the IOA to bid for CWG-2010 was processed by MYAS without obtaining, let alone examining, the IOA bid document.

4.1.2 Visit of CGF Evaluation Commission in August 2003

During its visit to Delhi in August 2003, the CGF Evaluation Commission for CWG-2010 sought certain additional information and clarifications on the IOA bid. Key among these clarifications were commitments from the Government, in particular:

- Agreeing to become parties to the HCC;
- Underwriting any shortfall between revenue and expenditure of the Organising Committee (OC) – in effect, the cost of the Games; and
- Providing all necessary Government and municipal services at Government/ municipal cost.

4.1.3 Cabinet Note of September 2003

In September 2003, MYAS moved a Cabinet note seeking approval to the above commitments, based on a letter of August 2003 jointly signed by Shri Suresh Kalmadi and Shri Randhir Singh (as IOA President and General Secretary respectively). This letter, supported by an assessment of commercial revenues by SMAM¹, indicated IOA's "confidence" that the OC would be able to raise revenue resources of US\$ 100 million. **However, the letter did not indicate a specific undertaking from IOA that it**

¹ Subsequently appointed as the OC's consultant for sponsorship and merchandising/ licensing rights

would be able to raise resources on its own amounting to Rs. 480 crore, which was desired by Secretary, MYAS.

The Cabinet note, however, referred to IOA's reiteration of "commitment" for revenue generation, and stated that the projections of IOA showed an approximate surplus of Rs. 50-60 crore, thus hinting that there was no substantial risk to GoI in agreeing to underwrite the shortfall between revenue and expenditure of hosting the Games.

Another annexed letter from Shri Randhir Singh, Secretary General, IOA stated that:

- It was the requirement of the CGF that the Government of the host country must give an undertaking to underwrite the shortfall, if any, in the capital and revenue expenditure of the Games.
- It was understood that the Canadian Government had furnished a similar guarantee to the CGF.

We found no evidence of a CGF requirement mandatorily stipulating guarantee by the Government of the host country (not just the city). Further, no such guarantee was given by the Government of Canada, as brought out in the CGF Evaluation Committee Report (described subsequently in para 4.1.4).

On the draft Cabinet note, MoF did not support the proposal to underwrite the shortfall between revenue and expenditure, and suggested that in case such commitment was necessary, the liability of GoI should be capped. However, MoF did not challenge the estimates of revenue/ surplus.

MYAS responded that in view of the projections of revenue and surplus, the shortfall was an unlikely event. Hence, it was not possible to put a cap on the liability of GoI, although the likely liability on account of infrastructure development was estimated at Rs 218.50 crore.

Consequently, the Cabinet approved the proposal for underwriting any shortfall between revenue and expenditure, without any cap.

Subsequently, in September 2003, GoI, in conjunction with the Lt. Governor (LG) and CM, GNCTD, gave formal undertakings to bear all the costs involved in upgrading and constructing all infrastructure, security, transport etc. required for staging the games and also underwriting any shortfall between revenue and expenditure of the OC.

4.1.4 Report of CGF Evaluation Commission of October 2003

The CGF Evaluation Commission for CWG-2010 analysed the bids of Hamilton and Delhi for the 2010 Games. Among other things, it noted the following:

- The Governments of Canada and Ontario, the City of Hamilton and McMaster University pledged specific, significant contributions to the cost of staging the Games. However, the Government of Canada would not provide deficit guarantee, and would limit its contribution to 35 per cent of the total event costs (not exceeding 50 per cent of the total public sector contribution). In fact, none of the Governments of Canada and Ontario, the Canadian CGA or McMaster University would assume responsibility

for any deficit of the OC. The Governments of Canada and Ontario would not be parties to the Host City Contract. Only Hamilton City Council would provide deficit underwriting, subject to a number of conditions. Nevertheless, Hamilton's bid was considered to be a "conforming bid".

- By contrast, the overriding undertaking that GoI and GNCTD would meet the costs of the Games and would underwrite any operating or capital budget shortfall (i.e. including both operating expenses and venue upgradation) was noted.
- **The Report also noted that the Delhi OC would be a non-profit Government-owned registered society, chaired by a Government nominee with the IOA President as Vice-Chairman.** The constitution of the EB was as indicated in the May 2003 bid of IOA.

Evidently, IOA could not have won the bid without GoI, in conjunction with LG, Delhi and CM, GNCTD, undertaking to bear all the costs associated with the Games. In the case of India, thus, the Games became the property of the nation, rather than merely that of the IOA.

4.1.5 Main Features of Host City Contract (HCC)

The HCC was signed on 13 November 2003 between the CGF, IOA, GoI, GNCTD and the OC (yet to be formed²). The main features of the HCC are summarized below:

- The OC, IOA, GoI and GNCTD would be jointly and severally responsible for all commitments, including, without limitation, financial commitments relating to the organization and staging of the Games in accordance with the Games documents.
- The Games would be organized in accordance with the provisions of the CGF Constitution, protocols, regulations and code of conduct, and the OC would be constituted within 6 months with status and powers in accordance with the CGF Protocols.
- The CGF would be represented on the OC Executive Board³; it would also establish a Co-ordination Commission (CoCOM) to liaise with, monitor and advise the IOA and OC on all matters relating to the organization of the Games.
- The IOA and OC would submit various planning documents and strategies for CGF's written approval within stipulated timeframes, as also periodic reports on the progress of preparations.
- Brief details of venues and services/ activities (viz. ticketing, hospitality, accommodation, transport, security, ceremonies etc.) to be provided by the

² The OC, which was formed only in February 2005, signed the HCC in March 2005.

³ Termed as the Board of Directors in the HCC.

OC were stipulated, as also commercial rights, licensing, sponsorship, intellectual property, marketing and broadcasting rights.

- The host fees payable to the CGF, as well as courtesy facilities for the Games Family, officials and aides, were also stipulated.

Under the HCC, OC was required to comply with 34 major obligations within prescribed timelines. However, fulfilment of these obligations suffered delays, ranging from 1 to 56 months. Further, most of the CGF approvals for compliance with the obligations were obtained verbally.

4.2 Weak Governance Structure

4.2.1 Multiplicity of Agencies

Given the multi-dimensional nature of the Games Project and multiplicity of delivering agencies, the functional environment posed numerous challenges. The numerous agencies responsible for the various activities leading to the Games Project could be categorised into:

- Ministries/ Departments of GoI & GNCTD;
- Municipal bodies;
- Venue owners;
- Implementing agencies for the venues, Games village, and city infrastructure projects;
- OC;
- Regulatory agencies and other agencies according clearances; and
- Agencies handling support functions.

This unique challenge was best met by entrusting the stewardship of the Games Project to a single point of authority and accountability. The authority would be accorded adequate mandate to ensure all deliverables in time, to cost and to specified quality standards. Further, in view of the Government guarantee for meeting the cost of the Games, it was essential for such stewardship to be fully under Government control.

The organizational arrangement as seen in the case of the XVIII CWG in 2006 at Melbourne clearly shows a hierarchical structure of command/control with specifically assigned responsibilities. Considering that a large contingent of Indian officials from GoI/GNCTD/IOA/OC etc. visited Melbourne, that model could have been studied and its relevant aspects adopted.

Melbourne CWG 2006 Organisational arrangement

For the Melbourne CWG 2006, the Victorian Government oversaw the planning and delivery of the games through a specially formed cabinet subcommittee which included representation from key portfolios and was chaired by the Premier. The Victorian Government was the underwriter of the event.

The Minister for Commonwealth Games, Mr. Justin Madin, MLC was responsible for the Commonwealth Games Arrangements Act 2001. Under the Act, he had wide ranging planning powers for the various projects necessary for the delivery of the Games infrastructure. This included making venue and project orders for the timely completion of the Games infrastructure and for crowd management in the public domain during the Games.

The Office for Commonwealth Games Co-ordination (OCGC) within the Department for Victorian Communities was established in 2002 to manage the Government's interest in the Games and to ensure effective coordination of the Games across and within the Government.

The following box illustrates the complexity of the delivery structure for the Games:

Table 4.2 - Profile of Major Agencies Involved in CWG - 2010

	Govt Ministries/ Departments/ Agencies	Delhi Government	Municipal Bodies	Others
Monitoring and Oversight	Cabinet Secretariat PMO MYAS MHA MoUD MoF Mo I&B MoT DoT MoH&FW	LG CM, GNCTD		OC CGF
Venue Owners	SAI; DDA; DU (including constituent colleges); JMIU; CRPF	PWD	NDMC	AITA; DPS RK Puram
Implementing Agencies	DDA; CPWD; EIL; RITES; MTNL; ECIL; TCIL; BECIL	PWD; DTC; DTTDC; DHS; DJB; PPCL; DTL;	NDMC; MCD	OC
Support Services	Delhi Police; Prasar Bharati; PIB; MTNL; ITDC; Safdarjung, AIIMS and GB Pant Hospital; ASI	DTC; DTTDC; DHS; DJB		
Regulatory Agencies and other Agencies according clearances	DUAC; ASI; MoEF; L&DO; DDA	Forest Deptt; UTTIPEC; DFS; DPCC	NDMC; MCD	

Note: Agencies with multiple roles (e.g. owner/ implementing agency/ regulatory agency) are shown multiple times Committees (not being full-fledged agencies/ institutions) are not depicted here.

4.2.2 Group of Ministers (GoM)

In September 2004, the Prime Minister approved the constitution of a core Group of Ministers (GoM) headed by late Shri Arjun Singh, the then Minister, HRD for co-ordinating the work related to the organisation of the Games. The first meeting of the GoM was held in September 2004. A total of 14 meetings were held between September 2004 and April 2008. This GoM was reconstituted twice in July 2007 and April 2008.

The GoM could not provide the much needed focus and impetus:

- During 2004-06, the GoM took conclusive decisions only on setting up of the Apex Committee, CoS, authorities for financial approvals, engagement of EKS at OC's recommendation, and PPP model for the Games Village.
- During 2007, decisions were taken only on finalisation of sporting disciplines and competition/ training venues.
- During April 2008, no major decisions were taken.

GoM did not meet between May and November 2008. The interim GoM, which was constituted by the Cabinet in December 2008 under the chairmanship of Shri Jaipal Reddy, the then Minister, UD, met thrice between December 2008 and June 2009; its main decision was the engagement of Shri Bharat Bala as creative head for the opening and closing ceremonies.

The new GoM met 34 times between June 2009 and October 2010, and was in position at the time of the hosting of the Games.

4.2.3 Role of MYAS

As decided by the GoM in October 2004, the Ministry of Youth Affairs and Sports was entrusted with the overall responsibility of reviewing and monitoring various arrangements and organisation of the Games; it was also responsible for formulating Games-related funding proposals of OC and the venue owners as well as for releasing GoI funds to these agencies. However, we observed that MYAS could not establish a stable, long-term mechanism for discharging this onerous responsibility.

Frequent changes in incumbency in MYAS

Preparations for an event of this magnitude required a high degree of continuity of functionaries, for consistency as well as accountability.

However, there were numerous changes in the functionaries at various levels in the MYAS associated with the Games from May 2003 till date; there were five Ministers, YAS; five Ministers of State, YAS; seven Secretaries, YAS, and three Joint Secretaries (Sports/ ISD), as indicated below. This, further, contributed to the lack of effective and consistent monitoring by the MYAS.

Table 4.3 - Changes in Incumbency at MYAS

Minister, YAS	
Shri Vikram Verma	26.08.2002 to 21.05.2004
Shri Sunil Dutt	22.05.2004 to 25.05.2005
Shri Mani Shankar Aiyar	30.01.2006 to 06.04.2008
Dr. M.S. Gill	07.04.2008 to 19.01.2011
Minister of State, YAS	
Shri Vijay Goel	24.05.2003 to 21.05.2004
Shri Prithviraj Chavan	26.05.2005 to 17.11.2005
Shri Oscar Fernandes	18.11.2005 to 29.01.2006
Shri Arun Yadav	01.06.2009 to 16.06.2009
Shri Pratik Prakashbapu Patil	17.06.2009 to 19.01.2011
Secretary	
Sh. Rajeev Srivastava	1.4.2003 to 31.5.2004
Smt. Meenaxi Anand Chaudhry	1.6.2004 to 8.11.2005
Dr. S.Y. Qureshi	9.11.2005 to 29.6.2006
Sh. Madhukar Gupta	4.7.2006 to 19.3.2007
Sh. S.K. Arora	4.4.2007 to 19.5.2008
Ministry bifurcated in the year 2008	
Deptt. of Sports	
Sh. Sudhir Nath	20.5.2008 to 17.3.2009
Smt. Sindhushree Khullar	19.3.2009 till date
Deptt. of Youth Affairs	
Smt. Jayati Chandra	17.4.2009 to 30.9.2009
Smt. Sindhushree Khullar	1.10.2009 to 2.11.2009 (additional charge)
Sh. A.K. Upadhyay	3.11.2009 till date
Joint Secretary (Sports)	
Sh. R.K. Mishra	From 2003 to Sept. 2004
Sh. S. Krishnan	Oct. 2004 to Feb. 2007
Sh. Injeti Srinivas	Feb. 2007 till date
Joint Secretary (ISD)	
Sh. Rahul Bhatnagar	27.11.2006 till date
Joint Secretary & Financial Adviser	
Sh. S.K. Mittal	14.03.2007 till date

4.2.4 Apex Committee

The Apex Committee under the chairmanship of Minister, YAS was decided upon in October 2004 by the GoM. It was constituted in March 2005, reconstituted in May 2006 and November 2006, and functioned only from June 2006 (i.e. 19 months after the decision to constitute this committee) till April 2007, when it was discontinued.

In his letter of 14 November 2004 to the Prime Minister after the first GoM meeting, the erstwhile Minister, YAS, late Shri Sunil Dutt, appeared to have mistaken the “Apex Committee” for the Organising Committee.

This Committee was to have overriding power and responsibility for overseeing and co-ordinating the Games. However, this mandate was highly circumscribed by the GoM itself, which stipulated that:

- The minutes of all other Committees should be submitted to the Apex Committee periodically for its information.
- The Chairman of the Apex Committee could also call for such information which he deemed fit and could give such guidance that may be required.
- The Chairman of the Apex Committee may be kept informed by all other Committees, whenever any major decision was taken.

With such terms of reference, it is no wonder that the Apex Committee turned out to be a complete non-starter, as the responsibility placed on it by the GoM could not be fulfilled in any way.

The erstwhile Minister, YAS, Shri Mani Shankar Aiyar, went on record at the GoM meeting of March 2008 that the Apex Committee was dormant for 1½ years due to “resistance from the OC.”

In correspondence with the PM, Shri Aiyar indicated that it was his personal decision to not operationalise the Apex Committee after “Kalmadi's vociferous opposition to the Apex Committee at the meeting in August 2006 convened at your level.”

In July/ August 2006, the Apex Committee decided to constitute five sub-groups dealing with:

- Corporate Sector Participation;
- CWG Legacy;
- Economics and Provisioning of Infrastructure;
- Public Participation/ Medal Tally; and
- Organisation of Games.

These sub-groups were to submit their reports to the Chairman of the Apex committee, but were discontinued on disbanding of the Apex Committee itself in April 2007.

Given the overlapping nature of responsibilities, and without a clear hierarchical reporting relationship between the Apex Committee and the OC, it should have been anticipated, even in October 2004, that there would be conflicts between these two Committees, if both were allowed to function concurrently. The failure of the Apex Committee was, thus, inevitable.

4.3 The Organising Committee (OC) and Role of MYAS vis-a-vis OC

4.3.1 Formation of OC

The HCC stipulated the formation of an Organising Committee within six months. However, the Organising Committee Commonwealth Games 2010 Delhi was registered as a Society only on 10 February 2005 under the Societies Registration Act, 1860.

“Updated” bid document with December 2003 timeline

At the time of bidding for the Games, OC was envisaged as a *Government owned registered society*. However, we found a document titled as the 'updated' bid with the dateline of December 2003. This document, which, in our opinion, has no legal sanctity or relevance (since the Host City Contract had already been signed in November 2003), was sent to the MYAS only in September 2004. We are unsure as to when it was produced since we found multiple versions of it made available to us by different sources, all

bearing the same dateline – December 2003⁴. Describing this document as an “updated bid document” was a misrepresentation by the IOA.

There was no official endorsement by Gol of the modified constitution and structure of OC envisaged in the 'updated' bid; however, OC was registered in February 2005 in the form and structure laid out in this document.

The bid document submitted to the CGF (May 2003) and the document titled as the “updated” bid (December 2003) are similar, except for the organizational structure of the OC and certain expenditure figures under one head (Games Operating Expenditure). Other differences included changes in certain venues, location of the Games Village⁵, and an increase in some heads (e.g. license fee payable to CGF, payments to CGAs, Games Technical Conduct etc.) balanced largely by a reduction in one head (participants and team officials)⁶. A comparison of the constitution of OC and its Executive Board in the bid document and the “updated” bid document reveals the following position:

⁴ Multiple versions of the so-called “updated bid” have been provided to us by MYAS and OC, all with the dateline of December 2003. We are unable to determine authentically as to when this “updated bid” was actually produced, as such, till September 2004, when this document was transmitted to the MYAS.

⁵ One of the versions of the “updated bid” indicated that the Games Village would be on a 118 acre plot on the banks of the Yamuna; the original bid, merely, stated that the Athletes Games Village would be created on a 100 acre site in a prime Delhi area; the associated maps indicated a location on the New Delhi side of the River Yamuna, rather than on the East Delhi side.

⁶ The reworking of the figures under the head “Games Operating Expenditure” had numerous discrepancies. Expenditure under certain heads were reduced to one-tenth or increased ten-fold, without any alteration in the underlying supporting figures.

	Bid Document (May 2003)	Document entitled as "Updated" Bid (December 2003)
Nature of OC	The OC would be a non-profit, Government-owned registered society.	The OC would be a non-profit, non-Government registered society.
Constitution of the Executive Board	Chairman, Executive Board would be a Government Appointee, and the Vice-Chairman would be the IOA President.	The chart depicting the EB of OC simply showed the positions of Chairman and Vice Chairman; references to Government Appointee and IOA President as Vice-Chairman were deleted.

In a separate response, Shri Kalmadi (Ex-Chairman, OC) indicated that it was necessary to amend the final bid to bring it in conformity with the Games Protocols. Further, the Government had at no time objected to this amendment, as the Olympic movement contemplates that such organizations remain free from government interference. We do not agree with Shri Kalmadi's response; once Government of India decided to provide unconditional and unlimited financial guarantees, it was duty bound to take necessary steps to safeguard the public interest.

Appointment of Shri Suresh Kalmadi, President, IOA as Chairman, OC Executive Board

In our opinion, the primary objective of the document, titled as the "updated" bid, was to orchestrate the appointment of the President, IOA (Shri Suresh Kalmadi) as the Chairman of the OC Executive Board, since, as per the May 2003 bid document, the President, IOA would only be the Vice-Chairman. A chronology of related events, concluding in PMO's communication of 6 December 2004 (which was finally accepted by the GoM in January 2005) that Shri Kalmadi be appointed as the Chairman of the OC, is given in Table 4.4:

Table 4.4 - Chronology of Events related to formation of OC

Dateline	Events
August - September 2004	Correspondence was exchanged between Shri Kalmadi and Shri Michael Hooper, CEO, CGF, referring to recent discussions at Athens, whereby Shri Hooper indicated that the structure of the EB of the OC, its Chairman and members as proposed by Shri Kalmadi was acceptable to them.
6 September 2004	Shri RK Sacheti, Director, IOA wrote to MYAS, enclosing the "updated bid", giving the new structure of the OC, and stating that CGF had informed them that, except the CGF nominees, all members' appointment had to be approved by the IOA General Assembly.

Dateline	Events
13 September 2004	GoM constituted, headed by late Shri Arjun Singh
23 October 2004	<p>Shri Suresh Kalmadi wrote to the PM indicating that</p> <ul style="list-style-type: none"> ■ MYAS had not put the correct perspective of the role of IOA in the Games. ■ The Games were allotted to the IOA, and IOA had the responsibility to ensure successful conduct of the Games ■ OC was to be formed by the IOA and approved by the General Assembly of IOA. <p>Shri Kalmadi also referred to the “updated bid”⁷ in this letter.</p>
25 October 2004	1st meeting of GoM chaired by PM ⁸ .
26 October 2004	Shri Kalmadi wrote to the PM, suggesting that he should be the Chairman, OC, while the Minister, YAS should be Chairman of the “Steering Committee”.
28 October 2004	PM acknowledged Shri Kalmadi's letter, stating that the Sports and HRD Ministers had been asked to examine the issues.
1 November 2004	IOA, at its AGM, passed a resolution, “constituting” the Organising Committee under the IOA and electing Shri Kalmadi as Chairman of the OC and EB ⁹ .
11 November 2004	Shri Sunil Dutt wrote to Shri Arjun Singh, specifically referring to the “updated bid” document received in MYAS in September 2004. He stated that it made significant changes with major structural and financial implications, without consultation/ approval of the MYAS for making these changes. Specifically, Shri Dutt highlighted the change in constitution of the OC from a non-profit Government owned registered society to a non-profit, non-Government registered society as well as the deletion of word “Government appointee” as chairperson of the Executive Board of the OC. Shri Dutt stated that the provisions in the original bid must have been incorporated because organizing the CWG involved large financial commitments on the part of the Gol.
14 November 2004	Shri Sunil Dutt wrote to the PM, specifically highlighting his surprise at the resolution passed by IOA appointing the President, IOA as Chairman of the OC. This was at variance with the decisions taken in the GoM meeting (of 25 October 2004). He also stated that the minutes of this GoM meeting, as issued by the Cabinet Secretariat and received in his office on 10 November 2004, did not reflect the decisions taken in the meeting regarding various aspects of the composition of the OC.

⁷ Which removed the reference to the Chairman of OC as a Government nominee.

⁸ Referred to by late Shri Sunil Dutt in his letter of 11 November 2004.

⁹ This was a very surprising development, as the PM's decision, deciding that Shri Kalmadi would be the Chairman, was communicated only on 6 December 2004.

Dateline	Events
	<p>Interestingly, we found substantial differences between the draft minutes of the GoM meeting prepared by MYAS, and those finalised by the Cabinet Secretariat and forwarded to the PM:</p> <ul style="list-style-type: none"> ■ The reference to an OC (as well as the OC EB) under the chairmanship of Minister, YAS for creation and development of infrastructure facilities for CWG-2010 was replaced by a reference to an “Apex Committee” chaired by Minister, YAS for “monitoring and reviewing of activities”. ■ The reference to the Empowered Committee on infrastructure (chaired by the LG) functioning under the OC was replaced by an Empowered Committee to “monitor” construction.
6 December 2004	A communication from the PMO stated that institutional arrangements had been evolved for the conduct of the CWG-2010. In this, Shri Suresh Kalmadi, President, IOA was indicated as the Chairman of the Organising Committee and the Executive Board. It also communicated the Prime Minister's direction that these institutional arrangements be considered in the next GoM meeting.
14 January 2005	The second GoM Meeting did not take a view regarding governance structure.
29 January 2005	The GoM, at its third meeting, endorsed the views of the PMO and decided that the OC would be headed by Shri Kalmadi.
10 February 2005	OC was registered as a society under the Societies Registration Act, 1860. The Rules and Regulations of the OC indicated Shri Kalmadi by name (and not merely as President, IOA) as the Chairman of the OC

Even, Shri MS Gill, the erstwhile Minister, YAS, in his letter to the PM (September 2009) stated that *“the original signed document had a Government chairman, but later somehow that was changed”*.

In our opinion, the decision of the PMO for appointing Shri Suresh Kalmadi as the Chairman of the OC facilitated the conversion of the originally envisaged Government-owned OC into a body effectively outside Governmental control.

Incidentally, it may be noted that the Melbourne 2006 Commonwealth Games Corporation (M2006), previously created under Federal Company Law in 1999, was incorporated as a Statutory Authority in 2003 to manage the provision of the Games and its Board reported to the Minister under the Commonwealth Games Arrangement Act.

4.3.2 Members of OC

The bid document (May 2003) referred only to a 15-member Executive Board, supported by “Executive Management” and “Special Projects & Relations”. There was no mention whatsoever of any other

“membership” or “general body” of the OC¹⁰.

However, the Rules and Regulations of the OC, constituted as a society, stipulated a membership of not more than 500 persons “who shall be invited to become members by the Chairman.” According to these Rules, the members were to “promote the purpose of the Society (viz. the OC) to the best of their ability”.

Shri Kalmadi, Chairman, OC, recommended the appointment of 484 members, comprising the OC General Body, which was approved by Shri Arjun Singh (Chairman, GoM) in May 2005 and communicated to the then Minister, YAS. The strength of the membership was subsequently reduced to 454 in March 2004, at the behest of the new GoM.

The General Body, which consisted of personalities from different walks of life, was to meet at least once a year, to approve the accounts/ budget and accept the report of the Executive Board and the (private) auditors.

As many as 23 sub-committees of the OC were constituted from amongst the “members” of the OC, for providing “advice” on various functional areas. While the dates of constitution of these sub-committees could not be ascertained, the Terms of Reference for these sub-committees are dated as of 2009. 21 of these sub-committees reportedly held a total of 162 meetings (ranging from 2 to 17). The OC could not produce records or

documentation of the action taken, if any, on the recommendations/ advice offered by these sub-committees.

The constitution of an unwieldy 400-plus general body of members of the OC, which was not envisaged in the bid document or the HCC, did not result in any significant benefit or value addition to the Games Project.

Even the erstwhile Minister, YAS, Shri MS Gill, indicated in September 2009 that these 23 sub-committees had rarely met or performed in delivering the Games to the quality expected.

4.3.3 Executive Board of OC

As finally constituted, the 15-member EB had only 2 nominees each of the GoI and GNCTD; of these, only 2/ 3¹¹ members were Governmental functionaries. Apart from the Chairman (Shri Kalmadi), the Secretary General, IOA (Shri Randhir Singh), was to be the EB Vice-chairman, with the IOA Treasurer (Shri AK Mattoo) and the Secretary General, Athletics Federation of India (Shri Lalit K Bhanot), as well as four members from amongst the National Sports Federations (to be nominated by the Chairman). The CGF CEO and two CGF nominees completed the EB.

The day to day financial and administrative decisions were taken by the Executive Management Committee (EMC) comprising Shri Suresh Kalmadi, Shri Randhir Singh, Shri Lalit K Bhanot, Secretary General and Shri A.K. Mattoo, Treasurer. The functioning of the OC was overseen by the OC Secretariat,

¹⁰ Incidentally, Shri HJ Dora, erstwhile Vigilance Commissioner and President, Weightlifting Federation Member of India was a founding member of the OC. In response to our enquiry, the Central Vigilance Commission indicated that no information was available regarding obtaining of prior approval of the Government by Shri Dora before accepting membership of the OC.

¹¹ At different points of time.

headed by Director General (DGO). The various activities to be undertaken by the OC for staging the Games were to be looked after by 34 Functional Areas (FAs) each headed by a Functional area head.

The OC thus functioned, in effect, as a parallel, non-Governmental organization, without commensurate accountability to Government and concomitant controls to ensure propriety and transparency (despite full financial guarantee and funding from Government).

In a separate response, Shri Kalmadi stated that the decisions of the EB were taken on a unanimous basis. While the constitution of the OC contemplated decisions being taken by majority, in practice, this was not followed. Therefore, effectively each Government nominee had a veto power over decisions of the EB, none of which recorded any matter being put to vote. Further, Shri Kalmadi also drew reference to the constitution of the Finance Sub Committee and the OC Finance Committee.

Strangely, apart from late Shri SK Arora, erstwhile Secretary, MYAS's letter of July 2007 (discussed subsequently) regarding lack of authority for GoI representatives on the OC EB, the records of the EB meetings indicate that the EB decisions were unanimous and GoI representatives were present. Further, there were no instances of dissent notes or matters being put to vote on account of lack of unanimity.

Our comments on the ineffectiveness of the Finance Sub-Committee and the OC Finance Committee are brought out in Chapter-7.

4.3.4 Concerns expressed regarding OC Governance Structure

From July 2007 onwards, concerns of MYAS resurfaced at the GoM and PMO levels, regarding the lack of Government control over the functioning of the OC and the absence of a systematic arrangement to ensure reasonableness of expenditure and greater public accountability. This was of critical importance, in view of the OC being an asset-less organisation funded entirely by the GoI through an unsecured loan.

In July 2007, the late Shri SK Arora, Secretary, MYAS wrote to the PMO, with a copy to the Cabinet Secretary, regarding the role and responsibilities of the GoI nominees on the Executive Board of the OC. Apart from Secretary, MYAS, Secretary, UD was nominated on the EB, in line with the PM's desire in June 2005 that GoI representation on the EB should be raised. Shri Arora indicated that experience had shown that the Executive Board had a very limited management or decision-making authority and the GoI representatives had neither any executive authority nor any means of ensuring that the Government's view point was acknowledged and complied with, and concluded that all decision making was concentrated with the Chairman.

Shri Arora also highlighted the differences between the composition of the OC with that followed for the Special Organising Committee for the 1982 Asian Games, essentially in terms of the overriding powers of the Chairman in the CWG OC, the

lack of Governmental control, and the broadbased organisational structure for the 1982 Asian Games.

Shri Arora flagged the need for balancing OC's need for operational flexibility with transparency and public financial accountability, and indicated that in the present legal framework of the OC, it was unlikely that the Government representatives would be able to discharge their responsibility of ensuring transparency and public financial accountability in the management of the OC.

Subsequent events justified Shri Arora's apprehensions regarding lack of Governmental control for ensuring transparency and public financial accountability.

Shri Arora suggested three options:

- OC could retain its operational flexibility and financial autonomy, and the role of Government nominees could be restricted to a largely advisory role on the EB. However, in such a situation, GoI should revise its decision to give “bridge finance” to the OC, and discontinue direct financing by GoI, as well as take a view on the overall ceiling on the commitment to meet any revenue deficit.
- OC should be given a clear signal to vest decision-making in the EB. Government could consider retaining some authority for approving decisions with financial commitments above a certain limit.
- OC could be directed to broadbase its EB, as in the case of the 1982 Asian Games, with representation from GoI and GNCTD at Ministerial level.

Concerns expressed by erstwhile Minister, YAS, Shri Mani Shankar Aiyar highlighting lack of control by MYAS over OC

Extracts from letters addressed by Shri Mani Shankar Aiyar, erstwhile Minister, YAS to the PMO and PM (October 2007), and the Finance Minister (December 2007) indicate the lack of control by the Ministry of Youth Affairs and Sports over the functioning of the OC:

- Lack of decision on “institutional arrangements to give adequate and effective representation to the GoI in the EB and important committees of the OC to ensure public financial accountability and reasonableness of expenditure to minimize financial commitments of Government emanating from its guarantee to fully meet the revenue deficit of the OC budget”.
- The role of MYAS seeming to be to “funnel funds to the OC”, (described as an “asset-less organization”) and the Chairman's insistence that “funds should be released to him as per the annual phasing approved by the Cabinet with no further questions asked.”
- The advice by the MoF to release the balance funds in monthly installments during 2007-08 on the basis of information given directly by the Chairman, OC, which did not “enlighten us on the basis of these monthly releases”.

- Shri Aiyar's remarks that “following the GFRs and other financial prudence norms is leading to acrimony and making our position rather invidious” and also requesting the MoF to consider the possibility of relieving MYAS of the responsibility of releasing the balance of the loan amount and consider directly releasing the rest of the loan to the OC.
- The failure of MYAS to establish a genuinely co-operative working relationship with the OC, and the “abuse and scorn heaped at the Ministry in public statements by the Chairman, who stoops so low as to describe us as cartoons sitting in one room in Shastri Bhavan”, and the Chairman “increasingly resorting to establishing sub-committees of the EB which exclude the Government nominees, take decisions endorsed by the Chairman alone and without referring even the minutes to the Ministry” and seeing the “Ministry as a milch cow to extract as much money as he can and a rubber stamp to endorse every spending decision he takes, however outrageous.”
- The suggestion of the then Secretary, MYAS (late Shri SK Arora) that “since the Chairman of the OC believes his proposal to be bankable, it might be best for him to raise the required finances in the open market rather than have Government fund his demands and then be held responsible before Parliament”, and the lack of response from the Cabinet Secretariat and the PMO on this proposal.

Shri Aiyar also urged the imperative need for recasting the OC and its EB to be chaired by a Minister of State for International Sporting Events (i.e. fully under Governmental control). However, we noted that Shri Aiyar's interventions did not yield the desired results.

Such attempts were met with strong resistance from the Chairman, OC, who wrote to Shri Arjun Singh, Chairman GoM stating that *“...any attempt to fiddle around with the structures of OC would not only stop the internal motion but would be perceived as retrograde step by the CGF, IFs (International Federations) and the CGAs...would diminish the brand value of the Games globally and prove to be fatal for the conduct of Games.”*

Recommendations in our Study Report of July 2009

In our Study Report of July 2009 on “Preparedness for CWG-2010”, we had highlighted the need to rethink the governance model for the Games Project. We also found significant scope for improvement of coordination among agencies and for better clarity of their roles. We also observed that it was vital for the MYAS and the OC to assume effective leadership without further loss of time.

Subsequently, in September 2009, Mr. Mike Fennell, President CGF, wrote to the OC EB members and stated that “unless there is significant change in the management, culture and operation of the OC, these games will fail from an operational perspective.” Mr. Fennell also met the PM and, reportedly, expressed his doubts about the ability of the OC and its management for staging the Games.

4.3.5 Sphere of Influence of OC

As per the HCC, the IOA and the OC jointly and severally undertook to organise the Games. This was further expanded by the Rules and Regulations of the OC, which enabled it to **“advise all offices, institutions, governments and other bodies of associations that may be associated with the holding”** of the Games, and also **“to decide on all matters connected with the preparations and holding”** of the Games.

Thus, in addition to the organisation of the Games proper, **the OC was in a position to take or influence decisions of a central nature (e.g. approval of venue briefs, designs and specifications) to be implemented by other agencies, as well as determining specifications of common items (e.g. track/ turf, seating, sports equipment, certain items of overlays) which were to be ordered by implementing agencies.** Many of these decisions were taken/ driven by the OC in a highly non-transparent, inequitable and arbitrary manner.

These OC-driven decisions had serious financial implications, but were not reflected in the expenditure of the OC, which was only restricted to activities directly associated with staging the Games. This also had the effect of implicitly shifting responsibility for such questionable decisions from the OC to other agencies.

4.3.6 Changes in OC's Governance Structure from October 2009

In his letter to the PM dated 26 September 2009, Shri M S Gill, the then Minister, YAS referred to a letter from Mr Mike Fennell, President CGF, **raising doubts about the ability and the capability of the OC to deliver the Games to the quality expected,** and stated that, after due consultation, a line of action to strengthen the management inside the OC was being implemented.

4.3.6.1 Appointment of CEO, OC

Shri Jarnail Singh, a retired IAS officer was appointed as CEO by the OC in October 2009. His efficacy was totally blunted as we found several instances where queries raised by him were ignored and proposals were approved by the Chairman and EMC despite his expressed reservations.

4.3.6.2 Finance Sub-Committee

A Finance Sub-Committee (FSC) was constituted by the MYAS in November 2009, comprising entirely of Government nominees on the EB i.e. Secretary, Sports, Secretary, Urban Development, Addl Secretary, Ministry of Finance and CEO as convenor member. Initially, its mandate was to vet all proposals meant for the EB. Later in December 2009, this was expanded to

cover all proposals going to the EMC as well. The FSC functioned from November 2009 till July 2010, when Fast Track Committees were set up by the GoM to examine all proposals above Rs 25 lakh for direct approval by the Chairman and subsequent ratification by the EB.

In our view, MYAS constituted this Committee too late in time (less than a year from the Games) to have adequate and effective impact. We observed that the Committee discussed the proposals in detail, raised issues, but finally recommended all proposals for approval by EB. In many situations, the Committee members expressed their helplessness, as the proposals were presented as fait accompli and re-tendering was not appropriate or possible given the paucity of time. No proposals were rejected because any further delay would have adversely impacted the organisation of the Games. They were also not in a position to make comprehensive changes to the tendering process. Pointing out deficiencies/ inadequacies in proposals at the eleventh hour would not have facilitated executive decision making.

Many decisions (e.g. cancellation of the first catering bid) went to the Chairman, who did not allow it to go to the EB (and by implication, the Finance Sub Committee). When the catering contract finally went to the FSC, **it was April 2010, by which time no other options were available.**

The effectiveness of such committees was further reduced by (a) situations where proposals did not go beyond the Chairman to the EB (b) Chairman made subsequent decisions, which went against the EB/ FSC decisions/ recommendations e.g. counters for ticketing. For example, on catering,

despite the CEO's recommendation, the Chairman, at his level, decided to go for re-tendering, instead of sending the proposal to EB.

If a Finance Sub Committee was needed for effective government oversight and control, it should have been appointed much earlier (by around mid-2008). By end-2009, it was too late. At this time, the only mechanism that could have worked was effective takeover of the OC's functions by designated officials with full executive powers.

4.3.6.3 Fast Track Committees

The approval for expenditure for the Opening and Closing Ceremonies was already on a fast track mechanism in January 2010. Subsequently, from 1 August 2010 onwards, all financial proposals of the OC were taken up for approval by the Fast Track Committees (which put up cases directly for the Chairman's approval and post facto approval by the EB) that replaced the process through the Finance Sub-Committee as per the decision taken in the 25th meeting of the new GoM on 26 July 2010.

4.4 Co-ordination Committees

Planning, monitoring and oversight of the CWG-2010 Project, as well as co-ordination of activities across organisations/ agencies, was conducted through a host of co-ordination committees at various levels.

The following table depicts the multiplicity of committees created at different points of times for the Games Project:

Table 4.5 - Main Co-ordination Committees

Note: **Committee highlighted in Red** - Closed before hosting of the Games in October 2010

Committee	Function	Period of Functioning
GoI		
Committee of Secretaries (CoS)	Implementation of decisions of GoM regarding Games Project	May 2006 till date; held 112 meetings
Co-ordination Committee (MYAS)	Co-ordination with CM, GNCTD, Chairman, OC and Others	April 2008 to June 2009; held 5 meetings (discontinued from January 2010)
Infrastructure Monitoring Committee of MYAS (created by MYAS Co-ordination Committee)	Monitoring the progress of infrastructure works	June 2009 to May 2010; held 11 meetings
Venue Co-ordination Committee	Discuss issues for co-ordinated and speedy completion of works	June-July 2010; held 7 meetings
Stadium Committees	Venue-specific committees	November 2008 to June 2010
Reconstituted Stadium Committees	Venue-specific committees	June to July/ August 2010
Finance Sub-Committee of GoM	Supervise and deal with all financial matters	May to September 2005 (decided in January 2005)
Empowered Finance Sub-Committee of GoM	Supervise and deal with all financial matters (with Planning Commission representative)	November 2005 to January 2006 (decided in September 2005)
Empowered Security Committee	Oversee and approve and security arrangements	July 2006 onwards
Oversight Committee	Monitoring all aspects of CWG concerning Prasar Bharati and Press Information Bureau	September 2009 onwards

Committee	Function	Period of Functioning
Government of National Capital Territory of Delhi		
Empowered Committee under LG	Monitor construction of required infrastructure within specified time; representatives of central ministries/ state Government /agencies	Decided in October 2004; Never constituted
Chief Minister's Sub Committee	To look after all issues that come under the jurisdiction of GNCTD as per constitution	Decided in January 2005; Never constituted
Empowered Committee under CS	Facilitation of clearances by various agencies of CWG related projects	From September 2006 onwards
Steering Committee	To approve venue-wise plans for installation of CCTV cameras and access control equipment; covered all venues, including ex-Delhi venues, irrespective of ownership	From February 2009 onwards
Organising Committee		
Finance Sub-Committee for OC	Scrutinise all decisions placed before OC EB; review functional area-wise expenditure between two EB meetings	November 2009 to July 2010; From July 2010, Fast Track Committee (internal to OC) was initiated
(Other committees/ sub-committees of OC did not have external representation)		

A detailed chart of the interplay of different agencies and committees involved with the delivery of CWG-2010 is enclosed as a pull-out chart.

The above multiplicity of committees, many of which were created, disbanded and/or reconstituted at different points of time during 2005-10, reflected an ad hoc approach and was not conducive to a focused, streamlined, governance mechanism with stewardship for the Games Project as a whole. This also led to complete diffusion of accountability.

In addition, other major audit findings in respect of the co-ordination committees are summarised below:

4.4.1 Committee of Secretaries (CoS)

The GoM decided to constitute a CoS in January 2005, with responsibility for implementation of the decisions of the GoM. However, the CoS had its first meeting only in May 2006.

Further, while the CoS held 112 meetings, it became, in effect, a forum for monitoring and co-ordination, rather than implementing GoM decisions.

4.4.2 Committees Constituted by MYAS

- A Coordination Committee (which included Minister, YAS, Chairman, OC, and CM, Delhi) came into existence in April 2008, but was discontinued in June 2009, after holding five meetings.
- The Infrastructure Monitoring Committee, which was constituted in June 2009 pursuant to a decision of the Co-ordination Committee, was headed by Secretary, Sports and was responsible for apprising the Co-ordination Committee of the important developments relating to commissioning of different venues. This committee ceased to function after May 2010, and was rendered redundant by the CoS decision of June 2010 for constitution of the Venue Co-ordination Committee.
- The Venue Co-ordination Committee functioned for two months during June – July 2010. This committee, which consisted of Secretary, Sports and Chairman of all the Stadium Committees, came up pursuant to the CoS decision of June 2010, but was never formally constituted. In its last meeting on 29 July 2010, it was decided to hand over all the stadia to the OC.

- Stadium Committees had been constituted for each stadium in November 2008, but were reconstituted in June 2010, pursuant to the May 2010 decision of the CoS to empower them with decision making powers. There were eight stadium committees, which functioned till July 2010 (except for the SAI Stadium Committee, which functioned till 31 August 2010).
- In August 2010, Gol appointed ten senior officers (one for each competition venue) to coordinate, monitor and take immediate decisions for each competition venue, and the Stadium Committees ceased to meet thereafter. Possibly this team of officers under the direct supervision of the Cabinet Secretary was the only effective step which finally enabled the conduct of the Games and saved the country enormous embarrassment.

Clearly, the succession of committees formed and abruptly shelved from time to time under the aegis of MYAS could not ensure the handover of the stadiums even by July 2010, forcing the Gol to take emergent firefighting measures in August 2010. This was the decisive step which ultimately facilitated the conduct of the Games. The efforts of MYAS towards establishing a mechanism for proper monitoring and review of various arrangements towards delivery of the games were ineffective.

It must be noted that the MYAS was handicapped by its inability to exercise oversight and control over the functioning of the OC. While, in theory, this should not have been allowed to hamper the construction of the stadiums, the role of the OC in approving venue designs and specifications at various points of time and the delays therein constituted a major impediment to appropriate oversight arrangements even for venue development.

4.5 Web-based Project Monitoring System (PMS)

In August 2006, the Prime Minister had desired the establishment of a system for providing monthly status reports on progress on Games-related activities. However, MYAS acted only in April 2007, by appointing STPI¹² as the project manager, who, in turn, appointed TCS in May 2007 for development of the Project Monitoring System (PMS). The information made available to us indicates PMS generated reports for the period only from October 2008 onwards (till July 2010).

Our audit scrutiny revealed the following:

- The PMS did not cover activities of the OC, which further confirms that the OC effectively remained out of the GoI's monitoring and control efforts.
- The very purpose of the PMS in monitoring progress of different activities was vitiated, as the timelines against which such progress was measured were changed numerous times, rendering the reports completely ineffective. Further, there were no mechanisms for verifying the authenticity of revision of timelines. Detailed instances of the reduction in the percentage of planned work between October 2008 and July 2010, which served to depict a “misleading” picture of progress, are indicated in Annexe - 4.1.

In our Study Report of July 2009, we had highlighted instances of four venues, where the planned project progress was revised downwards from May 2009 to June 2009, so as to depict better progress. Instances of such “downward revisions” continued to occur till April 2010.

- The procedure for ensuring the reliability of data, e.g. audit trail, data validation procedures etc. were absent. In fact, Secretary, Sports, had also commented adversely in March 2010 on the discrepancies between the data submitted by officials in the CPWD, DDA and other agencies to the OC consultant for the PMS and the corresponding data submitted to their own higher authorities.
- The PMS did not have facilities for capturing follow-up action on issues/ deficiencies flagged in their monthly reports (as recommended in our Study Report of July 2009). This, further, contributed to the inadequate follow-up action by the MYAS in controlling delays in progress of various Games related activities.

4.6 Role of LG, Delhi and GNCTD

4.6.1 Overview

The GoM in its third meeting, in January 2005, decided that LG would have overall responsibility regarding the Games with specific reference to security, law and order and matters under DDA. CM, GNCTD would look after all issues under the jurisdiction of

¹² Software Technology Park of India (STPI)

GNCTD. The main areas of activity for LG and GNCTD were:

- The Games Village under DDA;
- City infrastructure by PWD, GNCTD, DDA, NDMC and MCD;
- Venues under DDA, PWD, GNCTD, and NDMC; and
- City improvement projects under PWD, GNCTD, NDMC and MCD

The main Committees set up by GNCTD for planning, coordinating and monitoring the execution of these projects are described below.

4.6.2 Empowered Committee under the Chief Secretary, Delhi

In September 2006 an Empowered Committee under the Chairmanship of Chief Secretary, GNCTD, was set up to expedite clearance in a time bound manner by various agencies, and coordination and close monitoring of all projects. The Committee met 27 times between October 2006 and October 2010. However, the Committee was not empowered to issue any sanction or approval, which was issued through normal organisational/ departmental channels. These decisions were processed through the established Departmental channels e.g. Works Advisory Board/ Technical Committee etc, and later subject to scrutiny by the GNCTD Expenditure Finance Committee, before submission to the GNCTD Cabinet for approval and subsequent issue of work orders.

4.6.3 Engagement of Shri Narayanswami as Advisor CWG – 2010

In September 2009, LG, Delhi and CM, GNCTD appointed Shri R. Narayanswami (who retired in August 2009 as Chief Secretary, GNCTD) as Special Advisor(CWG). His initial appointment was for co-ordination and monitoring of projects of CWG. He was subsequently appointed Chairman, Steering Committee in September 2009 and continued to be Chairman, Unified Traffic and Transportation Infrastructure Planning and Engineering Centre (UTTIPEC).

4.6.4 Steering Committee

The Steering Committee set up in September 2009 prepared the security plans for venues and deployment of CBRN (Chemical, Biological, Radiological and Nuclear) measures for the CWG.

4.6.5 Unified Traffic and Transportation Infrastructure (Planning and Engineering) Centre (UTTIPEC)

Set up by a September 2008 circular of LG, Delhi, this group was responsible for preparation of transport plans for the Games family and spectators in respect of six stand alone venues, the Games Village, linkages from airport to the Games Village, ITPO and other venues where the Games family was to be accommodated.

4.6.6 Multiple lines of command

The multiplicity of agencies carrying out overlapping/ similar activities (e.g. roads being the responsibility of PWD, GNCTD, MCD, NDMC, DDA and even NHAI) as well as issues relating to statutory approvals and clearances from several agencies (DUAC, ASI, Railways etc.) resulted in substantial delays in project execution. This was compounded by the lack of a single window mechanism for timely approvals and execution of Games-related projects.

Consequently, some important projects had to be delinked due to non clearance from the regulatory agencies:

- Elevated East West corridor;
- Shastri Park Tunnel Corridor;

- SP Mukherjee Marg Corridor; and
- Right turn signal free at junction at JB Tito Marg and Siri Fort Road for Siri Fort Sports Complex.

Objections by ASI and DUAC delayed the construction of the Barapullah Nallah flyover.

In addition, the following important projects were started late and could also not be completed in time for the Games:

- Shivaji Stadium;
- Connaught Place facade restoration work;
- Improvement of surroundings of New Delhi Railway Station;
- Streetscaping and street furniture works



There was a seven-year window from the time of award of CWG-2010 to New Delhi to its execution, which was not appropriately utilised. The time window from November 2003 to mid-2006, which could have been effectively used for planning, clearances and approvals, was wasted. The OC itself was registered only in February 2005, while EKS was appointed by the OC as the consultant for preparation of venue briefs and site plans only in July 2006. This led to cascading delays in all subsequent activities, since the return briefs, concept designs and detailed designs and drawings for venues could be prepared only thereafter. Even thereafter, specifications and designs for venues continued to be revised by the OC and International Sporting Federations till late stages.

The finalisation and approval of the two key planning documents for the Games – the General Organisation Plan and Games Master Schedule – were delayed by more than three years. Operational plans for different Functional Areas (FAs) as well as other planning documents of the OC were also delayed substantially.

A comprehensive, over-arching plan identifying the requirement of city infrastructure and gaps therein for hosting the Games was essential for ensuring an integrated perspective. However, we found evidence of only a presentation to the Committee of Secretaries in December 2006, which could, at best, be termed as an approach to an infrastructure development plan, without the necessary level of detail and rigour. Detailed planning for state-of-the-art city infrastructure for CWG-2010 was substantially delayed, and was done in an ad hoc fashion without a “bottom-up” assessment of needs and requirements. We also found indications of “stop-start” planning and implementation in several areas. Further, the delayed planning resulted in adequate time not being available for obtaining statutory clearances from various agencies.

5.1 Overview

The last international multi-sport event held in India was the IX Asian Games held in November- December 1982. Since then, there had been massive changes in the scale, format, presentation, technology and the funding model associated with such events. All the agencies involved

(Ministries/ Departments of GoI, GNCTD, OC and others) were handicapped by the lack of experience in organising an event of this magnitude, and were dependent on the advice offered by a host of consultants, as well as the CGF and its representatives. This also resulted in requirements being identified/ amended in an ad hoc and sporadic manner, often at a late stage.

5.2 Seven Year Window from Award to Hosting of Games not utilised

The CWG is awarded to a candidate city by the CGF at its General Assembly seven years in advance of eventual hosting. The seven year window (from November 2003 to the hosting of the Games in October 2010) was identical to the time available for organising other such mega multi sport international events such as the Melbourne CWG 2006, the Beijing Olympics 2008 and the London Olympics 2012; this facilitates adoption of a phased approach. For example, the organisers of the Beijing Olympics 2008 and the London Olympics 2012 followed a three-phase approach:

- 2 years for planning and approvals;
- 4 years for execution, construction and developments; and
- 1 year for test events and trial runs.

The bid document for CWG-2010 of May 2003 envisaged a four phase approach, as under¹:

Phase I	Plan	January 2004 to May 2006
Phase II	Create	May 2006 to May 2008
Phase III	Deliver	May 2008 to December 2010
Phase IV	Conclude	December 2010 to March 2011

¹ The General Organisation Plan (GOP) approved in August 2007 indicated a four phase Games Planning Process – Plan, Mobilise, Execute and Legacy, but without indicating timelines for each phase, which made this “phased” approach largely meaningless.

Phase-wise approach not implemented

As reported by us in our Study Report of July 2009, we found no evidence of the four phase approach being translated into action during the first phase years of 2004 to 2006, nor during a major portion of Phase-II. In effect, project implementation did not follow the phase-wise approach envisaged. Both planning and execution commenced only in late 2006. These delays had a cascading effect on all subsequent activities.

The non-utilisation of the time windows between November 2003 and mid-2006 and the consequent compression in the remaining time available are depicted below:

Waste of time window between November 2003 and mid-2006

Date	Event
November 2003	Award of Games to Delhi; signing of HCC
September 2004	Constitution of GoM
October 2004	Decisions to constitute Apex Committee and International Sports Division (ISD) of MYAS
January 2005	Constitution of CoS
February 2005	Registration of OC
March 2005	Constitution of Apex Committee; signing of HCC by OC
May-July 2006	First meetings of CoS, Apex Committee and CoS; creation of ISD

Compression of time available due to inaction upto mid-2006

Time Line	January - June 2004	July - December 2004	January - June 2005	July - December 2005	January - June 2006	July - December 2006	January - June 2007	July - December 2007	January - June 2008	July - December 2008	January - June 2009	July - December 2009	January - June 2010	July - December 2010	January - June 2011
Plan	Plan				Create				Deliver				Conclave		
Actual	No significant planning activity				Planning		Planning and Creation		Planning, Creation and Delivery				Conclave		

5.3 Delayed Finalisation of General Organisation Plan (GOP) and Games Master Schedule (GMS)]

Under the HCC, the two key planning documents for the Games - the General Organisation Plan (GOP) and the Games Master Schedule (GMS) - should have been finalised by the OC and approved by the CGF by May 2004 (i.e. within 6 months of the HCC).

Importance of GOP and GMS

The General Organisation Plan (GOP) is a high level master planning document, which sets the structural framework and timelines for the overall organization of the Games. It is to articulate the way the Games would be planned and delivered, including the allocation of responsibilities. Importantly, it considers all stakeholders involved in staging the Games (not just the OC), including those responsible for development of facilities and infrastructure.

The GMS is a roadmap, which lays out the detailed timelines for starting and completing various activities in a coherent and co-ordinated manner.

Delayed Finalisation of GOP and GMS

As pointed out in our Study Report of July 2009, the GOP and GMS were finalized for CGF's approval only in August 2007 and November 2008 respectively.

In fact, the GMS was also revised and altered several times. During the finalization of our Study Report, the OC responded that the planning of the Games was challenging and complex, and planning documents continued to evolve till Games time due to evolving dependencies between functional areas and delivery partners.

Delay in preparing and finalizing the GOP and GMS by more than three years critically affected preparations for the Games; this was compounded by the "evolutionary" planning process, arising out of changes in requirements at late stages.

5.4 Delayed Finalisation of OC Plans

5.4.1 Operational Plans of FAs

The GOP scoped the Games Project into 34 Functional Areas (FAs), with clearly demarcated activities and objectives. Operational plans had to be prepared for each of these functional areas.

Delayed Preparation of Operational Plans

As of May 2009, draft operational plans had been prepared for only 16 out of 34 FAs. Subsequently, in response to the draft Study Report, OC stated that all the 34 Operational Plans had been finalized, and CGF approval would be obtained by the revised deadline of 31 August 2009.

We found that many of these Operational Plans underwent subsequent revisions, and some plans were finalised only after the conclusion of the Games. Further, in many FAs, these plans were not actually operationalised and remained theoretical inputs, and the actual activities of the FA differed significantly from that indicated in the Operational Plans.

5.4.2 Other Planning Documents

In addition to the GOP and GMS, the HCC also stipulated several planning documents and strategies, which required CGF approval. We found that in some cases, the plans remained just plans and were not translated into action e.g:

- Plan for international and national business programme;

- Corporate hospitality plan;
- Sponsor servicing strategy;
- Plan for exploitation of commercial rights

5.5 Planning for Venues

For ensuring proper planning of venue specifications and timely execution, a phased approach was decided by the Infrastructure Co-ordination Committee of OC in August 2007:

Stage	Timeline
Venue appraisal study by OC consultant and submission of venue brief to owners	December 2006
Submission of return brief and concept design by venue owners	May 2007
OC's approval of concept design and complete final design	June - July 2007
Start of construction	Sept. 2007
Completion of construction	December 2009

Importance of Venue Brief and Approval

In simple terms, the venue brief prepared by the OC consultant (EKS) described the sporting and other requirements for each completion and training venue, incorporating the specifications of the respective International Sporting Federations.

On the basis of this venue brief, the venue owners/ implementing agencies, assisted by their consultants, were required to

prepare return briefs and concept designs, which indicated how they proposed to translate the venue brief into reality. After approval by OC/ EKS, these were to be further developed into detailed designs and drawings, on the basis of which works could be tendered and awarded and construction commenced.

Delayed Finalisation of Venue Specifications

As indicated in our Study Report of July 2009, there were delays at all stages of the above process. Further, final specifications and drawings were still being revised and modified in mid-2009, and had not yet been frozen. Also, all approvals granted by OC were only of a conditional nature.

Even after our July 2009 Study Report, officials of implementing agencies indicated that there were further changes to the specifications and drawings at the instance of OC, although documentation of such late changes could not be produced to us.

5.6 Delayed Finalisation of Plans for City Infrastructure

One of the objectives of CWG-2010 was to develop state of the art city infrastructure. These were to be undertaken by a multiplicity of agencies principally under three different jurisdictions – NDMC, MCD, and PWD (GNCTD). It was essential that a comprehensive, overarching plan identifying the requirements of city infrastructure (and the gaps therein) for hosting the Games be prepared and approved at the highest level.

In response to our request for a copy of a comprehensive city development plan

specifically for the requirements of CWG-2010, GNCTD indicated that in June 2004 itself they had taken up with the Finance Minister the need for a specific allocation of funds to fulfil the requirements of the city government for CWG-2010. This was followed by a letter in May 2005 to MYAS, indicating department-wise details of the requirement of additional funds and its justification. In the 9th meeting of the GoM in January 2006 (where the list of competition venues for sports disciplines was finalised), it was decided that GNCTD should include all its requirements covering city infrastructure and venue infrastructure in its proposal to the Planning Commission. Subsequently, a committee headed by Member Secretary, Planning Commission and including representatives of GNCTD finalised a list of infrastructure projects which was presented at the CoS meeting held on 12 December 2006. GNCTD indicated that the presentation (consisting of 66 slides) titled *“Preparing Delhi for 2010 and Beyond – Making it a world class capital”* made to the CoS constituted a comprehensive city development plan for CWG-2010.

We do not agree with GNCTD's response. The presentation merely touched on issues such as

- Modernisation of the airport, and connectivity thereto (metro/ road/ bypasses);
- Metro and road connectivity to JLN Stadia, Games Village, NOIDA, Airport etc. and proposed 24 flyover/ bridges and 12 car parking sites;
- Upgradation of Connaught Place and areas surrounding New Delhi/ Old Delhi Railway stations, Chandni Chowk/ Jama Masjid; and
- Large scale requirements for drainage, sewage, solid waste management, water, power supply

Chapter 5 - Planning

At best, the presentation to the CoS meeting of December 2006 could be termed as an approach to an infrastructure development plan for CWG-2010, without the necessary level of detail and rigour.

We found that detailed planning was done in an ad hoc fashion without an integrated perspective, and without a “bottom-up” assessment of needs and requirements. It was also substantially delayed.

Roads, bridges and flyovers constituted critical city infrastructure for meeting the requirements of CWG-2010. We found that there was lack of clarity about identification of projects directly linked to the Games. In the meetings of the Empowered Committee, the Chief Secretary had reviewed as many as 86 projects. However, in a post-Games consolidation and review exercise, he only identified 25 projects as directly related to the Games. No documented plan for the selection of these projects (after appropriate inter se prioritisation and sequencing) could be provided to us.

We also found indications of “stop-start” planning and implementation in several areas:

- Action for renovation and restoration of Connaught Place was initiated in 2004, but the revised DPR was finally approved only in November 2007.
- The plan for streetscaping and beautification was initiated in 2004, but action for appointment of consultants was initiated only in 2008. Planning for street furniture was initiated even later (after receiving the reports of the streetscaping consultants).
- Planning for improved streetlighting was initiated in 2006, but re-activated only in 2007.
- The need for improved signages was highlighted in February 2006, but the

pilot project was initiated only in May 2008, with works being awarded only in 2009.

Delayed planning was a key reason for many infrastructure projects, envisaged to be completed in time for the Games, not being completed in time. Further, such delayed planning resulted in non-availability of adequate time required for statutory clearances from various agencies e.g DUAC, ASI, MoEF/ Forest Department etc. (given the normal time required for due diligence on proposals by these agencies).

We also derived the impression that planning and selection of projects was, to an extent, driven by the perceived availability of funds for Games-related projects, rather than a strictly need-based analysis.

While many of the completed projects resulted in a substantial upgradation of city infrastructure, such a process reflected an ad hoc approach, often with a dilution of focus/ priorities on the requirements for CWG-2010.

5.7 Planning for Other Activities

Planning for other supporting activities was also substantially delayed:

- Cabinet approval for funding for media and broadcasting services was finally received only in October 2008.
- GoI approval for MTNL as the telecommunications service provider for the Games was received only in September 2009.
- Approval for funding arrangements for the Internal Security System for the Games was communicated only in September 2009.

Financial Management of the Games Project

Even while approving submission of the IOA bid in May 2003, and providing financial liability and deficit guarantees in September 2003, GoI did not have a clear and realistic assessment of the estimated cost of hosting the Games. The IOA bid of May 2003 estimated an all-inclusive cost of just Rs. 1200 crore (after setting off operational expenses against estimated revenues from hosting the Games). By contrast, the overall budget estimate for CWG-2010 for GoI and GNCTD (including MCD, NDMC and other agencies) as of October 2010 was Rs. 18,532 crore; this excludes investments by other agencies (such as DMRC and AAI/DIAL) on allied infrastructure.

We found numerous upward revisions in GoI's budget estimates from time to time. In particular, there were seven revisions from April 2007 to September 2010 at very short intervals, representing a three fold-increase. This was the outcome of a piecemeal approach adopted for consideration/ approval of individual cost elements and lack of planning in the initial stages, as well as the highly limited and unrealistic scope of the budget originally envisaged in the May 2003 bid document. In addition to the increased scope of activities, the other major reason for increased costs/ estimates was delays at multiple stages, resulting in bunching of activities towards Games Time and increases in cost; this was compounded by several instances of lack of financial prudence and propriety across the range of implementing agencies (which are described in the area-specific chapters).

The absence of a single point of authority and accountability for the Games was compounded by the early disbandment of the Finance Sub-Committee of the GoM, which would have acted as a special EFC for CWG-related proposals. This contributed to the piecemeal approach towards cost estimation and budget approvals.

We also found numerous instances of delays in grant of budgetary and financial approvals by the GoI. While we note that careful scrutiny of proposals is required to ensure due diligence before approvals and commitment of GoI funds, processing and approvals should have demonstrated a greater sense of urgency (in view of the considerable delays that had already taken place). These delays also contributed to the squeeze of time at the execution stage.

6.1 Background

The costs of hosting and conducting the Commonwealth Games or other multi-sport international event (Olympics, Asian Games etc.) can be broadly divided into the following categories:

Operational Expenditure	This represents the revenue component of expenditure associated with hosting the Games, offset by revenue generated. This is the aspect considered for assessing the “revenue neutrality” of the Games
Capital Expenditure	These constitute expenditure on capital items, with legacy value beyond the Games. Major items include venue development (including renovation/ upgradation) and upgradation of city infrastructure (roads, bridges, flyovers and other transport services, power upgradation projects etc.)
Government/ Municipal Services	These represent services provided free of cost under the HCC. Major items include security, health services, telecom services, traffic and fire services and other services.
Games Village	The Games Village is expected to be a revenue-generating/ revenue neutral venture, where the cost of construction (and accommodating athletes and others) is to be recouped through sale of flats.
Other / Miscellaneous Services	These include services like media and broadcasting (which do not generally require Government expenditure), expenditure on preparation of teams etc.

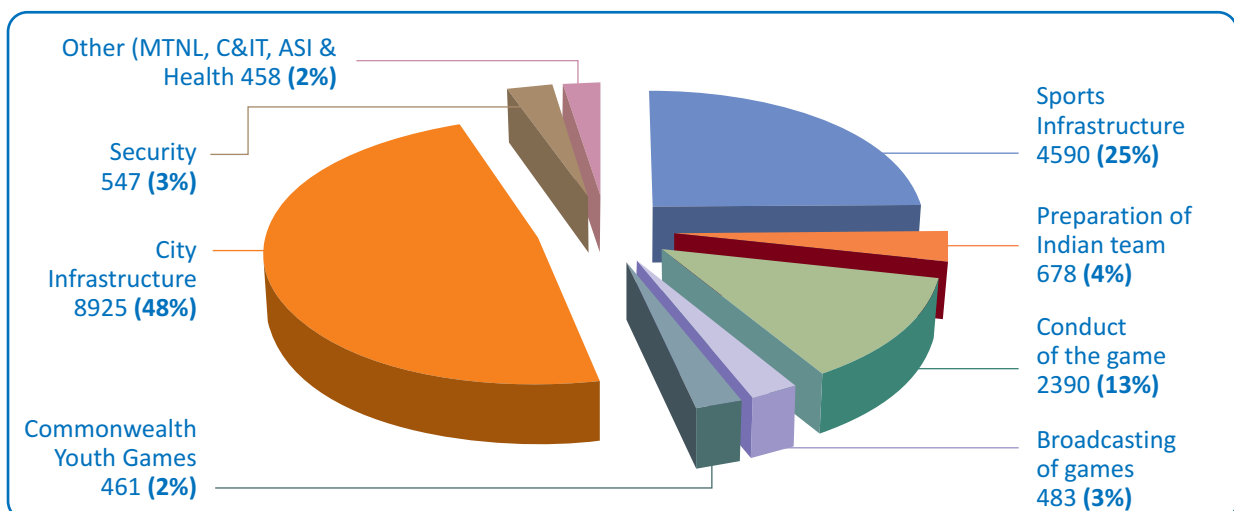
6.2 Budgeting for CWG-2010

6.2.1 Break Up of Budget Estimates

The overall budget estimates for CWG 2010 for Gol and GNCTD (including MCD, NDMC

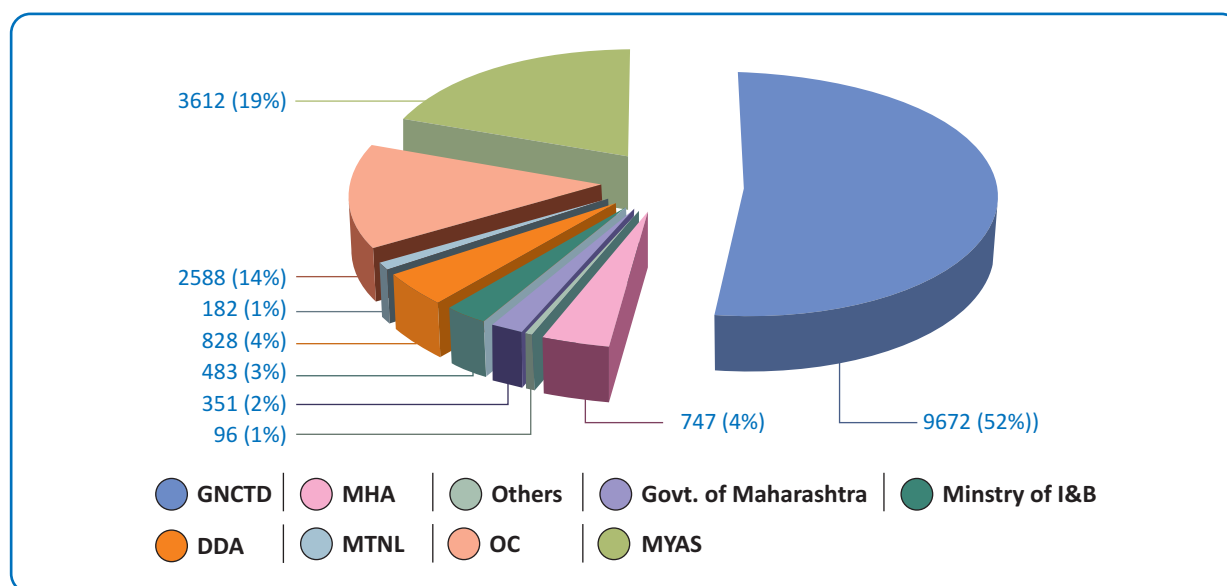
and other agencies) as of October 2010 was Rs. 18, 532 crore. A profile of category- wise budget estimates is given below:

Figure 6.1 - Category wise budget estimates (Rs. in crore)



Agency-wise profile of budget estimates is given below:

Figure 6.2 - Agency wise Budget estimate (Rs. in Crore)



6.2.2 Quantum jump in budget estimates

The initial budget estimate for hosting and conducting CWG-2010 projected in the May 2003 bid document was just Rs. 1200 crore, as summarised below:

Table 6.1 — Budget Estimates indicated in May 2003 IOA Bid

(In Rs. Crore)

Projected Expenditure		Sources of Finances	
Capital/ repair and renovation expenditure on stadia	1,050	Revenue Surplus from conduct of Games (revenues of Rs. 840 crore, offset by operating expenses of Rs. 635 crore)	205
		Sale of residential flats	477
City beautification and additional services	150	Grants	518
Total	1200	Total	1200

Note: US\$ figures in IOA bid converted @ Rs. 45/ US\$

This estimate increased more than 15-fold to Rs. 18532.31 crore¹, as of October 2010. At the time of our Study Report on Preparedness for CWG 2010 (July 2009), the estimated expenditure for the Games Project was Rs. 13566 crore², which increased to Rs. 18532.31 crore by December 2010.

This excludes investments by other agencies in infrastructure and other activities – notably Delhi Metro Rail Corporation (DMRC) and Airports Authority of India (AAI)/ Delhi International Airport Limited (DIAL).

¹ Without setting off the revenue generated/ realized by OC.

² Including Rs. 678 crore for Preparation of Indian Team

Table 6.2 - Category wise escalation (July 2009- December 2010)

(In Rs. Crore)

Projected Expenditure	2009	2010
Sports Infrastructure (Venue Development)	5214.00	4590.03
City Infrastructure	4550.00	8925.00
Conduct of the Games	1628.00	2390.48
Preparation of Indian team	678.00	678.00
Broadcasting	463.00	864.57
Commonwealth Youth Games	351.00	461.48
Others (including security)	682.00	622.75
Total	13,566.00	18532.31

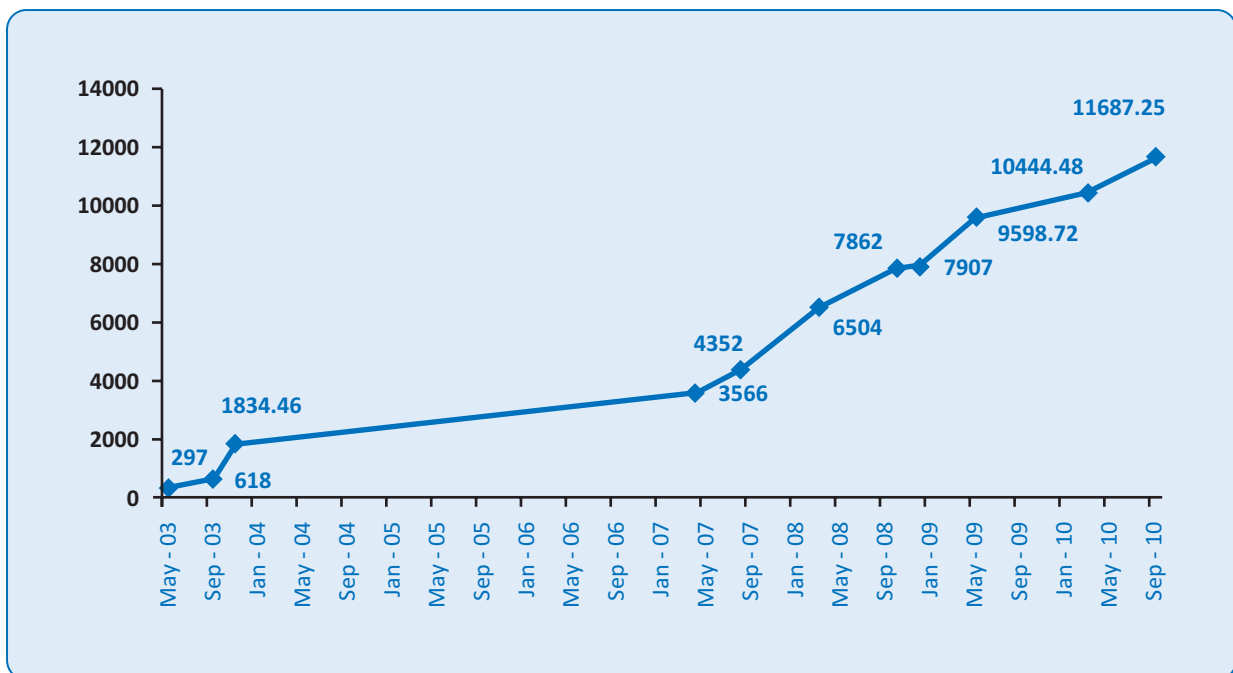
This does not include the value/ cost of the bail-out package provided by DDA to the project developer for the residential complex of the CWG Games Village.

The details of various projects initiated by the respective Ministries/Departments and their final approval indicating the amount involved have been shown in Annexe 6.2.

We could not attempt a category-wise analysis of budget estimates from the bid in May 2003, due to lack of clarity on figures, especially with respect to budget estimates for city infrastructure.

Analysis of the cost estimates³, as considered by or intimated to the Gol, reveals the following increasing trend:

Figure 6.3 – Increasing trend of cost estimates



³ Including Rs. 2800 crore for GNCTD and Rs. 351 crore for Government of Maharashtra

Table 6.3 - Cost estimates as considered by or intimated to the Gol at different stages

Event	Period	Total Cost Estimate (Rs. in Crore)	2010
Assessment of IOA	May-03	297.00	Indicated in the Cabinet Note seeking permission for IOA to bid for CWG-2010 and for MYAS to issue various guarantees to CGF.
Bid Document	May -03	1199.92	Not submitted to Gol
Estimate to Cabinet	Sep-03	618.00	Projected to Cabinet at the time of seeking its consent to enter into Host City Contract and underwriting the shortfall between the revenue and expenditure of the OC etc.
"Updated" bid document	Dec-03	1834.46	Submitted to MYAS in September 2004
Estimate to Cabinet	Apr-07	3566.00	Estimates indicated to Cabinet while submitting a proposal for bidding for XVII Asian Games - 2014 at NCR Delhi.
Estimate to GOM	Aug-07	4352.00	Estimates indicated to the GoM while being apprised of the status of funding to various agencies.
Estimate to CCEA	Mar-08	6504.00	This was indicated while presenting the expenditure budget of MYAS for up-gradation/ renovation of competition venue/ training venues at Delhi University, JMI and DPS RK Puram for approval.
Estimate to Cabinet	Oct-08	7862.00	This was indicated while obtaining approval of the Cabinet for additional funds for the OC for CYG-2008, Pune.
Estimate to Cabinet	Dec-08	7907.00	The amount was reported while the Cabinet was apprised of the preparedness for hosting CWG-2010.

Event	Period	Total Cost Estimate (Rs. in Crore)	2010
Estimate to Cabinet	May-09	9598.72	This was indicated with the Cabinet Note at the time of obtaining approval for revised estimate of SAI stadia; recreating of sports facilities in Delhi etc.
Estimate to Cabinet	Mar-10	10444.48	This was reported to the Cabinet while obtaining approval for budget of OC for overlays.
Estimate to GOM	Sep-10	11687.25	This was indicated during deliberations by the GoM in September 2010 while considering the proposal for additional expenditure on opening and closing ceremonies.

In particular, there were seven upward revisions in budget estimates from April 2007 to September 2010 at very short intervals, representing a three-fold increase (from Rs. 3566 crore to Rs. 11,687.25 crore).

Even at this late stage, GoI was unable to estimate the cost of hosting the Games with reasonable accuracy. This was the outcome of a piecemeal approach adopted for consideration /approval of individual cost elements and lack of planning in the initial stages.

6.2.3 Limited Scope of Original Budget Estimate (May 2003 Bid)

The budget envisaged in the May 2003 bid document, which was prepared by the Chartered Accountant of IOA (AS Sharma & Co.) and was not vetted or approved by the GoI, was extremely limited in scope:

- It assumed that the existing sports venues / facilities (largely constructed for the 1982 Asian Games) could be upgraded/ renovated/refurbished at relatively minimal costs (Rs. 1050 crore for all venues – Rs. 946 crore for new facilities and Rs. 104 crore for repairs/ renovation). This was a completely unrealistic assumption, which failed to factor in the drastic changes in sporting and technological specifications (in line with the latest requirements of the international sporting federations) and consequent increase in costs. **In reality, most of the venues were largely rebuilt, rather than renovated.**
- A meagre provision of Rs. 75 crore for city beautification (with an additional Rs. 75 crore for additional health, fire, security, traffic, and customs/ immigration services) was made in the bid document. The 1982 Asian Games

represented a landmark for Delhi in terms of upgradation of roads, bridges, flyovers and other infrastructure. CWG-2010 was also viewed subsequently as an opportunity for similar upgradation. Unfortunately, this was not appropriately planned and provided for right at the outset. The infrastructure projects were added and approved in a piece meal and ad hoc fashion (mostly from 2007-08 onwards). Very often, GNCTD, NDMC and MCD used this opportunity to club several existing projects, and obtain additional funding for completing these projects in time for the Games. We observed that even then timely completion could not be achieved in many cases.

- The original budget did not have any provisions for broadcasting and media and telecom infrastructure, and a meagre provision for security infrastructure. Ultimately, both Prasar Bharati and MTNL used this opportunity to obtain funds for upgradation of their infrastructure (HDTV capability for Prasar Bharati, and high speed IP/ MPLS telecom infrastructure for MTNL). However we observed, both agencies outsourced these activities completely (without relying on, or upgrading in-house capacity), leading to creation of no/ insignificant legacy infrastructure (physical and human). The security infrastructure also cost many times the original estimate, and its legacy value is again uncertain as of date.

- The budget did not factor in the cost of preparing Indian teams for the Games (through focused training and support to identified “core” probables in different disciplines), for which Rs. 678 crore was allocated only in February 2008.

6.2.4 Other reasons for Cost/ Budget Increases

In addition to the increased scope of activities, the other major reason for increased costs/ budget estimates was delay at all stages – planning, tendering and award, and execution/ completion – in respect of most activities. These delays, with consequent bunching of activities towards Games Time, led to substantial increases in cost, which could have been avoided through timely action.

As pointed out elsewhere, the seven-year time window from award of the Games to its hosting was not fruitfully utilised, and most activities were undertaken in the last two years or so. These delays led to increased costs, and also facilitated short-circuiting of procurement and related procedures on grounds of urgency, and consequent compromise on economy.

Further, we found several instances of lack of financial prudence and propriety across the range of implementing agencies, which inflated costs further and resulted in wastage of public funds. These are described in detail in the relevant area-specific chapters.

6.3 Financial Management by Gol

6.3.1 Approval Process

The mechanisms in the Gol for approval of plan and non-plan expenditure are as follows:

The Committee on Non-Plan Expenditure (CNE), with Secretary, Expenditure as Chairman, serves as an appraisal forum for the following types of cases⁴ where

- All non-plan proposals involving expenditure of over Rs. 75 crore recurring or non-recurring, on a new service or for expansion of existing services.
- Any other non-plan proposal which a Department may like to be considered in the CNE.

As regards Plan schemes⁵:

- Schemes costing beyond Rs. 100 crore but less than Rs. 300 crore are to be considered by the Expenditure Finance Committee⁶ (EFC) (chaired by the Secretary of the administrative department).
- Plan schemes/ projects involving expenditure of Rs. 300 crore and above are to be considered by the Expenditure Finance Committee where it does if it does not give returns, or by the Public Investment Board where it gives returns.

- Cases where the expenditure involves an investment of Rs. 300 crore or more require the approval of the Cabinet also.

We noted that the budget proposals were mooted by the respective ministries and approval of the Cabinet was obtained, wherever necessary. Further, in respect of Gol,

- All grants were under the Plan head; . Funds were released in instalments subject to standard terms and conditions and also subject to Utilisation Certificates.
- In the case of Prasar Bharati, funds were released as 50 per cent grant and 50 per cent loan (in view of the uncertainty of revenues), with conversion into grant-in-aid to be considered later, if found necessary.
- The only non-plan component was in respect of the loan for the OC's operational budget (intended to be repaid out of OC's revenues).

6.3.2 Summary of Approvals

A summary of item-wise proposals routed through EFC/ CNE/ Cabinet in respect of different Ministries of Gol is given below; details are given in Annexe 6.1:

⁴ Limits are effective from April 2010

⁵ Limits are effective from April 2010

⁶ Chaired by the Secretary of the administrative department along with Secretary (Expenditure) and Secretary (Planning Commission)

**Table 6.4 - Summary of Approved CWG-2010 Proposals/ Estimates
(in respect of Gol)⁷**

Ministry	Name of the Project/ Proposal	Approved amount
MYAS	Operational Budget of OC	1813.42
	Overlays for OC	687.00
	Procurement of TSR and Sports Equipment for Venues	87.25
	Venue Development (SAI Stadia)	2475.00
	Venue Development (DU, JMI, and DPS, RK Puram)	350.71
	Venue Development (AITA)	65.65
	Scoring and related equipment for Dr. Karni Singh Shooting Range	30.15
	Venue Development (CRPF Kadarapur Range)	28.50
	Scheme for Preparation of Indian Team for CWG-2010	678.00
	MTNL (Telecom Service Provider for CWG-2010)	182.00
MoUD	Construction of Games Village and Sports Venues by DDA	827.85
MIB	Host Broadcasting, International Broadcasting Centre, and Main Press Centre	482.57
MHA	Integrated Security System and related equipment	375.00
MoHFW	Sports Injury Centre (Safdarjung Hospital)	70.72

6.3.3 Delayed grant of approvals

In addition to other delays, we found substantial delays in the process of approvals/ sanctions. A list of approvals, which took 4 months or more (as ascertained from the records of the Ministry of Finance) is given below:

Table 6.5 – Delays in budget approvals

Ministry Department	Proposal	Date of initial proposal to MOF	Date of approval	Time Gap (Months)
Youth Affairs & Sports	Venue Development (SAI Stadia)	28.08.2006	15.03.2007	7
		23.01.2009	08.05.2009	3
	Operational Budget of OC	30.11.2005	15.03.2007	15
		16.06.2009	05.11.2009	5
	Overlays (for OC)	17.11.2009	19.03.2010	4
Scheme for Preparation of Indian team for CWG-2010	12.02.2008	12.06.2008	4 3	
Venue Development (DU, JMI and DPS, RK Puram)	19.12.2007	27.03.2008	8	
	11.02.2009-JMI 23.02.2009-DU	08.10.2009	7	

⁷ Does not include proposals which were sanctioned/ approved but not utilised (e.g. approval of Rs. 200 crore for Intelligent Traffic Management System (ITMS))

Ministry Department	Proposal	Date of initial proposal to MOF	Date of approval	Time Gap (Months)
Youth Affairs & Sports	MTNL	21.10.2009	10.02.2010	7
	Venue Development (AITA)	02.11.2006	22.09.2009	35
	Venue Development (CRPF Kadarapur Range)	27.05.2009	08.10.2009	4
Urban Development	Construction of Games Village and Sports Venues by DDA	12.07.2006	15.10.2009	39
Information & Broadcasting	Host Broadcasting, International Broadcasting Centre, & Main Press Centre	18.12.2007	03.10.2008	10

While we note that careful scrutiny of proposals is required to ensure due diligence before approvals and commitment of GoI funds, for a time-sensitive project like CWG-2010 (where considerable delays had already taken place at the initial stages, reducing the time available for planning and implementation), processing and approvals at various levels should have demonstrated a greater sense of urgency than they actually did.

In particular, we noted the discomfort and delay of the EFC in clearing the budget proposals of the OC due to lack of complete understanding of bid documents, CGF protocols, HCC and related documents by MYAS/MoF. Even as late as January 2010, while discussing the proposal for Overlays Secretary, MYAS acknowledged that roles of various agencies (venue owners and OC) were not clearly demarcated. This lack of clarity had an adverse impact on the financing of the projects.

OC submitted its first budget proposal to MYAS in November 2005, but this was approved only in April 2007. OC's revised budget was submitted in July 2008, but was sent to the Ministry of Finance only in June 2009 and finally approved in November 2009. We noted that the approval of the OC budget got linked with the differences between MYAS and OC over the extent of Governmental control. However, these differences should not have been allowed to delay scrutiny and approval of budgets.

6.4 Financial Management in GNCTD

An agency-wise profile of approvals/sanctions by GNCTD (including approvals for MCD, NDMC and other bodies) is given in Table 6.6.

Table 6.6 – Agency-wise profile of Approvals for GNCTD

(In Rs. Crore)

Agency	Sanctioned Amount
PWD	5,456
DTC	1,173
Power Department	1,100
NDMC	1,016
MCD	542
DJB	269
DHS	46
Art & Culture Deptt.	28
IT	28
Environment & Forest	7
DPGS	6
Grand Total	9,672*

*This includes funding from Gol – (a) components of JNNURM: Rs. 761 crore and (b) Additional Central Assistance for CWG-related projects: Rs 2800 Crore.

A category-wise profile of approvals/ sanctions is given in Annexe 6.2.

6.5 Outstanding Liabilities

It is a matter of concern that the final bills for most of the projects (Organising Committee, venue development, city infrastructure and other projects) are yet to be settled by the implementing agencies, even after several months of conclusion of the Games.

- The OC is scheduled to cease existence from 31 March 2011. Accounts upto 2009-10 only have been finalised.
- Releases to agencies like SAI, MTNL, Prasar Bharati, ECIL etc. are treated as expenditure in the books of Gol. However, the final cost will be known

after settlement of bills/ receipt of UCs with detailed Statements of Expenditure (SOEs).

- Even in respect of departmentally executed projects in GNCTD, final payments are yet to be made.

Until final payments are made, the full cost of organizing and staging CWG-2010 to the public exchequer will not be known. This will be verified/ scrutinized in future audits.



Internal Controls and Decision Making within the OC

By 2009, it had become abundantly clear that the conduct of the XIX CWG would be totally funded by the Government. Even the earlier claim of the OC that it would be a revenue neutral exercise, let alone be revenue surplus, had been debunked. Since funds were flowing from Government coffers it was essential for the OC to follow procedures laid down by Government for such expenditure. The OC had enough experienced Government officers to ensure the same. Nevertheless, we found that the internal control environment and decision making structures within the OC were highly inadequate.

- *The processing of certain sensitive contracts/ cases was allocated in an arbitrary and ad hoc manner to certain officials who had no linkages with the concerned Functional Area; such action diluted the process of due diligence and scrutiny.*
- *The state of documentation in the OC (especially with regard to contracting for goods and services) was so inadequate that we are unable to derive assurance as to either the authenticity or the completeness of records. In particular, documentation of the minutes of the meetings of the Executive Management Committee (EMC) is such that there is a possibility of these minutes being prepared as an afterthought to fill in gaps in approval.*
- *We found numerous instances of contracts not being subjected to the required taxation and legal advice/ vetting; even where offered, such advice and vetting was deficient and failed to protect the interests of the OC. OC's handling of tax-related issues was extremely poor; in 19 contracts, OC irregularly agreed to bear tax liability on behalf of the vendor. The financial advice function was, in effect, dispensed with from November 2008. The internal audit and vigilance set-ups were also rendered ineffective.*

Contract management by the OC was irregular and deficient:

- *We are not certain about the total number of contracts and work orders awarded by the OC. The state of contract documentation is such that we are not sure of the entire sequence of events leading to award of contracts. We are also unable to ascertain complete contract-wise payments and outstanding liabilities for each contract.*
- *There was avoidable bunching of high value contracts in 2010, particularly in the second and third quarters. The argument of urgency was used to obviate the regular process of tendering for award of contracts. This seriously compromised transparency and economy.*
- *There were numerous instances of single tendering, award on "nomination basis", award of contracts to ineligible vendors, inconsistent use of restrictive Pre-*

Qualification (PQ) conditions to limit competition to favour particular vendors, inadequate time for bidding, cancellation and re-tendering of contracts, and inexplicable delays in contract finalisation.

The OC-IOA relationship was blurred. This facilitated grant of irregular benefits to IOA at the expense of the OC/ GoI through funding of huge delegations for the Beijing Olympics 2008 Study Observer Programme and the 2008 ANOC meeting, getting the IOA Bhawan fully furnished and renovated at OC's cost, and other additional irregular payments for IOA's "property rights" over the Indian contingent and grant for training and preparing Indian athletes (which was actually done by the GoI).

The OC hired a multiplicity of external consultants and advisors. We found numerous deficiencies in the procedures for appointment and management of consultancy contracts. Most consultants were appointed on nomination basis and did not have formal contracts, nor were consultancy payments linked to deliverables. In many cases, detailed scope of work was also not drawn up.

Detailed findings are presented in the relevant area specific chapters.

7.1 Structure/Activities of OC

Broadly, the operational structure of OC was as follows:

Figure 7.1 – Organisational Structure of OC

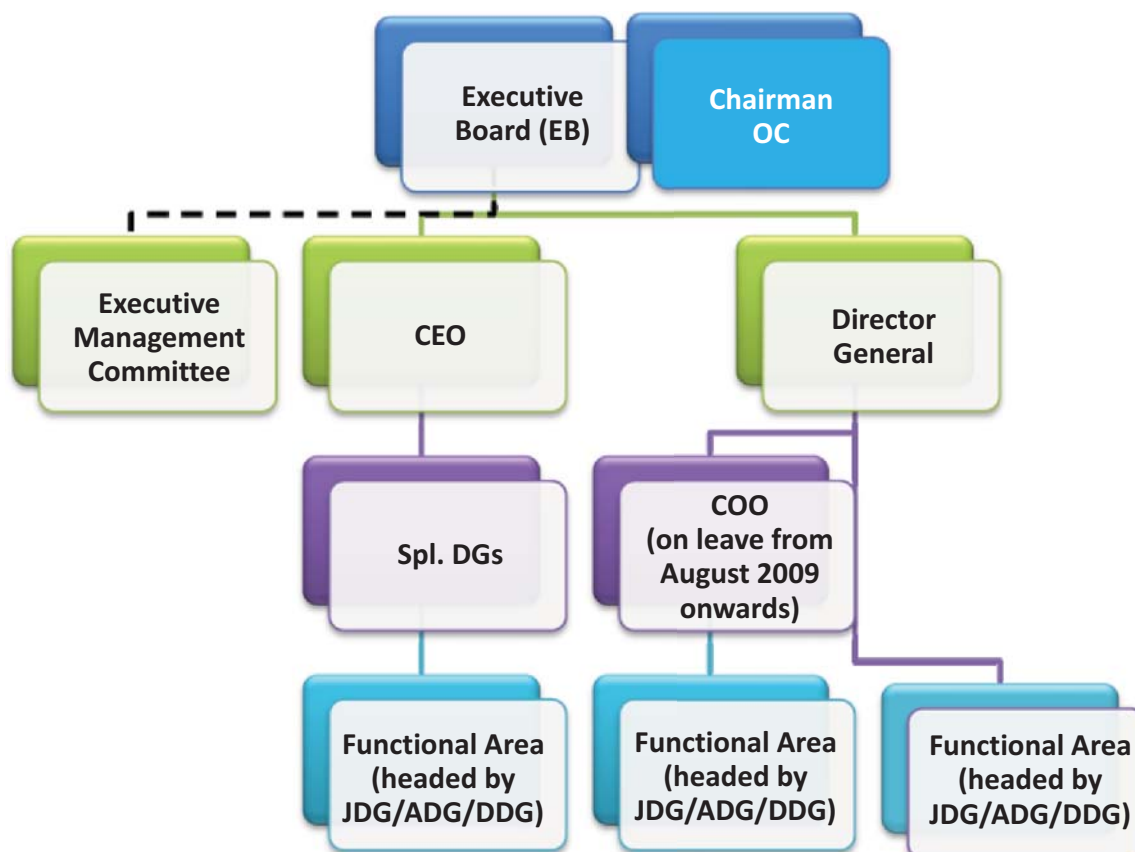
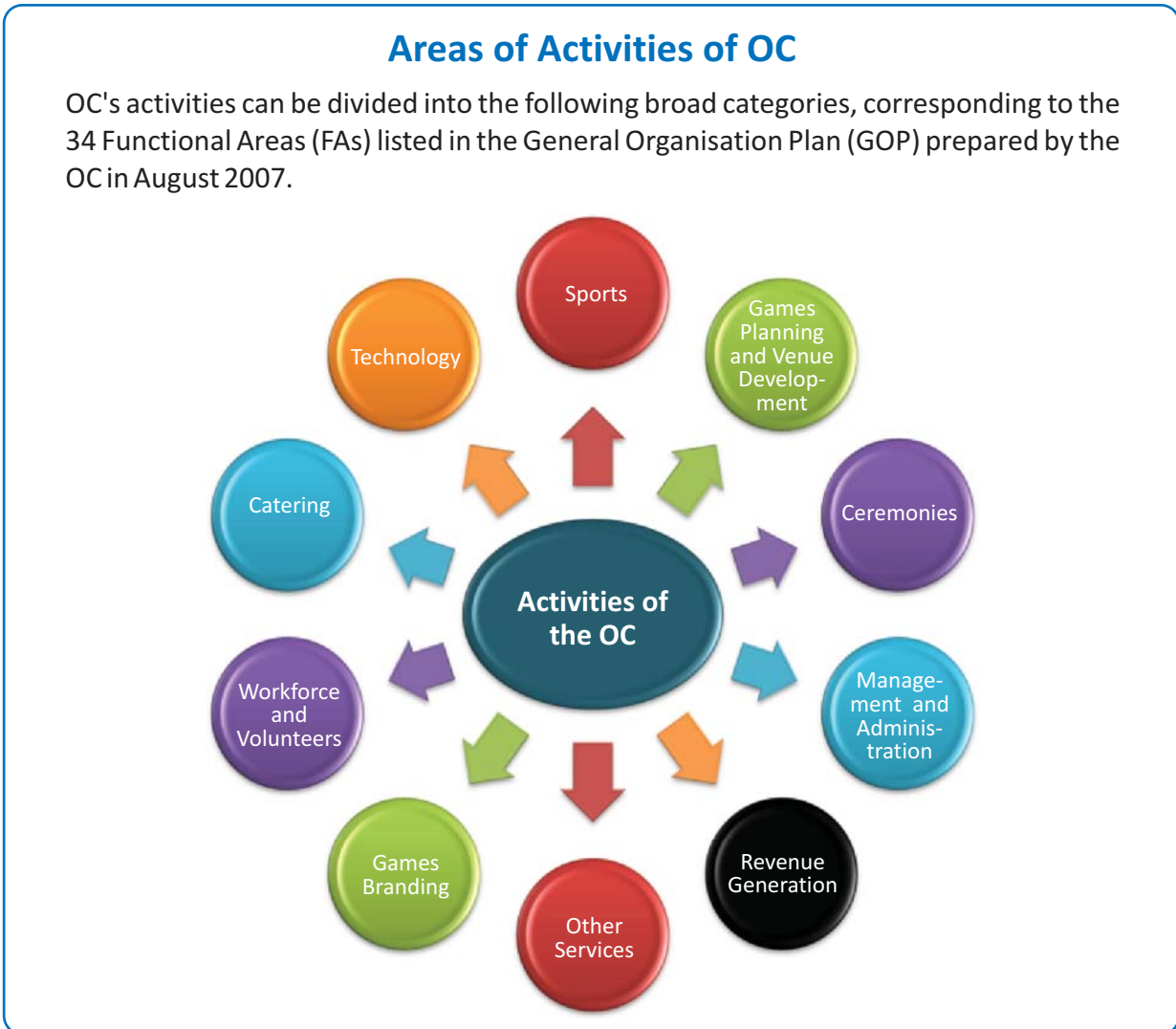


Figure 7.2 – Activities of OC



Section - C
Conduct of the
Games-Organising
Committee

The scope of work in each Functional Area is delineated below:

Table 7.1 – Functional Areas of OC

Activity Group	S No	Name of the Functional Area	Scope of Work
Games Planning and Venue Development	1	Games Village Development and Operations	<ul style="list-style-type: none"> ■ Arranging and providing accommodation to athletes and team officials at the Games Village as per HCC and also planning for legacy while developing the Games Village; an ■ Providing a safe, secure, comfortable and welcoming environment at the Games Village.

Activity Group	S No	Name of the Functional Area	Scope of Work
	2	Venue Development and Operations	<ul style="list-style-type: none"> ■ Providing venues with facilities of the highest international sports standards and catering to the needs of various stakeholders witnessing the events at Games Time; and ■ Integrating all the Functional Areas in the planning process by communicating the roles and obligations expected from them during Games Time.
	3	Legacy	<ul style="list-style-type: none"> ■ Developing a detailed legacy plan for the Games.
Catering	4	Catering	<ul style="list-style-type: none"> ■ Providing food and beverage services to all constituent groups at all competition and non competition venues and the Games Village; and ■ Meeting the special dietary requirements of its customers in the best possible manner.
Ceremonies	5	Ceremonies	<ul style="list-style-type: none"> ■ Conducting successfully the opening and closing ceremonies that are unparalleled and unmatched by previous CWGs; and ■ Promoting the spirit of the CWG through a variety of cultural events.
	6	Queen's Baton Relay	<ul style="list-style-type: none"> ■ Enhancing visibility and promoting popularity of the CWG amongst local communities in all Commonwealth countries and in different parts of India.
Games Branding	7	Image and Look	<ul style="list-style-type: none"> ■ Ensuring consistency in the image and look for the Games ; and ■ Providing design assistance to various functions.

Activity Group	S No	Name of the Functional Area	Scope of Work
	8	Press Operations	<ul style="list-style-type: none"> Promoting a positive image of India by working closely with the domestic and international media and ensuring their support and involvement in the Games ; and Coordinating the media activities at the Main Press Centre, Venue Media Centres (VMCs) and the Games Village.
	9	Communications	<ul style="list-style-type: none"> Developing an effective publicity and communications program to position the event as a prestigious, exciting 'must attend' for potential domestic and overseas attendees; and Creating and maintaining high levels of awareness about the sports program, the Games Village and other sites.
Technology	10	Technology	<ul style="list-style-type: none"> Providing a robust and tested technology platform for the staging and conduct of the Games and delivery of all timing, scoring, and on-venue results systems and downstream applications; and Offering a range of applications and solutions to all Functional Areas of the OC for games planning and execution with a focus on meeting specific requirements within budget.
Sports	11	Sports	<ul style="list-style-type: none"> Planning for all sports in the areas of sport entries, sport results, scoring and timing and the development of the competition schedule; Providing policy and operational support for all sports including regulations for sports, provision of equipment, training facilities etc; and

Activity Group	S No	Name of the Functional Area	Scope of Work
			<ul style="list-style-type: none"> ■ Planning and implementing the presentation of sports medal ceremonies.
	12	Medical and Doping Control	<ul style="list-style-type: none"> ■ Creating an effective and high quality health care program for athletes and the Games Family; and ■ Ensuring prompt and efficient medical care including the availability of first-aid and other emergency medical services for spectators at competition venues.
	13	Protocol	<ul style="list-style-type: none"> ■ Ensuring compliance with the protocol as defined by the CGF across all functions and events.
Workforce/ Volunteers	14	Workforce	<ul style="list-style-type: none"> ■ Attracting and recruiting appropriate and adequate personnel as per the requirements specified by various functions; ■ Ensuring that the workforce members are assigned and informed about their respective roles and responsibilities; ■ Delivering an effective volunteer program for the Games.
Other Services	15	Accommodation	<ul style="list-style-type: none"> ■ Providing accommodation to stakeholder groups, VIPs, CGAs, International Federations etc. outside the Games Village.
	16	Accreditation	<ul style="list-style-type: none"> ■ Providing accreditation to eligible and authorised individuals as per the CGF guidelines; and ■ Limiting participants' access to only needed areas.
	17	Cleaning and Waste Management	<ul style="list-style-type: none"> ■ Controlling cleaning and waste management services for all constituents groups at venues and the Games Village; and

Activity Group	S No	Name of the Functional Area	Scope of Work
			<ul style="list-style-type: none"> Contributing to the achievement of environmental and sustainability objectives through an Integrated Waste Management Plan.
	18	Logistics	<ul style="list-style-type: none"> Working in collaboration with the Procurement Functional Area to store goods and material as and when they are delivered; and Facilitating transportation and delivery of goods and materials in the venues and the Games Village from the central warehouse.
	19	Security	<ul style="list-style-type: none"> Providing a cohesive framework for Games security to all Games participants and visitors; and Coordinating initiatives with relevant security agencies to deliver effective, professional, unobtrusive, friendly and helpful security for all Games participants and visitors.
	20	Spectator Services	<ul style="list-style-type: none"> Ensuring a safe and enjoyable CWG experience for all spectators by providing information assistance and support services.
	21	Sustainability and Environment	<ul style="list-style-type: none"> Adopting environmental best practices and minimising the negative impact of the Games on the environment.
	22	Transportation	<ul style="list-style-type: none"> Providing efficient, punctual and safe transport services to athletes and team officials etc; Coordinating with the Transport Department (GNCTD), DTC and DMRC to provide adequate transport arrangements; and Developing a traffic management plan with a view to building capacities to meet defined service levels.

Activity Group	S No	Name of the Functional Area	Scope of Work
Management and Administration	23	Procurement	<ul style="list-style-type: none"> ■ Planning and procuring goods and services as per defined timelines, locations and quantities; and ■ Developing plans for return and disposal of surplus materials in the post-Games phase.
	24	Coordination and Government Relations	<ul style="list-style-type: none"> ■ Managing information flow between Government Agencies and the OC; and ■ Ensure compliance with the clauses of the Host City Contract with respect to the views of the CGF Co-ordination commission.
	25	Finance and Accounts	<ul style="list-style-type: none"> ■ Developing the general Games Budget and relevant Annual Budgets; ■ Monitoring revenue and expenditure vis-à-vis the budget; and ■ Ensuring economy measures and clearing payments to vendors after due diligence.
	26	Legal	<ul style="list-style-type: none"> ■ Protecting the interests of the OC in negotiation and preparation of all agreements; and ■ Providing advice and assistance on all legal matters to the OC and various Functional Areas.
	27	Office Administration	<ul style="list-style-type: none"> ■ Providing administrative support services (transport, workforce, IT etc) to the OC for ensuring the smooth functioning of various Functional Areas; and ■ Ensuring expansion of office as per operational requirements.
	28	Risk Management	<ul style="list-style-type: none"> ■ Developing a risk management framework for the OC; and ■ Assigning responsibilities and defining timelines for development of mitigation plans for the key risks.

Activity Group	S No	Name of the Functional Area	Scope of Work
	29	CGA Relations	<ul style="list-style-type: none"> ■ Establishing and maintaining relations with the CGF and CGAs and provide timely communication for the efficient conduct of the Games; and ■ Ensuring provision of all required services including accreditation, accommodation, transport etc to CGF/CGA attendees.
Revenue Generation	30	Sponsorship	<ul style="list-style-type: none"> ■ Working closely with the sponsorship agent to achieve the budgeted sponsorship revenues (Cash and Value in Kind); and ■ Monitoring provision of agreed support services to sponsors at the venues with respect to hospitality, venue signage, recognition, ticketing, accreditation, accommodation etc.
	31	TV Rights	<ul style="list-style-type: none"> ■ Facilitating the TV rights sales in India and overseas to generate maximum possible revenue; and ■ Overseeing and monitoring the tendering and negotiations process conducted by the broadcasting rights sales agents.
	32	Broadcasting	<ul style="list-style-type: none"> ■ Providing a strong platform for the sale of TV, radio and other broadcast related rights; and ■ Coordinating the activities of broadcasters at the International Broadcasting Centre, VMCs and the Games Village.
	33	Ticketing	<ul style="list-style-type: none"> ■ Developing a ticketing strategy for the sale and distribution of tickets; and ■ Managing the distribution and sales of tickets directly with key stakeholder groups including CGAs, IFs, sporting bodies, tour operators and sponsors.

Activity Group	S No	Name of the Functional Area	Scope of Work
	34	Merchandising & Licensing	<ul style="list-style-type: none"> ■ Identifying the product range to be covered under the Merchandising and Licensing programme; and ■ Identifying, selecting and contracting with the commercial partner for the production and distribution of merchandise.

7.2 Internal Control Environment

7.2.1 Overview

Internal controls are actions taken by management to provide reasonable assurance that the organisation's risks have been managed, and that the organisation's goals and objectives will be achieved efficiently and economically.

In the case of the OC, it was critical to put in place a robust and adequate internal control framework, since the OC was not established either as a Government Department/ entity or a PSU (which would have automatically been required to comply with existing internal control and governance frameworks). Such an internal control framework would have required, at the minimum, the following:

- Clear delineation of roles and responsibilities (with commensurate delegation of powers);
- Prescribed procedures for processing, approval and documentation of decision-making at various levels;
- Appropriate budgetary controls and financial sanctions/ Authorisation for

Expenditure (AFE), supported by concurrent financial advice and examination;

- Comprehensive procedures for procurement of goods and services, which promote competition, transparency and economy;
- Procedures for verification and processing of payments, and preparation of financial statements;
- Professional scrutiny (from the legal, taxation and other perspectives) of draft contracts and other legal documents and other arrangements for ensuring compliance with applicable legal and statutory requirements; and
- Oversight arrangements, including effective vigilance mechanisms, and external and internal audit arrangements.

We found that the internal control framework within OC was inadequate and ineffective, as described below.

7.2.2 Irregular distribution of work relating to sensitive contracts

We found that the processing of certain sensitive contracts/ cases were entrusted in an arbitrary and ad hoc manner to certain officials closely associated with Shri Kalmadi and Shri Bhanot. Such officials had no role/ linkages with the concerned Functional Area to which these activities pertained. Such action leads to the inescapable conclusion

that it was done to facilitate approval of contracts/ cases without the required due diligence and scrutiny of the prescribed authorities. It also ensured that the trail of decision making and accountability was difficult to establish. Many of these contracts/ cases also involved impropriety, irregularity and lack of transparency, which have been discussed in the area-specific sections of this report.

Table 7.2 — Irregular Distribution of Work to Certain Officials

Person	Official Position	Contracts/ Cases with which irregularly associated
TS Darbari	JDG (Revenue Marketing and Chairman's Secretariat)	■ QBR Launch Ceremony, London
Sanjay Mohindroo	DDG (Technology Marketing)	■ QBR Launch Ceremony, London
Sangeeta Badhwar	PO/ Director/ DDG (Chairman's Secretariat)	■ Beijing Olympics 2008 Study Observer Group
Harish Sharma	OC member (not employee)	■ Accommodation for Beijing Olympics 2008 Study Observer Group
RK Sacheti	Head of Co-ordination and Government Relations Functional Area	■ Youth Games QBR (Hoardings); ANOC Beijing Meeting; Ceremonies (booking of accommodation and selection of Wizcraft)
AK Kesari	DDG (SG's Secretariat)	■ Accommodation for international consultants; Sports Presentation (selection of GBE)

7.2.3 Documentation

Documentation within OC

In our Study Report of July 2009, we had observed that there was considerable scope for improvement in the documentation and filing systems within OC, and systematic procedures for documentation and filing were essential, especially those relating to correspondence with different agencies; recording of decisions on different activities; and version control over planning and implementation documents. OC has obviously ignored our recommendations.

The state of documentation in the OC was so inadequate, that we are unable to derive assurance as to either the authenticity of the records, or their completeness. In particular, documentation with regard to contracting for goods and services was extremely poor. Even the instructions of November 2009 issued by the CEO for proper filing and documentation were ignored. Thus, accountability for decisions and acts of omission/commission cannot be easily ascertained. It also made the process of decision making non-transparent.

Instances of poor documentation included:

- Index/ registry of files (with numbering) not maintained; custody of files not specified;
- Files not page-numbered/ incomplete; many “part” files; in many cases, files were just a collection of loose sheets; notings and documents found missing in a selective manner;

- Many files produced to us were “created” from photocopies by collecting “relevant” documents from various sources, originals for which were not traceable;
- In many cases, correspondence was handled and decisions taken on e-mails from personal e-mail IDs (and not the official OC e-mail account), and print-outs of e-mails were not uniformly kept in files;
- Most officials, especially higher management, signed records without date;
- Different signed versions of minutes of the same meetings; and
- Inadequate/no documentation of file movement; some files which were reported “missing” were found in unexpected locations (e.g. Chairman and Treasurer's Offices) during our audit and during CBI surveys or searches.

The minutes of meetings of the Executive Management Committee (EMC) exemplify the state of documentation. Till April 2010¹, these meetings were not numbered, there were no agenda items, and EMC members did not affix the date with their signatures. There were at least 24 instances of minutes for multiple meetings purportedly held on the same date and time for deciding different issues. In an extreme example, 7 meetings were recorded to have been held on the same date and time, but on different issues.

¹ After SDG(F&A) became an EMC member in April 2010, there was a remarkable improvement in documentation of EMC minutes, which could be relied upon.

We are unable to derive assurance that these EMC meetings were actually held, or the records produced to us are complete and authentic; it is possible that these EMC minutes were prepared as an afterthought to fill in gaps in documentation and approval.

7.2.4 Financial, taxation and legal advice/ vetting

We found that legal vetting was not conducted by the legal Functional Area in more than 50 percent of the contracts; in a few cases, the legal vetting was actually done after the contract was signed. The quality of taxation and legal vetting was also deficient, as it failed to safeguard the interests of OC (e.g. by ignoring provisions for penal clause, performance guarantees, absence of clarity as to liability for bearing taxes). In some cases, the legal advice given was also ignored.

The financial advice function (concurrent at the proposal stage and before contract finalisation) was in existence only from September 2005 to October 2008, after which it was, in effect, dispensed with². Even when it was in existence, financial advice on the sensitive contract with SMAM was ignored.

7.2.5 Processing of Payments

We found that there were several deficiencies in the processing of payments by the Finance & Accounts Functional Area. Proposals were not scrutinised diligently

² *The Finance and Accounts FA (responsible for processing payments) also doubled as the Financial Adviser, which were essentially incompatible functions and compromised internal controls.*

before making payments. This included several instances of

- overpayments,
- incorrect confirmation of budget availability,
- payment without approved contracts or the required certification by the Functional Area head,
- payments without adequate supporting documentation (contract terms and payment / rates schedule including linkages with deliverables/ milestones, attendance sheets, sub-vouchers etc.)
- payments in foreign currency for contracts in Indian Rupees or irregularly benefiting the contractors on foreign exchange fluctuations. There were also cases where approvals for payments in foreign currency were not taken (detailed in **Annexe-7.1**).

Examples of deficient scrutiny included excess payment of Rs. 1.5 lakh to one vendor for the closing ceremony, payment for November 2009 to February 2010 to Ms. Saba Ali (earlier consultant, QBR launch) without a valid contract; approval of payments for the QBR launch, ANOC and Study Observer Group without certification by the concerned FA head; and write-off of stores of Rs. 5.44 crore without approval.

7.2.6 Poor management of taxation issues

We found that OC's handling of tax-related issues was extremely poor; further, in many cases, OC did not consult their own tax consultant:

- OC undertook to bear taxes on behalf of the vendor in 19 contracts; this resulted in payments of TDS of Rs. 7.40 crore³ by the OC on total payments of Rs. 134.09 crore under these contracts.
- Under the terms of the Double Tax Avoidance Agreement (DTAA) between India and Australia, no withholding tax was leviable on rights fees of US\$ 33.50 million receivable by the OC from Network Ten Australia. However, the OC did not seek appropriate tax advice and, instead, incorrectly approached the Australian Tax Office in April 2008 for tax exemption, which was rejected in March 2009. This resulted in avoidable deduction of US\$ 5.03 million (Rs. 23.11 crore) as withholding tax. This amount can now be recovered only through Mutual Agreement Proceedings (MAP) under the DTAA, which was initiated only in September 2010.
- OC failed to obtain the PAN numbers of vendors, resulting in TDS at the higher rate of 20 per cent applicable from April 2010. In the case of the TSR contract with Swiss Timing Omega (where the OC bore the tax burden), OC paid Rs. 7.10 crore additionally as TDS, due to delay in obtaining PAN registration.
- OC failed to deduct TDS on payments to EKS and SMAM (for CYG-2008, Pune) at the higher rate of 42.23 percent applicable for a PE (Permanent Establishment) in India, resulting in short-deduction of Rs. 3.06 crore and Rs. 1.04 crore respectively.

³ Out of this, Rs. 1.87 crore was on account of higher TDS rates due to OC's failure to obtain PAN numbers of vendors.

- OC failed to deposit service tax in time in respect of taxable services provided by foreign service providers, resulting in penal interest of Rs. 2.46 crore on delayed service tax deposits of Rs. 58.56 crore. OC also failed to deposit service tax of Rs. 0.28 crore, already collected in respect of rate card services. Further, OC paid Rs. 30.75 crore to service providers, who were not registered with the Service Tax Department.

7.2.7 Outstanding Loans and Advances

OC had provided recoverable/ adjustable loans and advances to vendors/ OC officials for various purposes. Of this, Rs. Rs.101.39 crore was still outstanding (pending adjustment/ repayment); details are given in **Annexe 7.2**.

If immediate action is not taken, it may not be possible to recover the outstanding amounts, since the relationship between the vendors/ officials and the OC are on contractual basis for a limited time period.

7.2.8 Internal Audit and Vigilance

We found that the vigilance function was established only in March 2010; the Chief Vigilance Officer continued to hold charge as ADG (Procurement), a mutually incompatible function, for another two months. The internal audit set-up was also ineffective; its planning, scope and coverage were not well-defined, and there was practically no effective follow-up action on the internal audit findings.

7.3 Contract Management

We are not certain about the total number of contracts/ agreements/ work orders awarded by OC as well as the extent of its liabilities.

No contracts register (or equivalent document) was maintained by the OC. Our scrutiny is thus limited to the contracts/ agreements/ work orders about which we could gather information. Incidentally, although the SG, who is the authorized signatory for all contracts, furnished a list of only 326 contracts, we gathered information in respect of 458 contracts; this is also unlikely to be exhaustive.

The state of contract documentation is such that we are not sure of the entire sequence of events leading to award of contracts (e.g. issue of EOI/ RFP/ RFQ and cancellation/ retendering thereof; addendums/ corrigendums to tendering documents).

We are also unable to ascertain contract-wise payments and outstanding liabilities for each contract.

The contracting deficiencies/ irregularities indicated in this report are based on the information gathered by us from the records made available by OC. It is possible that there may be other instances of contracting deficiencies/ irregularities which have not come to our notice, due to deficiencies and/ or incompleteness in documentation.

7.3.1 Bunching of Contracts in 2010

Bunching of contracts/ activities

In our Study Report of July 2009, we had expressed our concern that the bunching of procurement and other decisions in respect of overlays, within shortened timeframes, closer to the Games, carried the risk of compromised transparency and accountability. We had also recommended expediting of steps for generating sponsorship and other revenue due to the fast shrinking window of opportunity in leveraging the Games.

Our concerns were, however, not appropriately addressed, and we found enormous bunching of high-value contracts in 2010, particularly in the second and third quarters. Out of the 458 contracts for Rs. 1551 crore, on which we have information, 428 contracts for Rs. 1356.55 crore were finalised only in 2010. Of these, 410 contracts for Rs. 1292 crore (82 per cent) were signed in the 2nd and 3rd quarters of 2010; these included major contracts relating to:

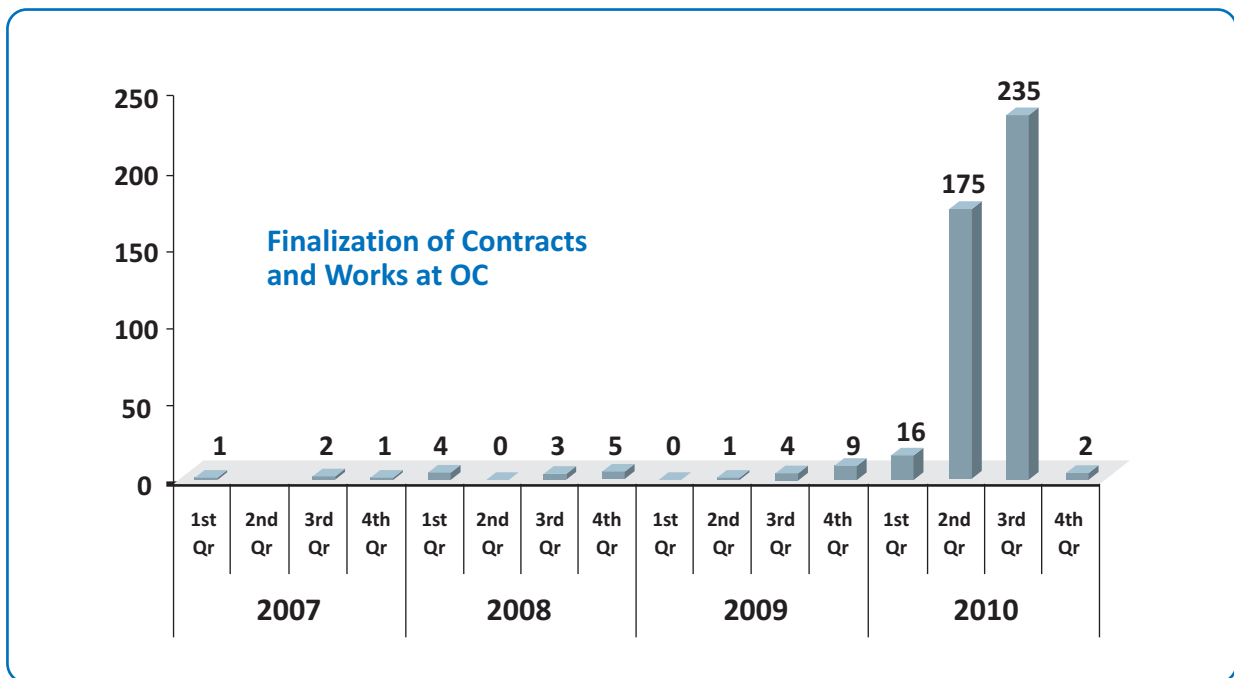
- Overlays (Rs. 630.23 crore);
- Catering (Rs. 131.59 crore);
- Technology contracts (Rs. 118.74 crore); and
- Ticketing agency (Rs. 14 crore)

As regards ceremonies, 173 out of 175 contracts⁴ amounting to Rs. 208.75 crore were awarded in 2010, with one contract⁵ being signed on 30 October 2010 (15 days after the Games conclusion).

⁴ Except for the contracts for Spectak Productions and Wizcraft

⁵ Contract signed with Highway Travels for ceremonies

Figure 7.3 – Bunching of Contracts of the OC



7.3.2 Irregularities in Contracting

The bunching of contracts towards 2010 and purported urgency, on account of limited time available to the Games, was used to facilitate serious deficiencies in tendering and award of contracts. This compromised transparency, economy and compliance with stipulated procedures and favoured selected vendors.

A list of individual contracts where irregularities were noticed is enclosed in **Annexe- 7.3**, while a summary of the main deficiencies is indicated below.

7.3.2.1 Single tender and award on “nomination basis”

107 contracts for Rs. 310.68 crore were awarded on nomination basis (without tendering⁶), while 28 contracts for Rs. 356.14 crore were awarded on the basis of a single tender (in many cases, by

⁶ For this purpose, we have excluded contracts on nomination basis for music, dance and other artists.

disqualifying all vendors except one on questionable grounds during evaluation); none of these procurements were for proprietary items. Some of the high value contracts so awarded include Games Village catering, TSR (Timing, Scoring and Results) and GMS (Games Management System).

OC chose not to make efforts to collect/ collate information for a wide pool of large players with relevant experience and encourage them to bid for the Games contracts (which would have ensured adequate competitive tension and economical procurement), and relied on selective recommendations and references.

7.3.2.2 Award of contracts to ineligible vendors

14 contracts for Rs. 1253.78 crore were awarded to vendors not fulfilling the eligibility criteria stipulated in the EOI/ RFP. These included the contracts relating to overlays, waste management, and image and look.

7.3.2.3 Restrictive pre-qualification (PQ) conditions not specified consistently

In 16 contracts for Rs. 973.51 crore (including the four major overlays contracts), pre-qualification conditions were unduly restrictive, allowing very few vendors to participate. There was no uniformity in fixing of restrictive conditions; it appeared that in some cases, criteria were fixed so as to suit the interests of particular vendors.

For example, while inviting bids for four different works on the same day, two bids specified PQ criteria as Games experience in the relevant field, while the other two bids specified Games experience in any field. The latter PQ specification facilitated award of the Games Planning and Project Management consultancy and workforce consultancy contracts for Rs. 51.96 crore to the EKS- Ernst & Young consortium, who did not have category-specific experience.

We also noticed instances of these restrictive clauses being waived, on grounds of urgency, to benefit selected contractors, while in other cases, retendering was resorted to. In two contracts, non-submission of Earnest Money Deposit (EMD) was used to justify retendering, while in five other cases, contracts were finalised despite non-receipt of EMD from the successful bidder.

7.3.2.4 Negotiation with Vendors

In 7 contracts for Rs. 74.03 crore, OC held negotiations with bidders other than the L-1 bidders.

7.3.2.5 Inadequacies in inviting EOIs/ RFPs

We found that global tendering procedures (involving publication in the India Trade

Journal and circulating to Indian embassies) were never adhered to. Adequate time (stipulated: 4 weeks) was not provided for responding to notices inviting RFPs/ tenders.

7.3.2.6 EOI/ RFP Cancellation and re-tendering

We are aware of nine big contracts, where RFPs/ EOIs were cancelled and re-tendering resorted to either on procedural grounds or on account of poor response, resulting in further delays in award of contracts, and also in many cases, in restricted competition e.g. catering, ticketing, and TSR.

7.3.2.7 Improper assessment of requirements / deliverables

In 28 cases for Rs. 38.05 crore, 36 per cent of the items were not utilised. In 58 cases, the deliverables were either not defined at all or defined vaguely. In 10 contracts for Rs. 276.53 crore, the scope of work in the agreement differed substantially from that indicated in the RFP.

7.3.2.8 Inexplicable delays in contract finalisation

In several cases, we found inexplicable delays in contract finalisation; e.g.

- Games Village catering, where the Chairman took several months to decide whether to waive off the EMD condition or not, and
- The ticketing consultancy contract, where the DG (OC)'s query remained unanswered for a year.

Inexplicable delays were also found in finalisation of contracts for ceremonies props, Games planning consultancy, venue catering and several other contracts.

We also found that even after selection of the vendor, the signing of the contract took several months, which is inexplicable e.g. TSR, GMS, and Games Time Website contracts.

7.3.2.9 Conflict of interest

In nine cases (sports presentations, kitchen equipment assembly, aerostat, and ceremonies etc.), there were clear instances of conflict of interest between the consultant and the contractor recommended for providing services.

7.3.2.10 Irregular advance payments

In six cases of Rs. 40.6 crore, OC extended advances ranging from 50 to 100 per cent, against the stipulated 30 per cent and 40 per cent for private and Government agencies respectively.

7.3.2.11 Benefit to vendors on account of tax liability

We found instances where the burden of tax liability in the agreements differed substantially (benefiting the contractors) with the conditions in the RFP/ EOI, as well as instances where OC took on the tax liability since the contract terms were vague or silent.

7.3.2.12 Other unusual practices

We also found other unusual contracting practices:

- Calling for “snap bids” within 24 hours – typically from the same bidders in tenders which were cancelled (evidently to allow revision of bids) e.g. venue catering, and image and look.
- Terming of only one bid out of several technically qualified bids as “technically

superior”, and not opening the financial bids of other parties;

- Obtaining of technical advice on a selective basis e.g. TCIL's advice was obtained for disqualifying MSL, Spain for the TSR contract but not for telecommunications services.

Final Payments still not made

Even after four months of the Games, final payments were yet to be made in many high-value contracts, nor is the total amount of liabilities ascertainable. Since the OC is scheduled to be wound up on 31 March 2010, the burden of outstanding payments, as well as resolution of disputes with vendors, will then fall on the GoI, as the successor to the OC; this burden will be long-term, but unquantifiable at this stage.

7.4 OC-IOA relationship

Although the IOA was one of the signatories to the HCC, the OC was an independent legal entity. However, we found several instances where the vast funds available to the OC were used to irregularly fund activities, which properly fell within the remit of IOA, or to irregularly benefit IOA at the expense of OC (and ultimately the GoI). There was a blurring of identities of the two organisations, which further enabled IOA (and its office bearers) to effectively exercise control over the OC, at the expense of the GoI.

Table 7.3 – Instances of Irregular Benefit to IOA

Area	Audit Findings
Common Management	Till October 2009, the higher management of OC and IOA office bearers/ key position holders were largely common. Even in the officers' cadre, there were many IOA personnel deputed to the OC, notably the only two IOA Directors – Shri RK Sacheti and Shri ASV Prasad.
OC Funding of Beijing Olympics Study Observer Programme and ANOC ⁷ Meeting in 2008	<p>OC paid Rs. 8.50 crore for the Beijing 2008 Observer Programme⁸ and for the ANOC Meeting at Beijing in April 2008. Neither programme had any relevance to the hosting of CWG-2010. This cost should, rightfully, have been borne by IOA and should in no case have been met out of the budget of OC.</p> <p>For the Beijing Observer Program, OC had a list of 166 persons approved by the EMC; however, it is doubtful whether this list is complete. For the ANOC meeting, OC deputed an 18 member delegation (including five persons associated with CYG-2008, Pune). There were no criteria for selection of persons for these visits. There were also no reports (after completion of the visits) on record.</p>
Renovation and furnishing of IOA Bhawan at OC's Cost	<p>OC spent Rs. 4.11 crore for renovation of the entire IOA Bhawan. This was purportedly in exchange for rent free office accommodation of 20,000 sq. Feet, which was reduced to 6,750 sq. Feet (effectively from January 2008); however, OC also paid rent and maintenance charges of Rs. 3.33 crore.</p> <p>Thus, IOA managed to get the IOA Bhawan completely renovated and furnished at the cost of OC and ultimately GOI, on the pretext of providing part of the Bhawan on rent free basis to OC, which too, was not honoured and rent and maintenance charges were paid by the OC.</p>
Accommodation at Palika Place for Sports Federations	OC paid Rs. 3.5 crore to NDMC for hiring office space at Palika Place from July 2008 onwards; this space was utilised by various sports federations and was not required for OC's use.
Additional Payments beyond Joint Marketing Agreement	OC had a Joint Marketing Agreement with IOA for compensation of Rs. 25 crore in exchange for IOA's "property rights" ⁹ , against which payments of Rs. 8.75 crore had been made. However, despite this agreement, OC also paid Rs. 7.70 crore (on account of pocket allowance, uniform for the Indian contingent, and for the Indian Weightlifting Federation), which should have been deducted from payments to IOA.
Grant to CGAs under Host City Contract for training and preparing athletes	The HCC stipulated a grant of US\$ 100,000 by OC to each CGA for training and preparing their athletes. IOA also received US\$ 100,000, which should have been recovered, since SAI had a Rs. 678 crore scheme for training and preparing Indian athletes.

⁷ ANOC: Association of National Olympic Committee

⁸ MYAS approved a 166-strong delegation for this event.

⁹ According to this agreement, IOA claimed ownership rights on the Indian Contingent. To purportedly enable OC to derive sponsorship revenue by using the Indian Contingent/Indian sportspersons, IOA charged compensation of Rs. 25 Crore from the OC. We are not in a position to ascertain the legality of IOA's claim.

7.5 Role of Consultants

The GOP recognized that the OC would need to hire external consultants and advisors. They would bridge gaps in areas where external professional assistance was required and assist in strengthening domestic capacities for future conduct of multi-sport events in India.

OC hired 108 consultants/advisors/ consultancy firms in 28 (out of 34 FAs) for the organization of the games; this involved a total payment of Rs. 146 crore (approximately 10 per cent of OC's total expenditure till date).

We found numerous deficiencies in the OC's procedures for appointment and management of consultancy contracts, as summarized below:

Table 7.4 - Deficiencies in Appointment of Consultants

Area	Audit Findings	Audit Findings
Mode of Appointment	<ul style="list-style-type: none"> 62 were appointed on nomination basis and 31 were through search committee; Only 15 consultants were appointed through the proper tendering process; 	<ul style="list-style-type: none"> Chief Advisor, Shri BS Ojha, ex-DG, OC was appointed on nomination basis; Most of the consultants for ceremonies, legal, communication, taxation, security, overlays, technology were appointed on nomination basis;
Delayed Appointment	<ul style="list-style-type: none"> Only 17 consultants had been appointed till December 2007; 	<ul style="list-style-type: none"> Major functional areas in which appointment of consultants was delayed till 2010 included: <ul style="list-style-type: none"> 17 of 19 consultants in ceremonies; 4 of 28 consultants of Venue Development and overlays; and 4 of 5 consultants in communications.
Scope of work	<ul style="list-style-type: none"> OC did not define the detailed scope of work for 59 consultants 	<ul style="list-style-type: none"> 6 architect consultants (all of them were subsequently employed by the OC); 4 technology consultants were appointed without any detailed scope of work.
Contracts	<ul style="list-style-type: none"> OC did not sign formal contracts with 45 consultants 	<ul style="list-style-type: none"> All architect consultants, 2 Media advisors and 1 security advisor did not have formal contracts.
	<ul style="list-style-type: none"> Payments were not linked to deliverables in respect of 94 consultants 	<ul style="list-style-type: none"> Consultants for sports presentation ceremony, venue development and overlays

Area	Audit Findings	Audit Findings
<p>Interchange between consultancy and employment</p>	<ul style="list-style-type: none"> 16 consultants were later on appointed as employees of OC, while three employees of OC later became consultants to OC (which is not as per accepted professional norms). 	<ul style="list-style-type: none"> 13 architect consultants, 2 erstwhile DG(OC) and 1 overlays consultant.

A complete listing of consultancy contracts, along with associated deficiencies, is enclosed in **Annexe- 7.4**.

Further, we were unable to verify the extent of domestic capacity building, if any, through hiring of these external consultants/ advisors.



TOTAL JUMP HIGH		MR 18.29
FITA	GR 17.86	
JOE YOUNG	IND 17.15	
DORRIS Nathan	ENG 16.95	
WILSON G.	JAM 16.87	
ACROE Larry	ENG 16.59	
BONEMAN Ray	JAM 16.56	
LEWIS Randy	GR 16.53	
JOHN SCHLACK	GR 16.49	
JOHN ZACHERIA	CYP 16.12	
SIMON Anupret	JAM 15.85	
WINDHOPF		18:32:42

Revenue Generation by OC

At all points of time (right from bidding for the Games in May 2003), IOA and the OC consistently presented staging of the Games as revenue neutral, if not revenue surplus. This argument was used to justify the independence of the OC and lack of Government control on its financial transactions. However, this premise was seriously flawed:

- *This assertion of revenue neutrality was never supported by robust and appropriately validated revenue projections. In fact, between March 2007 and July 2008, the revenue projections skyrocketed from Rs. 900 crore to Rs. 1780 crore, primarily on account of inflating receipts from sponsorship and donations without justification. In our view, this increase in revenue projections was made with the sole objective of keeping pace with the vastly increased operating expenditure estimates, so as to maintain the claim of revenue neutrality.*
- *Both MYAS and MoF failed to exercise necessary due diligence, and did not adequately examine and scrutinise the revenue projections or raise “red flags” on this critical issue at the highest levels of Government, especially on the quantum jump in revenue projections from Rs. 900 crore to Rs. 1780 crore, and chose to go along with the OC's claims of revenue neutrality.*

OC recorded total committed revenues of just Rs. 682.06 crore, of which only Rs. 440.43 crore had been realised. After deducting revenue generation costs of Rs. 266.47 crore, the net revenue realisation was just Rs. 173.96 crore. Clearly, OC failed to exploit the vast revenue potential of the Games.

OC's engagement of SMAM as the consultant for sponsorship and merchandising/licensing rights was flawed on several counts:

- *The pre-conditions for bidding stipulated experience of international multi-sports events and ignored the vast potential of the Indian market.*
- *The award of the contract to SMAM was essentially on a single financial bid, and was unduly influenced by the recommendations of the CGF CEO, Shri Mike Hooper who suggested a neat division of consultancy contracts between SMAM and Fast Track Events.*
- *The contractual provisions with SMAM were deficient and unduly favoured it.*

The performance of SMAM during CYG-2008, Pune as well as the QBR (launch and international leg) was demonstrably poor. OC chose not to derive lessons from their poor track record, and terminated the contract only in August 2010.

Against the sponsorship target of Rs. 960 crore, OC generated committed sponsorship revenue of just Rs. 375.16 crore. Nearly 67 per cent was from Government agencies/ PSU, and 36 per cent was in the form of “Value in Kind” (which remained largely unaccounted for). OC failed to follow up adequately on sponsorship offers from reputed companies, contrasted with the unusual enthusiasm and interest it showed in inflating sponsorship revenue projections. OC also wasted Rs. 3.08 crore on road shows and discounted tickets for the Business Club of India, which was formed for supporting marketing efforts for CWG-2010 but generated no revenue.

OC irregularly selected Premier Brands Limited (PBL) as the “master licensee” for merchandising and licensing rights without even signing a formal agreement with PBL. Consequently, no royalty has been received so far by the OC.

The commercial exploitation of national and international broadcasting rights was badly managed. The agreement for national broadcasting rights between OC and Prasar Bharati was signed only on 23 September 2010, resulting in generation of just Rs. 24.70 crore of revenues for the OC. With regard to international broadcasting rights, OC could sign agreements for only Rs. 213.46 crore, of which only Rs. 191.40 crore had been received. OC also failed to exploit the market for new media rights (Internet, mobile/ SMS etc.) as well as “big screen rights” for the Games.

OC's performance on ticketing was also deficient. The appointment of the ticketing consultant and the ticketing agency was delayed enormously, and marketing of tickets was taken up only in September 2010. The issue of complimentary tickets (particularly high value tickets) was excessive (nearly thrice that of earlier CW Games at Manchester and Melbourne). Also, OC adopted a wide range of ticket pricing, contrary to the recommendations of consultants, which contributed to low ticket sales (particularly of high denominations). This was compounded by OC's refusal to permit ticket sales at the outlets of IRCTC (the main ticketing agency) on specious grounds. Consequently, against the target of Rs. 100 crore, OC could only muster Rs. 39.17 crore of gross ticketing revenue. After setting off costs of Rs. 23.37 crore, the net ticketing revenue was just Rs. 15.80 crore.

OC included a revenue target of Rs. 300 crore in July 2008 from donations/ raffle, essentially to maintain the claim of revenue neutrality. Against this target, OC collected a paltry sum of Rs. 0.99 crore.

8.1 Revenue-neutrality of the Games

8.1.1 Initial Revenue Estimates

MYAS moved a Cabinet note in May 2003 to grant approval to the IOA to bid for the Games. The revenue estimates in this note, as worked out by IOA (through sponsorship) amounted to Rs. 490 crore, against the projected expenditure of Rs. 295.50 crore. However, no break-up of these projections was provided.

When the issue was again taken to the Cabinet in September 2003¹, the revenue estimates of Rs. 490 crore were reiterated, while the annexed correspondence with the IOA indicated a figure of US\$ 179.9 million

(matching the figures indicated in the bid document²). No reference was made to direct funding from Gol in the form of loans/ grants, although the approval of Gol guarantee for underwriting the cost of the Games was recommended on the basis of a projected surplus of approximately Rs. 50-60 crores.

8.1.2 Trend of Increasing Revenue Projections

The increasing trend of revenue projections from the IOA bid document (May 2003) to OC's first budget (March 2006) to its revalidated budget (July 2008) is reflected below:

Table 8.1 - Revenue Estimates and Realisation

(Rs. in Crore)

Revenue streams	Operating Revenues from Melbourne CWG-2006 ³	IOA Bid Document (May 2003)#	OC's Original Budget (March 2006)	OC's Revalidated Budget (July 2008)	Revenue realised (February 2011)
Sponsorship fee	313.83	450	450	960	201.63
Broadcasting rights	205.92	300	300	370	191.40
Merchandising licensing income	30.69	60	50	50	-
Sale of tickets	261.69	30	100	100	27.49
Donations		-	-	300	0.99
Interest/ Others	33.66				
Total	845.79	840	900	1780	18.92
Estimated Operating Expenses*	-	635	767	2500.48 ⁴	440.43
Estimated Surplus	-	205	133	-	1729.95

Note:

Figures in IOA bid document converted from US\$ to Rs. @ Rs. 45/US\$

*Operating expenses refers only to expenses of the OC, and excludes expenditure on infrastructure development and services provided by Government Departments (which would have to be met through Government grants/funding).

¹ Mainly in connection with the additional commitments/ clarifications required by the CGF Evaluation Commission

² The IOA bid document (May 2003) had still not been sought by MYAS or referred to in the September 2003 Cabinet note.

³ Converted from AUD @ Rs. 33/ AUD

⁴ Total loan sanctioned Rs. (1620 + 687.06 + 193.42) crore

Subsequent to the July 2008 budget (which was approved in November 2009), OC was sanctioned additional GoI loans of Rs 880.48 crore in August/ September 2010 to cover the cost of overlays and ceremonies. This increased the total loan extended to the OC to Rs. 2500.48 crore, and formally rendered the organisation of the Games as revenue deficit, since the revenue estimates remained fixed at Rs 1780 crore.

The 'revenue neutrality' argument formed the basis on which OC's expenditure was financed as a loan by the GoI. The assertion for autonomy of the OC was premised on the concocted revenue neutrality argument. However, far from being revenue neutral, OC's budget was hugely revenue deficit.

8.2 Claim of revenue neutrality

8.2.1 Examination of Original Budget of OC

When the original OC budget of March 2006, involving revenue projections of Rs. 900 crore, was examined by the EFC in May 2006, the then Secretary (Sports) indicated that the revenue neutrality principle would be strictly followed, with expenditure sanctions to be based on revenue inflows. Chairman, OC countered that GoI *"should have faith in the ability of OC to generate the revenue as projected"*. He also stated that such Games had been revenue surplus all over the world, and that most of the revenue flows would come after the Games. Out of the total revenue projections of Rs. 900 crore, revenues of Rs. 450 crore were

projected during 2010-11 and Rs. 325 crore during 2011-12.

In the next EFC meeting in September 2006, the EFC recommended that a risk analysis study of the projected revenue streams be undertaken expeditiously by OC and incorporated in the Cabinet note on the OC budget, so as to validate the principle of revenue neutrality. However, the Cabinet note of March 2007 for approval of the OC budget did not insist on the risk analysis study on the grounds that the OC had engaged Ernst & Young (E&Y) for a risk assessment study, and a draft report was currently under examination of the OC. The OC budget was approved without even obtaining, let alone examining, this study. The issue of the risk analysis study came up again only in October 2009, while examining the revised OC budget.

Even when the IOA proposal for bidding for the XVII Asian Games 2014 was being considered through a Cabinet note of April 2007 by MYAS, a passing reference was made that the present revenue generation estimates for CWG-2010 were untested, and Government would have to meet the shortfall, if any. However, this aspect was not pursued further by MYAS.

Both MYAS and MoF failed to exercise necessary due diligence, and did not adequately examine and scrutinise the revenue projections or raise "red flags" on this critical issue at the highest levels of Government. The risk assessment study of revenue projections was not demanded from OC, let alone scrutinized and validated. The "faith" in the ability of OC to generate the projected revenue was clearly, entirely misplaced.

8.2.2 Revised Budget of OC

In the OC's revised budget of July 2008, the revenue projections skyrocketed, without any basis, from Rs.900 crore to Rs. 1780 crore, with the projected increase mainly on account of sponsorship revenues (Rs. 450 crore to Rs. 960 crore) and donations (a new line item for Rs. 300 crore)

In our view, this increase in revenue projections had no justification and was made with the sole objective of keeping pace with the vastly increased operating expenditure estimates, so as to maintain the claim of revenue neutrality. The inaccuracy of the increased projections on account of sponsorship is borne out by the fact that the contracted commitment of the sponsorship consultant (SMAM) was not correspondingly revised and remained only at US\$100 million (equivalent to the original projection of Rs. 450 crore).

Disclaimer on Revenue Neutrality

In our Study Report of July 2009, by when it had become evident and we had clearly observed, the claim of the Games being revenue neutral in cash terms was flawed. The available documentation could not satisfy us of the soundness of the increased estimate of revenue:

- Donations of Rs. 300 crore were estimated by the OC, which initially stated that this would be done through an aggressively marketed

consumer promotion, but later stated that this would come from corporate trusts on account of IT exemption. No basis for such optimistic claims were seen

- As regards the increase in projected sponsorship fees from Rs. 450 crore to Rs. 960 crore, we were not clear how Value in Kind (VIK), which was supposed to constitute a majority of sponsorship revenues, could be precisely dovetailed to set off individual items of operating expenses. We had also found discrepancies in the underlying calculations for different categories of sponsors.
- We had also expressed concerns that no revenue generation had taken place from sponsorship, ticketing, merchandising and licensing till date. We had recommended expediting of steps for generating sponsorship and other revenue, in view of the fast shrinking window of opportunity in leveraging the Games.

However, no concrete action was taken on our concerns and recommendations.

The Cabinet note of October 2009 for approving the revised OC budget (July 2008) of Rs. 1780 crore indicated a revenue surplus of Rs. 88 crore (after certain economy measures effected by the Committee on Non-Plan Expenditure (CNE)), and stated that although a risk analysis of projected revenue streams had been conducted by the OC, the risk factors identified and the risk mitigation measures

suggested for the revenue streams as shown by OC were **“largely untested in Indian conditions”⁵**. However, this issue was not taken further.

MYAS and MOF did not rigorously scrutinize or validate the huge increase in revenue projections, and continued to accept the claim of revenue neutrality projected by the OC.

In response to our query, MYAS stated that the shortfall of revenue generation had been deliberated in the meetings on various occasions and the OC had promised to reduce the shortfall to a minimum. It referred to two letters from the erstwhile Minister, YAS, Shri Mani Shankar Aiyar, to the Prime Minister and the Finance Minister, which referred to (a) the possibility of OC raising finances from the market as a “bankable” proposal, and (b) linking further releases to the OC to revalidation of the OC budget. MYAS also referred to a mention by Secretary, YAS in the August 2007 GoM meeting, references in the October 2009 Cabinet note, as well as monitoring of revenue generation by CoS in July 2007 and February 2008.

The references and interventions by MYAS on revenue neutrality were inadequate and oblique. Even Shri Aiyar's letters focused primarily on the lack of control over OC, rather than on the robustness of the revenue model. In our view, MYAS (and MoF) did not seriously challenge the reliability and robustness of the revenue projections, nor did they present a categorical disclaimer or opinion on the projected revenue neutrality at the highest levels of Government.

8.2.3 Actual Revenue Commitment and Realisation

Against the revenue target of Rs.1780 crore, OC recorded committed revenue of just Rs.682.06 crore, of which only Rs. 440.43 crore had been realized (February 2011). The revenue generation costs amounted to Rs 266.47 crore, leaving net revenue realisation (after deducting associated costs) of just Rs. 173.96 crore. Stream-wise details of targeted, committed and realised revenue (as of February 2011) are given in Table 8.2.

⁵ Incidentally, even a copy of this risk analysis study was apparently not available with MYAS.

Table 8.2 - Category wise breakup of the Committed and Realised Revenue

(Rs. in Crore)

Revenue streams	Target (July 2008)	Committed Revenue	Per cent shortfall in commitment	Revenue realized against commitment	Cost of Raising Revenue
Sponsorship fee	960	375.16	61%	201.63	190.74*
Broadcasting rights	370	238.17	36%	191.40	45.64
Merchandising licensing income	50	4.52	91%	-	0
Sale of tickets	100	39.17	61%	27.49	23.37
Donations/ Raffle	300	1.11	100%	0.99	0
Revenue from CYG Pune 2008	No Target fixed	23.93#	--	18.92	6.72
Total	1780	682.06	62%	440.43	266.47

Notes:

*This includes the license fee to CGF and expenditure on BCI across revenue streams

#This included Sponsorship Rs.20.17 crore, M&L Rs.2.34 crore, Ticketing Rs.1.30 crore and TV rights Rs. 0.12 crore

Clearly, the OC failed to exploit the vast revenue potential of the Games. There was a huge shortfall in generating revenue commitments vis-à-vis not just the revised target, but even the original target of Rs. 900 crore; this, further, confirms the unrealistic and inflated nature of the revenue projections. Further, OC could collect just 65 per cent of even the committed revenue. After deducting the expenditure incurred by OC on consultants etc. for revenue generation, the net revenue accruing from CWG-2010 is insignificant.

8.3 Delay in Planning for Revenue Generation:

We found lack of focused leadership for the four revenue-related Functional Areas (sponsorship, TV rights, merchandising and licensing, and ticketing), with numerous changes in leadership till late 2009. We also found substantial delays in preparation of detailed plans for each revenue segment, as summarised in Table 8.3.

Table 8.3 - Delayed Planning for Revenue Segments

Revenue Segment	Area	Target Date	Actual Date of Finalisation
Sponsorship	Marketing Plan	Oct. 2005	December 2007
Merchandising and Licensing	Appointment of Sponsorship Consultant	-	July 2007
	Appointment of Licensing Resources	April 2007	July 2007
	Licensing and Merchandising Plan	Oct. 2007	June 2009
	Licensing Marketing Program Launch	April 2008	May 2010
	Consumer Launch of Licensing Program	April 2009	September 2010
Ticketing	Ticketing Strategy	June 2008	December 2009
	Ticketing Vendor Contracted	Oct. 2008	January 2010
	Ticketing Marketing Plan to be submitted to CGF	July 2009	Not done
Donation/ Raffle	No planning done		

8.4 Sponsorship Revenue

8.4.1 Selection of SMAM as sponsorship and merchandising/ licensing consultant

The process for engagement of an international consultant for sponsorship and merchandising/ licensing started in March 2006 and concluded with the engagement of SMAM, Singapore in July 2007.

The selection of SMAM was unduly influenced by the recommendations of the CGF CEO, Shri Mike Hooper, who

- clearly suggested a neat division of consultancy contracts for sponsorship, merchandising and licensing, and international

broadcasting rights between SMAM and Fast Track Events; and

- recommended that the EB may approve appointment of SMAM and Fast Track Events for the sponsorship/ merchandising / licensing and international broadcasting consultancy contracts respectively (with an assurance that CGF approval would be forthcoming for such appointments).

It is not clear why the CGF CEO was interested in selection of a specific entity as sponsorship consultant, rather than in selection of individual sponsors⁶.

⁶ who could have linkages/ conflicts with the brand image of the CGF/ CW Games as well as with any pre-existing CGF sponsors, if any

We found that the engagement of SMAM as the consultant for sponsorship and merchandising/ licensing rights was flawed on several other counts, as well:

- The pre-conditions for selection as sponsorship and merchandising/ licensing consultant were restrictive (by requiring experience of international multi-sports events) and did not factor in the specific requirements of a sports event being organised in India, which required experience and understanding of the local market. The vast potential of the Indian market (which had been tapped for sporting events like the IPL tournaments) was, thus, ignored, and no active attempts were made by the OC to encourage participation by leading players in the Indian sporting sponsorship arena. While SMAM claimed to have a tie-up with an Indian partner (World Sports Group), full details of active participation by the Indian partner in sponsorship activities were not made available to us by the OC.
- OC's linkages with SMAM could be traced back to August 2003, when it provided the first revenue estimates for the IOA which were used to assure the Cabinet of the robustness of the revenue projections.
- The award of the sponsorship and merchandising/ licensing consultancy contracts to SMAM was essentially on consideration of a single valid financial bid. Due to insufficient publicity and non adherence to global tendering procedure, only two bids were received. Of the two bids received, the other bidder (Leisure Sports Management

Private Limited)⁷ did not appear for the presentation and suggested (by fax) that they be appointed principal agents on mutually agreed terms; this bid was not pursued subsequently.

- Although contract negotiations were conducted with SMAM, Australia and the consultancy services were essentially provided by SMAM, Australia, the OC signed the contract with SMAM, Singapore (a newly established company, which was purportedly set up as an SPV to save taxes). Due to this change, it might not be possible to ascertain the ultimate beneficiaries of the payments made by the OC to SMAM.

Further, we found that the contractual provisions with SMAM were deficient, unduly favouring SMAM e.g.

- no penal clauses despite financial advice to the contrary;
- a lower tax liability of only 10.54 per cent for SMAM against the expected 42.23 per cent;
- commission payable to SMAM (and at the same rates)⁸ even on sponsorship from PSUs and Government agencies (where the role of SMAM was likely to be insignificant or unimportant)⁹;
- low contracted targets for sponsorship generation vis-a-vis the targets indicated in the "revenue surplus/ neutral" OC budgets;

⁷ who had quoted lesser commission for PSU sponsorship, while SMAM had offered a uniform rate of commission across all deals

⁸ Ranging from 15 -22.5 per cent graded on slabs.

⁹ Ultimately, out of the contracted revenue of Rs. 375.16 crore, Rs. 250 crore was from Government agencies, which was largely due to efforts by the OC and the Government, rather than by SMAM.

- OC, rather than SMAM, being made responsible for providing an “effective brand projection programme, including the development and management of CWG-2010 intellectual property protection and anti-ambush programme”; and
- annual performance reviews (rather than the normal six monthly performance reviews).

We found that the clauses of even this deficient contract were not adhered to during execution:

- SMAM did not depute the minimum stipulated nine executives on a full-time basis in the beginning;
- Annual performance reviews were not conducted during 2008 and 2009; and

The stipulated public liability insurance of US\$ 10 million was not provided by SMAM.

8.4.2 Termination of contract with SMAM in August 2010

SMAM's performance was reviewed for the first time only in February 2010, when a committee headed by the SG undertook this exercise. The committee recommended that no commission be paid on sponsorships from PSUs and also recommended renegotiation of terms with SMAM (on the issue of inadequate staffing as well as the burden of tax liability). The terms were renegotiated with SMAM through a variation deed of 7 July 2010.

Significantly, Shri Mike Hooper, CEO, CGF refused to be a member of the review committee, indicating that this was a procedural matter covered by the contract between the OC and SMAM and not one that should involve CGF. This was in complete contrast to the stance taken in 2006, when Shri Hooper strongly recommended appointment of SMAM and indicated that CGF approval would be forthcoming for such an appointment.

8.4.3 Generation of Sponsorship Revenues

We found that the performance of OC and its consultant (SMAM) in planning, developing and ultimately generating sponsorship revenue was a complete failure.

8.4.3.1 Sponsorship revenues from CYG-2008, Pune and Queen's Baton Relay (QBR)

The OC had separately contracted with SMAM as sponsorship consultant for CYG-2008, Pune. SMAM's performance was very poor. Against the requirement of Rs. 60 crore for making CYG-2008, Pune revenue-neutral¹⁰, the revenue generated was just Rs. 20.17 crore, out of which PSU/ Government sponsorship was Rs. 18 crore. SMAM was paid Rs. 3.38 crore on this account, and the OC also undertook to bear the tax liability of Rs 1.05 crore on behalf of SMAM.

¹⁰ We could not find documentation of formal revenue targets for CYG-2008, Pune; however, there were indications that CYG-2008, Pune would be revenue-neutral.

SMAM was responsible for sponsorship generation from QBR – both the QBR launch ceremony and the international leg. However, against the target of Rs. 65 crore, no sponsorship revenue was generated.

OC chose not to derive any lessons from the poor performance of SMAM during CYG-2008 and the QBR-2009. SMAM's performance on merchandising and licensing rights was even worse.

Ultimately, OC terminated the contract with SMAM only in August 2010, which was too late.

8.4.4 Frequent changes in sponsorship plans

The planning for sponsorship was delayed, ad hoc and erratic. While sale of sponsorship rights was scheduled to commence from November 2007, even the first sponsorship marketing plan was prepared by SMAM only in December 2007. Further, there were frequent and unexplained changes to this plan; between March and July 2009, which was revised thrice, as summarised below:

Table 8.4 - Changes in Sponsorship Plans between March and July 2009

Association Status	No of targeted companies		Total (Rs.in crore)		No of targeted companies		Total (Rs.in crore)	
	Plan of 31 March 2009		Plan of 6 May 2009		Plan of 5 July 2009			
Lead Partner	4	400	2	200	2	200		
Partner	6	270	12	600	10	500		
Sponsors	20	220	24	240	12	300		
Co-sponsors	Nil	Nil	Nil	Nil	24	240		
Suppliers	36	70	36	90	36	108		
Total		960		1130		1348		

We found that these changes were arbitrary and were not supported by substantiated justification or developments on the ground.

8.4.5 Sponsorship offers ignored

In our study report (July 2009) on preparedness for the Games, we had expressed our concerns regarding delays in sponsorship generation. At that time, the OC had indicated that the sponsorship drive had slowed due to global slowdown and general elections,

and indicated that the final negotiations for sponsorship were now scheduled for the first quarter of 2010. We had recommended that steps for generating sponsorship and other revenue should be expedited, as the window of opportunity for leveraging the Games was fast shrinking with the passage of time.

However, our concerns were not adequately addressed.

In July 2009, OC sought sponsorship offers through an advertisement to which 48 companies responded. Significant offers were received from entities such as Airtel¹¹, Power Grid Corporation of India, Wipro, LG, Dabur and Pico. However, OC's follow up of these offers was very lackadaisical, despite significant potential, and none of these offers finally fructified into a sponsorship commitment.

OC showed considerably more interest and enthusiasm in inflating sponsorship revenue projections to maintain the claim of revenue neutrality, than in actually developing offers already in hand, despite significant potential to generate revenues. We would presume that OC's lack of interest in generating sponsorship revenue was ultimately based on the GoI commitment to underwrite the shortfall between costs and revenues.

8.4.6 Actual Committed/ Realised Sponsorship revenues

Against the budgeted sponsorship revenue (July 2008) of Rs. 960 crore¹², total committed sponsorship revenue was only Rs. 375.16 crore. Of this amount,

- Rs. 250 crore was from Government agencies, and only Rs. 125.16 crore was from the private sector;
- Rs. 238.90 crore was in cash, while Rs. 136.26 crore was in the form of "Value in Kind" (VIK).

A summary of the main sponsors is given below:

Table 8.5 - Breakup of Committed Sponsorship Revenue

Government agencies/PSUs		Private Companies	
Organization	Amount (Rs. In Crore)	Organization	Amount (Rs. In Crore)
Air India	50.00	Hero Honda	38.00
NTPC	50.00	Coca Cola	15.70
Central Bank of India	50.00	Swiss Timing	19.40
Indian Railways	100.00	Agility Logistics	12.50
		Tata Motors	24.66
		Reebok	9.85
		Amity University	0.05
Total	250.00	Total	125.16
	Cash - Rs. 190 Crore VIK - Rs. 60 Crore		Cash - Rs. 49.90 Crore VIK - Rs. 76.26 Crore

¹¹ The sponsorship offer from Airtel is described in the Chapter on Telecommunications Services.

¹² SMAM's contract specified a target of only Rs. 450 crore (US\$ 100 million)

Of the cash sponsorship of Rs 238.90 crore, 80 per cent came from Government Agencies/PSUs. Of the VIK sponsorship of Rs 76.26 crore generated from private companies, Rs. 56.56 crore was provided by Swiss Timing, Tata Motors and Agility Logistics¹³ (who were recipients of contracts for services from OC); these were essentially “set-offs”/ discounts offered at the tendering stage.

Further, free commercial time worth Rs. 20 crore on Doordarshan and free tickets worth Rs. 5 crore were also provided to the sponsors. Indian Railways, as a lead partner, also utilised VIK of Rs. 2 crore offered to the OC by international Right Holder Broadcasters.

Incidentally, OC was able to account for utilisation of only Rs. 5 crore of VIK, with the balance yet to be calculated finally by the concerned functional areas.

Besides, OC has another contracted commitment of Rs. 30 crore¹⁴ as a part of the cost of raising the sponsorship revenue. Hence the net committed sponsorship revenue on a net basis is only Rs. 345.16 crore, and the net realised sponsorship revenue is Rs. 184.42 crore. This excludes the potential liability on account of commission to SMAM and income tax liability thereon¹⁵.

¹³ Suppliers for Timing, Scoring and Results (TSR), transport and logistics services respectively.

¹⁴ Under the Joint Marketing Agreement, Rs 25 crores was payable to IOA and Rs. 5 crore GNCTD.

¹⁵ Under the sponsorship consultancy agreement, SMAM's income tax liability is restricted to 10.3 per cent, with the balance burden to be borne by the OC.

8.4.7 Business Club of India (BCI)

The OC signed an MoU with the Confederation of Indian Industries (CII) in August 2006 and formed the Business Club of India (BCI), in order to support marketing efforts for CWG-2010. Chairman, OC was the Chairman of the BCI and the President, CII was its co-chairman. Despite incurring expenditure of Rs. 3.08 crore (Rs. 0.45 crore on road shows worldwide, and discount of Rs. 2.63 on tickets for BCI members), no revenue whatsoever was generated through this club.

8.5 Merchandising and Licensing

8.5.1 Delay in preparation of merchandising and licensing plan

Merchandising and licensing revenues were to be generated through appointment of licensees, who could utilise the CWG-2010 brand name and associated logos on manufacture and retailing/ distribution of products in different product categories e.g. accessories, sportswear and other clothing, bags, collectables, home wares, lifestyle/luxury goods, stationery, toys etc.

However, the preparation of the Licensing and Merchandising Plan was delayed by 20 months (June 2009 against the targeted date of October 2007), which reduced the time available for tendering and contracting procedures towards engagement of licensee(s), and the consumer launch of the merchandising and licensing programmes. In keeping with the widespread pattern observed in the functioning of the OC, no reasons for delaying this plan to June 2009 were discernable.

8.5.2 Appointment of Premier Brands Limited as sole licensee for the Games

The process for appointment of official licensee(s) was beset by delays, with one round of processing (undertaken between November 2009 and February 2010) being set aside due to non-approval of the RFP by OCFC and a meagre response.

The process of tendering was re-initiated only in February 2010, with the contract being awarded in May 2010 to Premier Brands Limited (PBL)¹⁶. We found that out of the 17 technically qualified bidders, PBL was the only bidder which did not qualify on its own strength and was considered eligible on the strength of its parent company. Its inclusion in the panel of technically qualified bidders was justified by the technical evaluation committee, based on the “goodwill” and financial and retail strength of its parent company, Compact Disc India Limited (CDIL). Incidentally, CDIL is essentially an animation company engaged in multi-media and entertainment production, and it is hard to justify that its retail channels would suit retailing of Games memorabilia.

Further, the RFP specified separate licensees for 18 different categories, but PBL was irregularly appointed as a master licensee for all categories on the basis of its offer of total royalty of Rs. 7.05 crore for all categories (which was not as per the RFP). It may be noted that in Melbourne CWG-2006, the master licensee concept was not adopted, and 39 official licensees were appointed.

¹⁶ Interestingly, PBL was appointed in May 2010 as the sponsor of Team India by the Badminton Association of India, which is headed by Shri VK Verma, DG, OC.

8.5.3 Execution of Merchandising and Licensing Programme

OC failed to sign a Long Form Agreement with PBL (primarily due to delays in decisions on additional product categories and sub-licensees¹⁷), which would have committed PBL to a total royalty of Rs. 7.05 crore. Consequently, OC could neither bind PBL to its originally offered royalty of Rs 7.05 crore, nor an additional offer of 10 per cent flat royalty of sale value of additional product categories with a minimum guarantee of Rs.2 crore. By August 2010, PBL revised its offer downwards to Rs. 3.52 crore of royalty; even this has not been received, since PBL's cheques were dishonoured.

The merchandising and licensing programme was officially launched only on 2 September 2010. PBL was to sell merchandise through its own outlets, as well as concession outlets provided by the OC at venues. However, due to security reasons, only 5 out of the 60 competition venue outlets provided by the OC were operational, and that too only during the opening ceremony.

PBL could make arrangements for merchandising only 12¹⁸ out of the 18 product categories, out of which 7 were sub-licensed by PBL, who also engaged Vaishali Enterprises as the contractor for managing their concession outlets. This belied the financial and retailing strengths of PBL and its parent company, CDIL, based on which it was declared technically eligible. Further, PBL also issued sub-licenses (with

¹⁷ Other reasons were discontent between OC and PBL for accreditation of PBL staff, marketing efforts by OC, counterfeit merchandising, discounted tickets and payment schedules etc.

¹⁸ The full product range was not furnished in any of these 12 categories.

OC's approval) for additional product categories for Apollo Tyres and Vighneshwara Developwell. An amount of Rs. 1 crore payable by PBL for rights granted to Vighneshwara Developwell is still outstanding.

8.6 Broadcasting Revenues

8.6.1 Overview

Under the HCC, CGF granted to OC the right to commercially exploit TV and radio broadcast rights, as well as internet rights. Broadcasters fell into two categories:

- **Host Broadcaster (HB)**, who was responsible for producing and distributing “unbiased” radio and TV coverage of CWG-2010 and would also generally obtain the national domestic broadcast rights (at commercial terms to be negotiated with the OC); and
- **International Right Holder Broadcasters (RHBs)**, who would be awarded broadcast rights for their region/ country on mutually negotiated commercial terms.

OC's original budget (March 2006) envisaged broadcasting revenues of Rs. 300 crore (without a break-up between domestic and international revenues). This was raised to Rs. 370 crore in the July 2008 budget – Rs. 110 crore from domestic rights, and Rs. 260 crore from international rights.

However, OC could generate total broadcasting revenue of just Rs. 238.17 crore, which was substantially lower than the revenue of Rs. 255.28 crore generated from the TV rights for Melbourne CWG-2006.

8.6.2 National Domestic Broadcast Rights

Against the projected revenue of Rs. 110 crore from national broadcast rights, the OC generated just Rs. 24.70 crore¹⁹. This was on account of abnormal delays by the OC in finalising the contract with the Host Broadcaster, Prasar Bharati (PB):

- Despite having declared PB as the Host Broadcaster in the original bid of May 2003, OC formally communicated this appointment to PB only in March 2007.
- OC took another two years to sign the Host Broadcaster Service Agreement with PB in May 2009.
- The formula for revenue sharing for domestic telecast as well as new media rights (Internet, SMS etc.) was finalised only in July- September 2010, and the agreement for broadcast rights between OC and PB was signed on 23 September 2010 (just 10 days before the Games), leaving no time for developing, let alone implementing, a joint marketing strategy for exploiting of free commercial time.

8.6.3 Appointment for International Consultant for Broadcasting Rights

The process for engagement of an international consultant for international broadcasting rights commenced in March 2006 (simultaneously with the engagement of the consultant for sponsorship, merchandising and licensing) and resulted in the engagement of Fast Track Events in March 2007, with unexplained delays between June 2006 (when presentations were made) to the signing of the contract. As in the case of the sponsorship consultant

¹⁹ Incidentally, Prasar Bharati got just Rs. 55.29 crore of revenues from telecasting CWG-2010 and also did not benefit substantially from this event.

(SMAM), the selection by OC of Fast Track Events was flawed on several counts:

- The selection was unduly influenced by the recommendations of the CGF CEO, Shri Mike Hooper, who clearly suggested a neat division of consultancy contracts for sponsorship and merchandising and licensing as well as broadcasting rights between SMAM and Fast Track Events, and recommended that EB may approve appointment of SMAM and Fast Track Events respectively for the sponsorship/ marketing/ licensing and broadcasting consultancy contracts (for which decision CGF approval would be forthcoming as per Shri Fennell's assurance).
- SMAM, which was the L-1 bidder for the international broadcasting rights consultancy, had quoted a flat rate of commission of 12.5 per cent, while Fast Track Events, which was the L-2 bidder, had quoted a higher commission rate of 15 per cent. However, contrary to CVC guidelines and best procurement practices, OC irregularly conducted financial negotiations with the L-2 bidder, Fast Track Events, and concluded the contract with it. Going by the difference between commission rates offered by the L-1 and L-2 bidders, the excess cost to the OC (and ultimately to GoI) on account of commissions on broadcasting revenue amounted to Rs. 5.34 crore.
- The original estimate of broadcasting revenues was Rs. 300 crore (which would work out to roughly Rs. 210 crore from international broadcast rights²⁰), and the revised estimates for international

broadcast rights was Rs. 260 crore.

However, the contracted target revenue set for Fast Track Events was just Rs. 120 crore. This ensured that shortfall in revenue realisation could not be contractually attributed to the poor performance of the consultant.

8.6.4 International Broadcast Rights

As against the revised revenue estimates of Rs. 260 crore, OC could sign agreements for only Rs. 213.46 crore. As of January 2011, the amount of revenues actually remitted was Rs. 191.40 crore (including VIK of Rs. 16 crore).

We could not derive assurance that highest possible value was obtained from the sale of international broadcasting rights and selection of RHBs.

- Documents related to the negotiations by the international consultant with the broadcasters were purportedly not available with the OC. Further, OC had no independent mechanism to assess the reasonableness of the rights fees offered by the RHBs, and went by the reports/ recommendations of the consultants.
- For one region (UK/ Ireland), the actually contracted revenues of Rs. 14.86 crore were less than one-third of the projected estimates of Rs. 49.80 crore. The Chairman, OC rejected a proposal for direct negotiation with BBC, stating that he had personally bargained with BBC for higher fees which were not agreed to.

²⁰ The original broadcasting revenues estimate of Rs. 300 crore did not have a break-up between national and international broadcasting revenues; we have worked out a break-up, based on the ratio of national and international broadcasting revenues in the revised estimate of Rs. 370 crore.

8.7 Big Screen and New Media Rights

We found that OC failed to exploit the markets for commercial rights for Big Screens (i.e. screening Commonwealth Games in public places e.g. cinema halls, clubs etc) as well as new media rights.

OC assigned big screen rights only for non-commercial purposes to Prasar Bharati in September 2010, purportedly as it was separately exploring the possibility of exploiting the commercial big screen rights with a chain of theatres. OC took no action till 4 October 2010, when it permitted Digital Signage Networks Limited (in response to its offer) to show information and pictures of the Games at 1000 locations in 22 cities, with a 50 per cent share of advertising revenue. However, due to paucity of time, no contract was signed, and the agency informed OC that it could not generate any revenue.

Likewise, OC failed to exploit the commercial potential of new media rights (Internet, streaming video e.g. youtube.com, SMS and mobile telephony, mobile TV etc.)²¹ While international new media rights were awarded to international RHBs (along with TV and radio and broadcast rights), there were conflicts between OC and PB on domestic rights. Finally, OC granted:

- mobile telephony new media rights on a non-exclusive basis to PB in September 2010;
- Internet rights (Live Streaming) on nomination basis without revenue element to Times Internet in October 2010; and
- Live Streaming of Games on mobile to Smile of India on nomination basis with a minimum guaranteed revenue of Rs. 5 lakh and revenue share of 35 percent of revenue accrued.
- Mobile infotainment rights on nomination basis to a KPMG- Smile India consortium, with a 10 per cent revenue share (subject to a guarantee of Rs. 5 lakh); however, no revenues were received till December 2010.

OC failed to receive any revenue, whatsoever, from Big Screen and new media rights in domestic broadcasting for CWG-2010.

8.8 Ticketing

8.8.1 Overview

Ticketing represented the third-largest source of revenue potential for the Games. Besides revenue generation, an effective ticketing programme should also ensure maximum attendance and generate adequate spectator interest equitable and efficient availability and vending of tickets, and satisfy seating requirements of all client groups (including the Games Family, sponsors etc).

²¹ Revenue from new media rights are expected to be more than 15 per cent of total revenues for the London Olympics 2012. The Indian Premier League gave separate rights to various agencies for live coverage such as live screening, SMS/MMS and IVR rights, real time mobile video clips, online and mobile gaming etc.

However, against the targeted revenue of Rs. 100 crore, the actual revenue generated was just Rs. 39.17 crore, of which only Rs. 27.49 crore had been realised as of December 2010. After setting off costs of Rs. 23.37 crore, the net ticketing revenue was just Rs.15.80 crore.

This dismal performance was attributable to a critically delayed appointment of the ticketing consultant and the ticketing agency, inadequate marketing, low ticket sales and spectator attendance, and excessive distribution of complimentary tickets (especially high value tickets), paradoxically coupled with reports of non-availability of tickets.

8.8.2 Appointment of Ticketing Consultant

OC followed a stop-start process for appointing a ticketing consultant.

- After floating an EOI in March 2008 and recommending Market Plus for appointment, the process was stalled for 13 months due to DG's opinion that this was within the scope of work of EKS.
- OC approached EKS on 20 September 2008 for preparation of detailed ticketing strategy plan; thereafter, we found no evidence of any contribution of EKS in this area or follow up by OC with EKS in this regard.
- In September 2009²², Shri Bruce Wilkie²³ was appointed as the ticketing

²² Incidentally, the incumbency of the post of DG, OC had changed by this time.

²³ Who was earlier associated with Market Plus

consultant on nomination basis, purportedly on the basis of his past experience and CGF's recommendation. Subsequently, the consultant abandoned his assignment in June 2010, due to ill health. Thereafter, OC continued to take decisions on the marketing of tickets on its own without any expert advice.

8.8.3 Appointment of Ticketing Agency

OC followed a similar stop-start process for appointing of the ticketing agency:

- Two EOIs issued in March and June 2009 were cancelled on account of a single eligible bid on each occasion.
- A third RFP was issued in October 2009, after relaxing the qualifying criteria on experience of international multi-sports event. The work was finally awarded in January 2010 (against October 2008 - a delay of 14 months) to a consortium of IRCTC, Ticket Pro and Broad Vision at a cost of Rs. 14.03 crore.

8.8.4 Marketing of Tickets

The ticket marketing plan, which was to be finalised by July 2009 for CGF approval, was prepared only in April 2010. The plan was not seriously implemented till September 2010 (a month before the Games), when a Games time ticketing campaign was conducted at a cost of Rs. 6 crore. This included:

- Award of contracts for Rs. 0.81 crore for production of commercials in September – October 2010 (however, there was no evidence of their actual production and broadcast);

- Two TV advertising plans for Rs. 2 crore; these were unprepared and unplanned (e.g. it did not specify the commercials to be broadcast in the work orders to the TV channels; focussed on promoting only two sports – aquatics and gymnastics – and that too after 80 per cent of the sessions were over, and commercials for the closing ceremony were telecast after closure of ticket sales);
- Advertisements in international channel between 11 and 14 October 2010, when it was hardly feasible to promote international ticket sales.

In brief, marketing of tickets was not taken up till September 2010, when a campaign was launched at a cost of Rs. 6 crore. This campaign was unplanned and unprepared, and resulted in wasteful expenditure.

8.8.5 Poor Ticket Sales

8.8.5.1 Overview

As compared to the previous two Games, the ticket sales for CWG-2010 were poor, while the percentage of complimentary tickets was nearly three times that of earlier Games. There were also a large number of unsold tickets.

Table 8.6 - Profile of Ticket sales for CWG 2002, 2006, and 2010

(Numbers in Lakhs)

	Manchester 2002	Melbourne 2006	Delhi 2010
Tickets available for revenue seats	10.03	18.32	14.13
Total ticket sales (Revenue generation)	7.79 78 %	15.54 75%	5.61 40%
Tickets distributed free-of charge	1.20 12 %	2.16 11%	4.95 35%
Total unsold tickets	1.03 10%	2.77 14%	3.56 25%

8.8.5.2 Complimentary Tickets

Excess issue of complimentary tickets, contrary to the CGF's "no free ticket policy", was a major problem for CWG-2010. The OC EB prescribed certain norms on 23 September 2010 for issue of complimentary tickets after considering availability/ unsold tickets between 2-8 days before the event/ ceremony (with the Chairman authorised to take final decisions). However, we found that OC had instructed IRCTC on 25 September 2010 itself (i.e. well in advance) to print 2 lakh complimentary tickets

valuing Rs. 6 crore for sports session events.

For the opening and closing ceremonies,

- Against 77860 revenue seats for Rs. 82.54 crore, OC issued 22900 complimentary tickets worth Rs. 56.60 crore; one third of which (7525 tickets) were high denomination tickets of Rs. 50000 each.
- In addition, 584 tickets worth Rs.3 crore for the ceremonies were sold at 90 per cent discount to the "Business Club of

India”, which generated no sponsorship revenue whatsoever (as brought out in para 9.4.6).

Likewise for the sports events, against 13.35 lakh tickets, 5 lakh complimentary tickets valuing Rs. 15 crore were issued.

We found no evidence of a policy for free/ discounted tickets for school children, college students and other target groups, which would have had potential for promoting sports awareness.

It is not known on what basis or on whose authority such a large number of complimentary tickets were distributed. Such flagrant patronage at the expense of Government funds needs to be investigated as a deterrent for such indiscretionary acts in future. Accountability should be fixed, and where possible, amounts should be recovered.

8.8.5.3 High Ticket Prices

The price range of 50 times between the cheapest and costliest tickets (Rs. 750 to Rs. 50,000) for the opening and closing ceremonies was higher than the ranges of 5.9 times (AUD 100 to 590) and 7.8 times (£25 to £ 195) for the Melbourne and Manchester Games. The need to inflate revenue projections (which were not achieved) may have been a reason for this wide price range.



In our view, this wide range of ticket pricing, which was contrary to the recommendations of consultants, not only contributed to the low ticket sales (especially for higher denominations), but also facilitated issue of large quantities of complimentary tickets (purportedly on account of unsold stock).

8.8.5.4 IRCTC outlets not set up

Low ticket sales was compounded by the Chairman, OC's illogical decision of April 2010 that only sponsors' centres, locations and showrooms would be used for retailing tickets (despite the absence of any such conditions in the sponsorship agreements²⁴). This was contrary to the ticketing agreement with the IRCTC consortium. Ultimately, just 1 outlet of IRCTC and 41 outlets²⁵ through sponsors and OC's venue caterer were opened in Delhi/ NCR; no outlets were opened in the other metros/non-metro locations. The reasons offered by OC for not permitting IRCTC outlets - that these outlets were not approachable and accessible to the general public and also had security problems – are completely untenable, and also resulted in infructuous payment of Rs. 2 crore to IRCTC, without availing of their services.

8.8.5.5 Low attendance

On top of poor ticket sales, only 65 per cent (6.87 lakh) of paid and complimentary ticket holders (10.56 lakh) turned up for the ceremonies / events (as per ECIL's turnstile

²⁴ Except in the contract with Central Bank of India

²⁵ Hero Honda-6, Central Bank of India-20, Tata motors-1, Fast trax-13, Delhi haat -1

data reports); this could have been caused by poor attendance by complimentary ticket holders. Contrarily, there was substantial traffic on the ticketing website, with 40.36 lakh “hits”²⁶ between 4 and 14 October 2010; there were also media reports that people willing to buy tickets for events (especially for lower priced tickets) were unable to do so, as the website indicated that tickets had been sold out.

8.9 Donation/ Raffle

OC included a revenue target from donations of Rs. 300 crore in its revised revenue budget (July 2008). As has been stated earlier, in our view, this was done solely to maintain the claim of revenue neutrality. This was confirmed by the fact that as against this target, OC collected paltry sums of Rs. 0.75 crore from donations and Rs. 0.24 crore from raffle.

- OC made minimal effort for collecting donations. The only evidence of these efforts was a meeting with the Minister for Corporate Affairs where a request

was made for sponsorship and donations through PSUs and the corporate sector. Even an offer of Rs. 3 crore made by an industrialist²⁷ did not fructify for lack of follow-up by the OC.

- OC set a target of Rs. 120 crore²⁸ for generating revenue through a raffle and made cursory efforts, by approaching the Mizoram Government for conduct of online and paper lottery. The Mizoram Government selected a sole distributor for 24 months with minimum projected revenue of Rs. 203.86 crore (to be shared with it). This projected revenue was obviously overstated, optimistic and arbitrary, as 97 per cent of the revenue was projected from non-lottery playing states. All lottery operations in Mizoram were suspended in March 2010 pursuant to a Court order. Out of the reported revenue generation of Rs. 0.36 crore, OC had received Rs. 0.24 crore as of December 2010. No details of state-wise revenue and revenue realised were available with the OC.

²⁶ *i.e. visits to the website*

²⁷ *Shri Rahul Bajaj*

²⁸ *Projected by Ernst & Young for the revalidated budget*



Games Planning Consultancy and Overlays

Event Knowledge Services (EKS) was awarded five consultancy contracts relating to venue appraisal/ briefs, project monitoring, games planning and workforce (awarded to an EKS consortium) during 2005-08. Three of these contracts were awarded on nomination basis, facilitated by strong patronage from the CGF (with which EKS had a close link); tendering conditions for the other two contracts were tailored to suit EKS. We are also unable to verify the need for this multiplicity of contracts, and the possible overlap between the deliverables from different contracts.

Venue overlays are temporary facilities at various venues provided during the operational phase of the Games. Planning and scoping for overlays was critically delayed by the OC and completed only in June 2009, after which the responsibility for procurement of overlays items was transferred from the venue owners to the OC. The reliability of the overlays requirements is also open to question, since there were huge variations in successive budget estimates between September 2009 and January 2010 and there was a substantial curtailment in the awarded quantities (in view of the available budget provision), which did not apparently affect the overlays work.

The procurement process followed for award of venue overlays contracts was highly irregular. OC inexplicably shifted from an item-wise basis (followed internationally) to a venue-cluster approach, based on geographical locations. This cluster-based approach, along with tailored eligibility criteria (enormous annual turnover requirements and stipulated experience of only Olympics/ Asian Games/ CWG), was used to discourage competition by restricting the number of vendors. These criteria were then selectively and inconsistently applied to remove competitors, leaving a field of just four “technically qualified” consortiums – ESAJV-D-Art-Indo, Pico-Deepali, Nussli and GL-Meroform. The commercial bids of all four vendors were the lowest exactly for those clusters, which were their first and second preferences. Such coincidence points to collusion and the possibility of cartels among the vendors.

The overlays contracts were signed at exorbitant rates, causing huge financial loss to the OC (and the GoI). Based on the available records, we cannot fully quantify the true total loss. We have, however, come up with indicators of the financial loss in different ways, which give an idea of the exorbitant rates charged for individual overlay items:

- *By comparing item wise rate across clusters and across vendors;*
- *By comparing item wise rates for the same vendor across different clusters; and*
- *By comparing item wise rates with other supporting documents (e.g. rates declared to Customs, rates charged by CPWD and other agencies).*

9.1 Games Planning Consultancy – Role of Event Knowledge Services (EKS)

Event Knowledge Services (EKS), a Switzerland-based organisation, was irregularly awarded multiple consultancy

contracts related to CWG-2010 as summarised below:

Table 9.1 - Award of consultancy contracts to EKS

Area	When awarded	Amount	Organisation
Venue appraisal study	June 2005	Rs. 0.49 crore	DDA
Venue brief and preparation of site plan	July 2006	US\$ 1.16 million	OC
Project Scheduling Review and Monitoring and Delivery Review	November 2006	US\$ 3.24 million	
Games Planning Consultancy (EKS- Ernst & Young Consortium)	March 2008	Rs. 29.66 crore	
Workforce consultancy contract (EKS- Ernst & Young Consortium)	March 2008	Rs. 22.36 crore	

We found that the award of these contracts to EKS/ EKS Consortium was non-transparent and irregular in all cases. The first three contracts were awarded on nomination basis. Although the other two contracts (Games planning consultancy and workforce consultancy) involved tendering, the tendering conditions were tailored to suit EKS.

EKS had a strong CGF link, as its CEO, Mr. Craig McLatchey, was also a member of the CGF Co-ordination Commission, who was specifically entrusted with the responsibility of monitoring CWG-2010 arrangements in India. The appointment of EKS by OC was facilitated by strong patronage from the CGF, with clear statements discouraging global tendering and advising EKS appointment without tendering, for which CGF approval would be readily forthcoming.

There were serious deficiencies relating to the contract for project scheduling review and monitoring and delivery review:

- The contract was poorly negotiated; the final offer after negotiations was for the same amount of US\$ 3.24 million but for a shorter period (December 2006 to Games time), which was eight months shorter than the original offer (April 2006 to the Games time);
- Subsequently OC cut short this contract till April 2010, purportedly because it felt no further monitoring was necessary (which is inexplicable, since almost all the venues were still incomplete); and
- Consultancy contract of this nature are primarily dependent on deployment of specialist manpower for specified mandays. For the period from June 2008 to March 2010, we noticed deployment of only 3 professionals for a total of 279 mandays. Even assuming the highest

rate of US\$ 2,000/ day¹, the eligible payment for this period works out to just \$0.56 million, as against the actual payment of US\$ 1.38 million. This further confirms that the contract was awarded to EKS at highly inflated costs on a nomination basis, without adequate cost justification.

Although a tendering process was allowed for awarding the contract for Games Planning consultancy, there were serious deficiencies:

- The pre-qualification conditions were tailored to specify experience of Olympics/ CW Games/ Asian Games “in any capacity”, rather than experience “in the relevant area”. The EKS- E&Y consortium did not have experience in Games Planning and Project Management Consultancy;
- There was an unexplained delay of nearly four months from the receipt of the PQ bids in May 2007 to their opening in September 2007; and
- The recommendation of the OC commercial bid evaluation committee (headed by DG) for a reduction in the 5450 mandays as against 3950 mandays indicated by the other bidder, which would have resulted in savings of Rs. 11.69 crore, was not given effect to, primarily because of CEO, CGF's intervention against such a reduction.

Specific deficiencies relating to the workforce consultancy contract are discussed in Chapter 15.

¹ Applicable for CEO, EKS, Mr. Craig McLatchey

We are also unable to ascertain or verify the need for this multiplicity of contracts, especially the Games Planning consultancy contract awarded in March 2008, and the possible overlap between the deliverables from different contracts awarded to EKS/ EKS and E&Y.

Further, from August 2009 onwards, EKS requested for future OC payments to be made to a new company, EKS Private Limited in Mauritius; payments of Rs. 7 crore were made through this route. We are unable to ascertain the reasons as to why OC acceded to this unusual request, particularly because the shareholding pattern of this Mauritius company is not traceable/ verifiable.

9.2 Venue Overlays

9.2.1 Introduction

Overlays are temporary facilities at various venues provided during the operational phase of the Games. These include items like pre-fabricated structures, tents, furniture and fixtures, back-up power (DG Sets/ UPS), consumables etc.

9.2.2 Delays in Planning and Scoping of overlays

The planning and scoping of overlays involved the listing of items required, quantities and their specifications on a venue-wise basis. This work, which was entrusted in August 2007 to the OC by GoM, was critically delayed by the OC. Despite CGF indicating in July 2008 that overlays was an area of concern, the overlays functional area in the OC was set up only in February/ March 2009 and the overlays scoping was completed only in June 2009. The OC finally forwarded the Bill of

Quantities (BOQs) and overlay requirements of individual venues only in July 2009 to SAI in respect of its venues. In August 2009, SAI expressed its lack of technical knowledge to undertake procurement of overlay items. Consequently, the responsibility for procurement of overlay items was also entrusted to the OC.

These delays in planning were compounded by further delays in the procurement process, leading to signing of the overlays contracts only on 2 June 2010.

Table 9.2 - Chronology of events relating to award of venue overlays contracts

Date	Event
5 December 2009	Issue of EOI with last date 6 January 2010; 10 responses received and 4 vendors shortlisted
16 January 2010	RFPs issued to 4 vendors
15 / 26 February 2010	Opening of technical and financial/ sponsorship bids of 4 vendors
March – April 2010	1st and 2nd round of negotiations
2 June 2010	Signing of contracts with 4 consortia (Pico-Deepali, Nussli, ESAJV-D'Art-Indo, and GL Events-Meroform)

9.2.3 Budgeting for Overlays

The estimated cost of overlays, was not specified in the bid document (May 2003). It was stated as Rs. 200 crore in GoM meeting (August 2007) and was tentatively taken to Rs 400 crore (July 2009), by EFC. At this

point of time, these overlays were envisaged to be provided by the venue owners/ SAI.

After the transfer of responsibility for procurement, the OC submitted an overlays budget estimate of Rs. 870.41 crore in September 2009 to MYAS, indicating that this estimation was based on item wise rates obtained from different international suppliers as well as Indian suppliers/manufacturers, partially for procurement and partially for hiring. This estimate was reduced by OC in October 2009 to Rs. 687.06 crore (including contingencies of Rs. 40 crore). Finally, on January 2010, the EFC approved an estimate of Rs. 574.93 crore².

Such huge variations in budget estimates, even after scoping of overlays requirements, were indicative of “elasticity” in the estimating procedures and cast doubts on their reliability.

9.2.4 Unexplainable shift from item-wise contracts to 'cluster' wise contracts.

Internationally, overlay contracts are awarded on item-wise basis³. Contrarily, in August 2009, DG OC stated that, in a meeting attended by Chairman OC, it was decided that overlays work would be divided into different clusters, based on geographical locations. However, Shri Suresh Kalmadi, in his separate reply (March 2011), denied that the decision was taken by him.

² With an additional Rs. 53.23 crore for TSR, network, switches etc. and Rs. 58.9 crore for Image and Look.

³ Even OC's budget estimate of September 2009 was constructed, based on item wise rates.

The venues were then divided into seven clusters⁴, and tender documents prepared accordingly.

In our opinion, this “cluster-based approach”, along with other restrictive conditions, was used to discourage competition by restricting the number of participating vendors (due to the eligibility condition of exorbitant annual turnover on a “whole of cluster” basis, rather than item-wise basis, coupled with an initial stipulation of holding of at least 80 per cent stock of diverse overlay items). Competition was further restricted to just four vendors (by eliminating two bidders against the recommendation of the evaluation committee) by inconsistent application of PQ criteria; all four vendors bagged overlay contracts for one or more clusters. This cluster-based approach also gave ample scope to vendors to quote exorbitant rates for the same items supplied at different venues.

OC's response that this approach was adopted as per the Finance Sub Committee's suggestion is incorrect, since the tenders had already been floated on a “cluster” basis before FSC approval⁵.

⁴ This “cluster based approach” was also used in award of contracts relating to Cleaning and Waste Management, Image and Look . However the composition of clusters in these cases was not identical.

⁵ Incidentally, the FSC merely recommended consideration of a cluster-based approach amongst other alternatives to be explored.

9.2.5 Improper Eligibility Criteria and Evaluation

We found that the eligibility criteria were tailored to minimise competition:

- **High annual turnover requirement** – An enormous annual turnover requirement of Rs. 1075 crore was specified for bidding for all clusters. 9 out of 10 vendors submitting PQ bids (including three successful bidders – Nussli, ESA JV, and Pico-Deepali – out of four) did not qualify. We could not ascertain the rationale for this arbitrary figure, which is substantially higher than both the budget estimated and the total contract value.
- **Restrictive experience criteria** – The pre-qualification (PQ) criteria stipulated experience of providing at least one major multi-sport event (Olympics/ CWG/ Asian Games) and excluded other events of such scale, even though the overlay requirements (which are non-sporting in nature) were not significantly different. This criteria restricted participation of similarly experienced Indian and international vendors. Further, this criteria was, in our opinion, impractical, since a cluster-based overlays approach was not standard international practice, and experience of providing individual overlay items would not be relevant.
- **Inclusion and subsequent deletion of condition of holding 80 per cent stock** – The EOI of 5 December 2009 stipulated certification of 80 per cent holding of the stock (of diverse overlay items) by the bidders; this condition was deleted on 19 December 2009 with the intention of incorporation at the RFP stage (which

was not done). Only one of the successful bidders (GL Meroform) would have met this condition.

In addition, global tendering (by circulation through the Indian Trade Journal and Indian

embassies) was not followed, which helped to limit competition for such huge items of work.

Further, these criteria were selectively applied to restrict competition further:

Table 9.3 - Selective application of eligibility criteria

Criteria	Instances of Selective Application
Annual Turnover of Rs. 1075 crore for bidding for all clusters	<ul style="list-style-type: none"> ■ Nussli (with an annual turnover of just Rs. 418 crore) was irregularly allowed, at DG's instance, to bid for all clusters, and did not submit a solvency certificate ■ Pico was allowed to bid for all clusters on the basis of self-certification of annual turnover (instead of adopting figures from the annual audited accounts⁶)
Experience of providing overlays at one major multi-sports event	<ul style="list-style-type: none"> ■ The certificates of three successful bidders were deficient, but were accepted: <ul style="list-style-type: none"> ■ Nussli was allowed to bid, based on its experience of just providing a Grand Stand for the 2006 Doha Asian Games (which was not comparable to the scope of this overlays contract) ■ The certificate submitted by Pico for the Beijing Olympics 2008 did not specify the nature of work ■ GL Meroform's certificate for Doha Asian Games 2006 was for sponsorship for hospitality service, while its certificate for Beijing Olympics 2008 was from the Hong Kong Jockey Club (and not the Beijing Olympics OC). ■ By contrast, a similar approach was not adopted for two other bidders: <ul style="list-style-type: none"> ■ The experience certificate of Cityneon from the Doha Asian Games 2006 OC was found to be insufficient, without a specific justification; ■ Uniplan was not considered, as it could not furnish a certificate from a (now defunct) Beijing Olympics OC. <p>The OC Evaluation Committee recommended consideration of six vendors for issue of RFP (including Cityneon and Uniplan), but this was turned down by DG⁷.</p>

⁶ Even the balance sheet supplied (and purportedly examined by OC), as well as the solvency certificate, pertained to the Pico Group of Companies and not to the individual company (Pico HongKong Limited).

⁷ stated to be with CEO's verbal approval

9.2.6 Nexus, Cartelisation and suspected leaking of information

Our scrutiny shows that two of the successful bidders were aware of the conditions of the EOI, even before its publication on 5 December 2009:

- Nussli entered into a consortium agreement with Comfort Net Traders India Pvt. Ltd. and also with Minaean Habitat (India) Pvt. Ltd originally on **15 November 2009** for exactly the same scope of work as indicated in the EOI.
- While the consortium agreement of ESG Arena Group Joint Venture Ltd (ESAJV): D-Art: Indo Consortium was recorded to have been constituted on 29 December 2009, ESAJV wrote to the OC on 1 December 2009 that they had already formed a consortium with their Indian partners exactly for the same scope of work.

The four vendors were required to submit their order of preference for award of contracts for the seven different clusters. We found that the commercial bids of all the four vendors were the lowest exactly for those clusters, which were their first and second preferences. Such coincidence and precision of estimates, rarely seen in practice, points to collusion and possibility of cartels among the vendors.

Further evidence of the existence of cartel was noticed, when we found that Pico had sub-contracted public display systems (a significant overlay item) to MIC Electronic Limited for all 17 venues, although it was entrusted with overlays for only 6 venues.

9.2.7 Global Companies merely acting as Front

The need to involve experienced global companies along with Indian partners for provisioning of overlays was repeatedly reflected during the process for overlays planning⁸. The participation of Indian (and foreign) vendors had already been restricted through various clauses. We, however, found that in the cases of the successful bidders, the respective global companies were merely acting as a front, to enable pre-qualification eligibility and award of contract, and not for work execution.

The EOI stipulated that ***the turnover and the experience of (only) the lead partner of the consortium would be counted for pre-qualification eligibility***. We, however, found that the defined lead partners for the ESAJV consortium and the GL Meroform consortium – ESAJV and GL – had only 1 per cent and 0 per cent shareholding respectively in the joint venture companies⁹ formed for executing the overlay contracts; their contribution would therefore have been insignificant. However, the role and contribution of the lead partner in execution of overlay contracts was not verified and ensured by OC, by requiring submission of necessary legally binding documents.

⁸ In the EFC minutes and OC's FSC deliberations

⁹ In the case of the GL Meroform consortium, payments were made to a company named GL Litmus Events Private Ltd. (with 0 per cent shareholding of the "lead partner"; however, the agreement was signed with another company "GL Events – Meroform Consortium / CG 2010".

9.2.8 Award of Contracts

The quoted prices of the four bidders in respect of their “chosen” clusters amounted to a total of Rs. 1276 crores; consequently, two rounds of negotiations were held with the four bidders in respect of their chosen clusters. There was a reduction of 5.6 per cent in the first round; the “reduction” of

5.3 per cent obtained in the second round was not material, as the discounts were offered on items (e.g. fixed flood lighting poles, treadmills, cross trainers by GL) for which quantities had been reduced drastically. Contracts were signed with the four bidders as follows:

Table 9.4 - Award of Venue Overlays Contracts

(Rs. in Crore)

Name of the vendor	Clusters	Contract Amount
Pico Deepali	I & VI	209
Nussli	II & IV	128
ESAJV,D:Art, Indo Consortium	V	84
GL Events	III & VII	150

We found that the OC reduced the contract value from Rs 1276 crore to Rs 630 crore, (which was still higher than the budget provision of Rs.574 crore) mainly by curtailment of quantities in each of the clusters, which ranged in aggregate from 27.4 percent to 57.6 per cent. Since this drastic reduction does not seem to have affected the overlays work later on, it appears that the quantities were substantially inflated at the time of scoping and tendering. In response, the OC stated that they had not reduced the quantities of mandatory overlays items. This begs the question of a distinction between purported “mandatory” and “non-mandatory” overlays, which was never envisaged or mentioned at the time of scoping or budget estimation.

Even after four months of the Games, OC could not produce the final bill of quantity for items actually supplied, for our scrutiny. We, therefore, do not know what overlay items were actually delivered, whether these were actually required/ used, what

will be billed for, and how much financial loss GoI will ultimately suffer.

9.2.9 Exorbitant rates of Overlays

In our view, the overlays contracts were signed at exorbitant rates, causing huge financial loss to the OC (and the GoI). Based on the available records, we cannot fully quantify the true total financial loss. We have, however, tried to come up with indicators of the financial loss in several ways, which give an idea of the exorbitant rates charged for individual overlay items:

- **By comparing item wise rate across clusters and across vendors**
- **By comparing item wise rates for the same vendor across different clusters**
- **By comparing item wise rates with other supporting documents (e.g. rates declared to Customs, rates charged by CPWD and other agencies.**

It may be noted that there would be instances of overlap between these three kinds of comparisons and the losses quantified through these comparisons cannot be aggregated.

9.2.9.1 Instances of Different Rates across vendors and across clusters

We have compared the item-wise rates quoted by the four successful bidders for different clusters, and calculated the loss on account of just the difference vis-a-vis the minimum rates quoted. This (minimum) loss

works out to Rs. 199.37 crore (plus service tax of Rs. 20.53 crore).

We are unable to understand how OC failed to negotiate and obtain at least this minimum reduction. OC's response that each cluster had "unique" features, rates were worked out across items on "notional basis", and high O&M cost for individual items is unacceptable.

While the complete details are given in Annexe - 9.1, some glaring examples are given below¹⁰.

*Table 9.5 - Instances of widely varying rates for overlays items
(Note: BOH – Back of House; FOH – Front of House)*

Furniture

Item	Minimum rate (per unit in Rs.)	Maximum rate (per unit in Rs.)
Chair BOH	1,276	10,254
Chair Folding - Padded BOH	1,374	3,217
Chair Folding - Padded FOH	1,459	3,306
Chair Office BOH	1,318	4,535
Chair Office FOH	3,556	7,595
Chair Patio FOH	1,276	12,244
Chair Sofa 1 seater (Fabric) BOH	10,030	18,229
Chair Sofa 1 seater (Fabric) FOH	10,030	15,304
Chair Sofa 2 seater (Fabric) BOH	12,323	24,216
Chair Sofa 2 seater (Fabric) FOH	12,323	24,487
Chair Sofa 3 seater (Fabric) BOH	19,071	36,458
Chair Sofa 3 seater (Fabric) FOH	19,071	35,743
Chair Sofa Swivel BOH	7,112	12,152
Chair Sofa Swivel FOH	7,112	13,404
Cup Boards BOH	8,342	56,664
Press Table FOH	4,012	14,583
Refrigerator (Small) BOH	9,848	22,957
Refrigerator BOH Large.	13,129	49,864
Safe Small BOH	7,473	20,515
Safe Small FOH	8,973	20,515
Table Folding 1200x760 FOH	3,191	10,774
Table Folding BOH	3,191	10,774
Umbrella Patio (BOH)	1,304	5,137
Visitor Chair Stackable BOH	1,178	2,192
Visitor Chair Stackable FOH	1,542	3,476

¹⁰ For some items the quantity given in the contracts was 'Nil' but till date (March 2011), final Bills of Quantities (BOQ) are not firmed up and are not sure whether the actual quantity also remained 'Nil'.

Fitness equipment

Item	Minimum rate (per unit in Rs.)	Maximum rate (per unit in Rs.)
Adjustable Benches : Declined	24,306	1,55,763
Adjustable Benches : Inclined	24,306	1,38,456
Adjustable Benches : Normal	24,306	1,23,621
Cross Trainer	1,46,765	8,01,066
Gym Mirrors - Full Height	2,435	15,305
Multi Gym - 12 stations with pulley and leg extension cables	2,20,147	9,01,484
Skipping Ropes	480	1,268
Stepper	5,706	3,06,087
Treadmill	4,03,603	8,83,953
Twisters	3,803	29,353
Vibrators	15,215	49,864
Weights, Dumbels and Barbels (per Kg)	85	317

Industrial goods:

Item	Minimum rate (per unit in Rs.)	Maximum rate (per unit in Rs.)
Air conditioning HVAC - 11T	2,03,151	7,47,005
Air conditioning HVAC - 150T	16,21,809	2,08,87,833
Air conditioning HVAC - 2T	69,652	1,46,733
Air conditioning HVAC - 3T	92,869	2,64,120
Air conditioning HVAC - 5.5T	1,16,087	3,76,348
DG Sets 10 KVA - 415V, 50 Hz, 1500 RPM	1,82,291	2,53,991
DG Sets 1000 KVA - 415V, 50 Hz, 1500 RPM	15,84,719	1,45,83,305
DG Sets 125 KVA - 415V, 50 Hz, 1500 RPM	4,93,368	10,30,862
DG Sets 15 KVA - 415V, 50 Hz, 1500 RPM	1,82,291	5,87,747
DG Sets 2 KVA - 415V, 50 Hz, 1500 RPM	58,043	1,82,291
DG Sets 20 KVA - 415V, 50 Hz, 1500 RPM	2,43,055	3,52,608
DG Sets 200 KVA - 415V, 50 Hz, 1500 RPM	7,25,541	13,47,970
DG Sets 250 KVA - 415V, 50 Hz, 1500 RPM	9,28,692	16,45,016
DG Sets 300 KVA - 415V, 50 Hz	10,44,779	20,20,258
DG Sets 380 KVA - 415V, 50 Hz, 1500 RPM	10,22,864	23,90,195
DG Sets 40 KVA - 415V, 50 Hz, 1500 RPM	2,90,217	5,58,380
DG Sets 5 KVA - 415V, 50 Hz, 1500 RPM .	88,152	2,32,173
DG Sets 500 KVA - 415V, 50 Hz, 1500 RPM	18,22,913	29,29,651
DG Sets 62.5 KVA - 415V, 50 Hz, 1500 RPM	3,48,260	6,07,638
DG Sets 82.5 KVA - 415V, 50 Hz, 1500 RPM	4,06,303	8,81,620
Fuel Oil Tank for Diesel Storage - Steel Tank 1500 lts. with motor and pipes to fill diesel in DG set.	25,497	1,17,550
Generator auxiliary equipment	34,826	2,03,497
GI Pipe Earthing	5,040	9,496
ICE BOX, Large, 70L FOH	4,467	16,070
Power - 10kVA UPS -	4,86,110	11,27,726
Power - 180 kVA UPS -	14,54,100	60,76,377
Power - 1kVA UPS -	5,581	1,13,790

Industrial goods:

Item	Minimum rate (per unit in Rs.)	Maximum rate (per unit in Rs.)
Power - 200kVA UPS -	18,85,406	62,72,892
Power - 250kVA UPS -	20,73,947	72,91,652
Power - 2kVA UPS -	60,764	2,57,924
Power - 320kVA UPS -	23,75,612	2,43,05,508
Power - 400kVA UPS -	26,39,569	5,46,87,394
Power - 40kVA UPS -	10,36,653	14,99,000
Power - 5kVA UPS -	1,82,291	4,93,089
Power - 600VA UPS -	2,371	60,688
Power - 60kVA UPS -	12,13,758	17,46,715
Printer FOH	5,457	21,446

Other general/household items:

Item	Minimum rate (per unit in Rs.)	Maximum rate (per unit in Rs.)
Air Freshener	266	1,456
Automatic shower sprinklers	13,140	1,82,291
Bookcase FOH	4,518	12,153
Brush	65	1,841
Colour TV FOH	19,659	36,265
Designated Lane Marker Tapes	365	1,580
Disposable Glasses	1	37
Door Mats FOH	322	939
Fan - Pedestal, Commercial, 46cm High BOH	1,915	7,149
Fan Pedestal BOH	2,431	7,881
Fan Pedestal FOH	2,594	7,736
First Aid Kit	938	6,711
Garbage Bags	4	3,068
Liquid Soap Dispenser	187	9,379
Mirror Standing H:160 cm FOH	1,682	5,362
Mosquito Repellent	114	188
Office Stationary (Paper, Stapler, Resister, pens, pencils etc,)	657	9,246
Plasma TV FOH	28,460	72,917
Plastic Rope in 5m	38	2,762
Refrigerator Large FOH	13,129	56,210
Rubbish Bin 15 Ltr. Size	245	7,618
Soap Dispensers	187	9,379
Tissue Paper (Box)	84	295
Tissue Paper Dispenser	654	4,652
Tissue Roll	22	3,751
Toiletries	789	9,515
Umbrella Patio FOH	1,542	5,719
Wall Clock BOH	603	2,000
Washing Machine & Dryer FOH	13,940	61,218
Water Dispenser - 20 Lts.	1,776	32,986
Water Jug	152	1,944

Rates for power from DG Sets

OC had agreed to pay Rs.11/ unit to Pico Deepali towards per unit consumption of DG Power in cluster VI, while the rate agreed for other clusters ranged from Rs. 14 to Rs. 73. Thus the difference in rates was from 1.27 times to 6.63 times. Total excess expenditure for this one item alone was of Rs. 8.16 crore; details are given in Annexe-9.2

9.2.9.2 Instances of Different Rates by the same vendor

We have found bizarre cases, where there were substantial differences between the rates offered by the same vendor (Pico-Deepali) for the same item in different clusters. Losses on this account alone work out to Rs. 11.06 crore. Incidentally, we did not find such differences in respect of other two vendors viz. Nussli and GL Meroform who also got multiple clusters

While some items would be overlapping with the details given in the previous section, some glaring examples are given in the table below; (details are given in Annexe-9.3).

Table 9.6 - Widely varying item-wise rates from the same vendor (Pico-Deepali)

Item	Max. Rate	Min. Rate
ELECTRICAL ITEMS		
6A, 1 phase, plug points	359	305
16A, 1 phase, plug points	402	342
20A, 1 phase, plug points	1077	917
32A, 1 phase, plug points	1,148	977
32A, 3 phase, plug points	2,728	2322
4 Plug, 5A, 1 phase extension boards	646	550
Surge Protector	31,581	26,883
HOUSEHOLD ITEMS		
Fitness and Gym equipment		
Treadmill	5,35,654	4,59,879
Cross Trainer	2,65,531	2,27,968
Stepper	3,06,087	2,62,788
Weights, Dumbles and Barbels	153	131
Vibrators	30,609	26,279
Twisters	20,308	20,308
Skipping Ropes	559	480

Item	Max. Rate	Min. Rate
HOUSE HOLD ITEMS		
First Aid Kit	4,741	3,942
Tissue Paper Towels	1,580	1,314
Bathroom shelves	1,580	1,314
Disposable Glasses	2	1
Toileteries	948	789
Office Stationary (Paper, Stapler, Resister, Pens, Pencils etc.)	790	657
Garbage Solid Waste Container 6"x6"	1,16,446	91,976
Air Freshener	790	657
Tissue Paper Dispenser	1,897	1,577
Liquid Soap Dispenser	1,501	1,248
Water Dispenser - 20 lts.	11,852	9,855
PRE- FABRICATED ITEMS		
Prefabricated WC unit- Footprint-3.5mx3.0m	7,27,448	6,19,644
Prefabricated WC unit- Footprint-8.3mx3.1m	12,01,871	10,23,759
Prefabricated WC unit- Footprint-12.0mx3.6m	13,99,547	11,92,140

9.2.9.3 By comparing item wise rates with other supporting documents

In some cases, where the items were imported, we compared the CIF cost declared to the Customs authorities with the cost charged to the OC (only for temporary hiring and not purchase). In the

absence of final BOQs of items actually supplied, we could not work out the total monetary loss. However, we found differences between the CIF cost and the hiring charges to OC, ranging from 2 to 178 per cent. Some illustrative examples are given below (details are given in Annexe-9.4).

Table 9.7 - Comparison of lowest item-wise rates to rates declared to Customs authorities

Item	Lowest Rate (in Rs.)	Mkt. Rate/CIF value declared to Customs (in Rs.)	Vendor
Cupboard Pigeon Holes FOH	14,440	5,200	Pico
Bookcase 4 shelves BOH	7,655	2,840	Pico
Coffee Table 1200x400 FOH	3,830	1,500	Pico
Coffee Table 1200x400 BOH	3,830	1,500	Pico
Whiteboard Large BOH	3,365	1,420	Pico
Coat Stand 1800 high BOH	1,963	830	Pico
Bookcase 4 shelves FOH	8,206	3,470	Pico
Cabinet 1020 high FOH	8,314	3,520	Pico
Safe Small FOH	8,973	3,870	Pico
Table Patio 1540x1000 FOH	2,994	1,300	Pico
Witches Hats - Transport BOH	547	250	Pico
Notice Board BOH	3,101	1,420	Pico
Reception Counter 1800x460 H:1150 FOH	8,297	3,850	Pico
Visitor Chair Stackable FOH	1,542	720	Pico
Whiteboard Large FOH	4,038	1,890	Pico
Coat Stand 1800 high FOH	2,188	1,030	Pico
Table Patio 1540x1000 BOH	2,664	1,300	Pico
Cabinet 1800 high FOH	11,076	5,460	Pico

We also found some instances of sub-contracting (public display boards, UPS, and DG sets) by the vendors, which revealed huge differences of 152 per cent to 1140 per cent between the rates charged to the OC and the rates charged by the sub-contractors; details are given in Annexe - 9.5.

Incidentally, such sub-contracting was carried out irregularly by the vendors without OC's approval, as contractually required.

We also noticed other instances of exorbitantly priced overlays items, as summarised below:



Prefabricated Structures at JLN Stadium

OC paid rental - @Rs.4,250 per sqft (Vendor-Pico Deepali Consortium)

CPWD paid rental -@1,645 per sqft (Vendor – Deepali Designs & Exhibits)

Such excessive rental rate of pre-fabricated items was found in other clusters also. The excess expenditure on this account was to the tune of Rs.13.39 crore; (details are given in **Annexe 9.6**).



Water Dispenser of normal specifications hired by OC

Supply of Water Dispensers

OC hired 3120 water dispensers under overlays contracts, with rates ranging between Rs. 1,776 and Rs. 32,986 per unit. Excess expenditure (based on the lowest cost) worked out to Rs.3.82 crore. (**Annex 9.7**)

This item was infructuous, since Coca Cola was required to provide adequate mineral water to all the venues during the entire period of the Games, under the sponsorship agreement. Further, Delhi Jal Board (DJB) also made arrangements for provision of drinking water at venues by setting up its own water kiosks for dispensing water, for which an amount of Rs 0.26 crore was payable to the kiosk contractor.

In response to adverse media publicity, OC published a full page advertisement in several national newspapers at a cost of Rs. 0.34 crore on 10-11 November 2010. Among other aspects, the advertisement attempted to justify the prices of tissue rolls as “per box of 100 rolls” and not per roll.

We have verified this from the comparative evaluation statements, and found that the information in the advertisement was misleading. In response, OC has now indicated that “there were some problems in comparison”.

The main ceremonial events of CWG-2010 were the Queen's Baton Relay (containing a message of Queen Elizabeth – II) which was to be carried through the Commonwealth countries and different parts of India, and the opening and closing ceremonies which were to be signature events showcasing Indian culture and heritage. We note that the ceremonies were widely appreciated; in particular the opening ceremony was a spectacular success. Other ceremonial events included the Delhi capsule at the previous CWG, and the ceremonies at CYG-2008, Pune.

We found significant irregularities in the appointment of both Maxxam International as the consultant for QBR and Jack Morton Worldwide (JMW) as the event management agency for the QBR Launch Ceremony in London on 29 October 2009. Further, the scope of work for JMW was inexplicably reduced in October 2009 (with an increase in cost), and the OC made highly suspect payments of £ 386,237 to two little known entities – AM Films UK Ltd and AM Car and Van Hire Ltd – for diverse and unconnected services for the QBR Launch ceremony. The assignment of work and payments therefore were highly questionable; associated approvals and clearances were obtained and payments made with uncommon haste, and large amounts were also paid in cash, perhaps to avoid leaving a transaction trail. The role of Shri TS Darbari and Shri Sanjay Mahindroo, who were unrelated to OC's Ceremony Functional Area, in the QBR Launch Ceremony is also questionable.

We found that planning for the opening and closing ceremonies was inordinately delayed. Further, a multiplicity of agencies were engaged – Shri Bharat Bala as Creative Director/ Creative Consultant, Spectak Productions (Mr. Ric Birch) as International Consultant, Wizcraft as the Event Management Firm and 17 other consultants. There was considerable overlap between the roles and responsibilities of these multiple agencies. Further, the event agency charges of Rs. 16.09 crore paid to Wizcraft (in addition to a fixed ceremonies management fee of Rs. 5.40 crore) are, in our opinion not justified. We also found that Spectak Productions and Wizcraft had tied up with other experts well in advance of the award of the contracts. The engagement of the additional consultants (at a cost of at least Rs. 6.12 crore) by the OC amounted to a clear financial benefit to Wizcraft.

There were also major irregularities in procurement of accessories/ special items. The consultant for the band stand, Mr. Mark Fisher, got his full fee of US\$ 514,000, even though the idea of the band stand was abandoned. Mr. Fisher then presented a design for an aerostat, which was accepted; the fact that Spectak Productions and the aerostat vendor

were part of the same group was concealed. There were also serious irregularities in the technical evaluation and award of the lighting/ searchlight contract, as well as the award of the contract for video content.

Contracts for Rs. 16.49 crore for art direction and props for the opening and closing ceremonies were irregularly awarded to Blue Lotus Productions, even without having an approved list of props actually required. Huge quantities of props remained unutilised. Some props were not even received. Many of these props were exorbitantly priced.

OC went in for multiple forms of ground protection (ground protection tiles, ground cloth, and grass turf replacement) at a cost of Rs. 17.84 crore for the opening and closing ceremonies, which, in our opinion, was not adequately justified. There were major tendering irregularities; the quantities required were fixed and reduced arbitrarily, and large quantities of ground protection tiles and ground cloth remained unutilised.



10.1 Overview

The main ceremonial events for CWG-2010 were:

- A “capsule” at the Closing Ceremony of Melbourne CWG-2006, showcasing the next Games;
- The opening and closing ceremonies of the Commonwealth Youth Games – 2008 (CYG-2008), Pune, which was a sub-event of CWG-2010;
- **The Queen's Baton Relay (QBR)** - This was the ceremonial carrying of the baton (containing a message from the Head of the Commonwealth, Queen Elizabeth II) through the participating Commonwealth countries, and through different parts of India culminating in the Opening Ceremony of CWG-2010.
- **The opening and closing ceremonies** – These were to be the signature events

of the Games with large scale world-wide coverage, which would showcase Indian civilisation, history and cultural diversity.

- Other minor events and launches – e.g. “1500 days to go” and “1000 days to go”.

Organising such ceremonial events would normally require two players – a consultant to render advice on the creative concept, and an event management firm which delivers the ceremony in line with the approved creative concept. However, the OC ended up appointing a multiplicity of agencies for these tasks.

The original IOA bid of May 2003 indicated an amount of Rs. 30 crore for ceremonies. A comparison of the budget and expenditure of the OC for ceremonies till date is given below:

Table 10.1 - Budget and expenditure on ceremonies

(Rs. in Crore)

Event	Original budget (March 2006)	Revised Budget (July 2008)	Expenditure (December 2010)
Capsule for Melbourne CWG-2006 [#]	30	29.78	27.56
Opening and Closing Ceremonies for CYG-2008, Pune		22.06	21.76
Queen's Baton Relay	7	51*	26.00
Opening and Closing Ceremonies	85	106 [^]	240.00
Others		15.04	15.04
Total	122	223.88	330.36

Notes:

[#] Paid for by GNCTD; this was not part of OC's budget

^{*} While the overall QBR budget was reduced from Rs.51 crore to Rs.26 crore through re-appropriation in the OC, the budget for the QBR Launch ceremony at London was enhanced from Rs.2.20 crore to Rs.12.77 crore

[^] This was increased to Rs. 300 crore, through additional budget of Rs. 193 crore sanctioned in September 2010.

10.2 Capsule for Melbourne CWG-2006

We observed that Wizcraft International Entertainment Private Ltd. (Wizcraft) was appointed in September 2005 as the event management firm (EMF) for delivering the capsule of the next host city (Delhi) of CWG-2010 on “nomination” on the basis of past experience. For this, the EOI released in July 2005 (against which five proposals were received) was abandoned. Further, Wizcraft submitted a budget for Rs. 15.05 crore for production and execution expenses (excluding their commission of 15 per cent), which was approved and paid without any independent analysis and scrutiny by OC .

Incidentally, Wizcraft was also appointed as the Event Management Firm for the ceremonies for CYG-2008, Pune and the main CWG-2010 ceremonies – the opening and closing ceremonies. These appointments involved deficient tendering and award. Wizcraft was also the event manager for the ceremonies of other IOA-associated sporting events – the Afro-Asian Games -2009 (Hyderabad); the SAF Winter Games – 2010 (Dehradun); and the National Games – 2011 (Ranchi).

10.3 Opening and Closing Ceremonies for CYG-2008, Pune

Wizcraft was appointed in August 2008 as the event management firm for the opening and closing ceremonies for CYG-2008, Pune, after a deficient tendering process. After floating an RFP in March 2008, to which two responses were received, Wizcraft¹ was

¹ The other technically qualified bidder was Alternate Brands Solution Ltd.

declared T-1 in technical evaluation and only a single commercial bid was opened and selected.

Interestingly, the contract with Wizcraft for Rs. 12.77 crore was signed on 1 August 2008, well before:

- submission of rates by Wizcraft on 5 August 2008, and
- submission of a note on 25 August 2008 by the evaluation committee for EMC's approval;

In our view, the evaluation committee's report appears to have been just a formality to legitimise a decision already taken informally.

Further, the contract required approval by the EB, which was not obtained.

We also found excess payment of Rs. 0.22 crore to Wizcraft on account of artists, whose names were indicated in the response to the original RFP but excluded from the final contract; demonstrating clear favouritism.

10.4 Queen's Baton Relay (QBR)

The QBR represented an opportunity for the OC to generate significant international publicity and promotion in advance of the Games. The QBR involved different segments:

- the formal QBR launch at London by Queen Elizabeth II on 29 October 2009;
- the international leg of the QBR from 29 October 2009 to 25 June 2010 through the Commonwealth countries; and



- the domestic leg of the QBR through 35 States/UTs before arriving at JLN Stadium for the Opening Ceremony on 3 October 2010.

10.4.1 Consultancy Services for QBR

We found that Maxxam International was irregularly awarded the contract for consultancy services for QBR in February 2008, as summarised below:

- The process from issue of EOI (May 2007) to award of the contract (February 2008) took an unduly long period of eight months;
- There was no global tendering, and adequate time was not provided for potential bidders. Maxxam International was also allowed to submit its bid on 25 September 2007 after the due date for submission;
- E-mails seeking presentations from technically qualified bidders were sent to Maxxam on 27 September 2007 but to the other two bidders only on 29 September 2007, providing them just 5 days for preparation;
- Maxxam was the highest cost bidder at Rs. 8.01 crore, but was awarded the contract on the basis of a newly evolved criteria – cost per manday (rather than total cost), which was not mentioned

earlier. Further, OC did not possess information on the actual mandays of consultancy services provided by Maxxam and made full payments, evidently without considering this aspect; and

- Contrary to the RFP provisions, OC agreed to bear the service tax liability of US\$ 0.24² million (Rs. 1.08 crore), irregularly benefiting Maxxam to that extent.

We found that payments of \$ 25,850 (Rs. 1.16 lakh) were made to Maxxam for November-December 2007, even before the issue of the Lol to Maxxam in January 2008.

It appears that OC had already informally decided to award the contract to Maxxam, and the evaluation process was just a charade.

10.4.2 Design and manufacture of batons for QBR

As per the Host City Contract, the OC was required to supply two batons for the QBR - a route baton (which was to be carried throughout the route) and a ceremonial baton (into which Queen Elizabeth II's message was to be transferred for the opening ceremony). We found that there was a delay of 15 months in obtaining CGF approval for the baton design, due to the OC's failures.

² @ 1 US \$ = Rs. 45

10.5 QBR Launch Ceremony

The QBR was to be launched in London by Queen Elizabeth-II and the President of India on 29 October 2009. In May 2009, the OC increased the budget for the QBR launch ceremony from Rs. 2.20 crore to Rs. 12.77 crore, purportedly on account of the visit of the President.

10.5.1 Event Management Agency for QBR Launch at London

For the QBR launch ceremony at London on 29 October 2009, OC appointed Jack Morton Worldwide (JMW) on 24 September 2009 at a cost of Rs. 1.50 crore (£ 1, 99,982³).

We found the integrity of the process of award of the QBR event management agency contract to JMW was suspect:

- Global tendering was not followed, nor was sufficient time provided to potential bidders;
- Technical evaluation was flawed, since weightage was given to bidders who submitted themes, drawings and plans, which was contrary to the RFP (which indicated such themes and concepts as a deliverable of the firm, in liaison with the OC). Thus, bidders who potentially had advance knowledge of this requirement were at an advantage;
- One technically qualified bidder withdrew from the process, questioning the evaluation criteria adopted and also indicating that no time was available for proper execution. Interestingly, this bidder questioned the evaluation criteria a day after the purported date

of the meeting of the technical evaluation committee which decided these criteria. In fact, these evaluation criteria were not even communicated to the bidders; it is thus not clear on what basis these criteria were questioned.

Inexplicable reduction in scope of work of JMW

Less than 20 days after award (and with less than 20 days to the QBR launch), OC revised the work order to JMW on 10 October 2009, removing work relating to outdoor video display screens, transport and logistics (which were later awarded to AM Films and AM Cars & Van Hire Ltd) and simultaneously increasing (rather than decreasing) the cost to Rs. 1.87 crore (£ 2, 49,739). This reduction in scope and increase in cost is inexplicable.

In addition, excess payments, amounting to £ 30531 (Rs. 22.90 lakh) were made to JMW at the instance of Chairman and SG, OC as detailed below:

- **Increased Scope of Work due to visit of President** - In October 2009, DG-OC and Chairman OC approved an additional payment of £ 10350 (Rs. 7.76 lakh) to JMW proposed by Shri Sanjay Mahindroo, DDG, purportedly due to increased scope of work on account of the visit of the President of India. In fact, this visit was known to the OC in May 2009 itself, well before the award of the contract to JMW. Neither Chairman nor DG, while approving the payment,

³ 1£= RS.75

questioned Shri Mahindroo regarding the reasons for change of scope of work. Further, during execution of the work, OC hired certain extra items from JMW, for which £ 2370 (Rs. 1.78 lakh) was purportedly paid in cash by Shri Mahindroo to JMW.

- **Trafalgar Square Function** - OC scheduled a function at Trafalgar Square, London, which was later cancelled and JMW intimated about this cancellation. Subsequently, JMW raised a bill of £ 31000 (Rs. 23.25 lakh) for this event, claiming that they had already incurred these expenses. Curiously, this issue was dealt with directly by the Chairman and SG. The instruction to work on this function was given from the Chairman's Secretariat, and the SG agreed to pay half this amount; ultimately £ 17811 (Rs. 13.36 lakh) was paid to JMW.

Role of Shri Darbari and Shri Mahindroo in QBR Launch

Interestingly, the expenses for the QBR London launch were not approved by the QBR functional head. These expenses were handled by Shri TS Darbari, JDG (Revenue Marketing & Chairman Secretariat) (who was appointed by Chairman, OC, although without a formal office order, as in-charge of the London launch) and Shri Sanjay Mahindroo, DDG (Technology and Marketing) (who was closely involved without a formal role).

10.5.2 52 member delegation for QBR Launch Ceremony

On 21 October 2009, Chairman, OC approved a 52 member delegation for the QBR Launch Ceremony, which was at variance to the 36 member delegation approved by MYAS on 19 October 2009⁴; reasons for non-adherence to the MYAS approval, and the criteria for selection of delegates, were not documented. Consequently, the OC booked 56 rooms, and incurred excess expenditure of £ 22,910 (Rs. 17.18 lakh) for the persons in excess of the MYAS-approved delegation. We also noticed:

- Extra expenditure of Rs. 14 lakh on account of travel booking of extra members (including Smt. Meera Kalmadi⁵ and Smt. Ranjan Mukherjee⁶) and relatives of baton bearers, who were not in the approved list;
- OC failing to deduct TDS amounting £ 18898 (Rs.14.17 lakh), while making two part payments to the hotel;
- Excess payments totalling £ 2084 (Rs. 1.56 lakh) on account of double charging for two rooms, and a superior room beyond entitlement; and
- Excess advance payment of £ 3399 (Rs.2.55 lakh) by the OC to the hotel.

⁴ Based on a proposal from the OC for a 37-member delegation

⁵ Shri Kalmadi (ex-Chairman, OC) stated that Smt. Meera Kalmadi bore her own travel expenses, without however providing supporting documents. However, OC confirmed that the ticket in the name of Smt. Meera Kalmadi was booked by OC.

⁶ Wife of OSD to LG Delhi

10.5.3 Hiring of AM Films UK Ltd and AM Cars & Van Hire Ltd for various services

We found that the OC made payments of £ 386,237 (Rs.2.90 crore) during October 2009 to two little known entities, AM Films UK Ltd. and AM Car and Van Hire Ltd, for diverse and unconnected services for the QBR Launch Ceremony:

- £ 146,869 for hiring of large outdoor video display screens and £ 1275 for postage, photocopy, paper, cartridges etc;
- £ 238,093 for transport facilities, branded cars & buses, driver services, power generation facilities, mobile toilets, telephone charges etc.; this included a payment of £ 100,625 due to AM Cars and Van Hire Ltd but actually made to AM Films UK Ltd.

These services were originally to be provided by the QBR Event Management Agency, JMW, but were taken away from JMW's scope of work just 20 days before the QBR Launch ceremony for unexplained reasons.

In our view, the assignment of work to AM Films UK Ltd/ AM Cars and Van Hire Ltd and payments therefore were highly questionable; associated approvals and clearances were obtained and payments made with uncommon haste, and large amounts were also paid in cash, perhaps to avoid leaving a transaction trail.

10.5.3.1 Hiring of AM Films UK Ltd. for large outdoor video display screens

We observed the following:

- Three bids were purportedly obtained by Shri Mahindroo without any advertisements being issued; it is not known how these bids were obtained;
- One of the bidders (3 Dots Vision Ltd.) was not registered with the UK Registrar of Companies; we also verified that the agency did not exist at its stated address;
- The credentials of AM Films UK Ltd. appear suspect, since the company registration and VAT registration numbers indicated in its advance invoice were false;
- The committee, consisting of Shri Jeychandran, JDG (F&A), Shri Mahindroo, DDG (TM) and Shri Sudhir Verma, DDG (Communications) which evaluated the quotes and selected AM Films UK Ltd at a total cost of £ 146,869 (Rs. 1.10 crore) and recommended 100 per cent payment in advance, was different from the originally formed committee. The minutes of the committee meeting purportedly held at London on 23-24 October 2009 were signed by Shri Jeychandran, who was actually in Delhi on these dates and processed the payment to AM Films Ltd.
- AM Films Ltd. submitted an advance invoice for £ 146869 (Rs. 1.10 crore) on 23 October 2009. Approval was obtained by Shri Mahindroo from the Chairman and communicated to Shri Jeychandran by e-mail / fax and processed, the OC CA's certification of payment of foreign currency obtained,

and funds transferred to AM Films Ltd – all on 24 October 2009 with undue haste by the OC.

In a separate response, Shri Kalmadi indicated that he gave his in-principle clearance, on account of urgency and the threat of cancellation of the QBR launch (as informed by Shri Mahindroo), and also expressed his dissatisfaction on the manner in which this issue had been handled. He also indicated that many of these aspects were approved/processed by other officials – Shri Bhanot, Shri AK Mattoo and Shri Jeyachandran. In our view, the Presidential visit was known well in advance, and there should have been no occasion for such “emergent” action.

- Payment of £ 1275 (Rs. 0.96 lakh) was also purportedly made in cash by Shri Mahindroo to AM Films for unrelated postage/ stationery services, which appears unusual.

10.5.3.2 Hiring of Services of AM Cars and Van Hire Ltd.

AM Car and Van Hire Ltd. was hired for diverse and unconnected services, including power generation and video equipment (including LED), mobile toilets, barriers and first aid provision. We found that this agency was hired on the basis of a proposal by Shri Mahindroo on 20 October 2009, who stated that he had learnt about the firm during his visit to London in September 2009 through the High Commission of India and the Mayor's Office. Shri Mahindroo's claim was false, as he had earlier utilised the services of the agency in August 2009. Further, the selection of a transport solutions company for various event management services lacks credibility.

Payments of £ 238,093 (Rs.1.79 crore) were made for these services as follows:

- Even before the agency submitted three invoices⁷ for £ 100,625 (Rs. 75.47 lakh) on 21st October 2009, the payments were processed and DG and Chairman's approval was obtained on 20 October 2009 itself; the payment was transferred to the account of AM Films UK Ltd. (and not AM Cars and Van Hire Ltd.) on 22 October 2009⁸. This payment included £ 49,803 (Rs. 37.35 lakh) for power generation purportedly required by SIS Live⁹, but no correspondence with SIS-Live was documented.
- A subsequent payment of £ 36,612 (Rs. 27.46 lakh) was made on 26 October 2009, on a proposal by Shri Mahindroo which was processed for payment by Shri Jeychandran after a “talk with the Chairman”.
- A cash payment of £ 100,856 (Rs.75.64 lakh) was made by Shri Mahindroo, purportedly for various services and works. There seems to be no reason for such large cash payments, except to avoid a transaction trail.

10.5.4 Gift Plaques for QBR Launch Ceremony

OC placed an order on 23 October 2009 for 91 silver and gold plated plaques at a cost of Rs. 14 lakh as gift items for the QBR Launch

⁷ For branded buses and taxis, transport services and other services (barriers, toilets etc.)

⁸ OC informed the Westminster City Council that AM Films (and not AM Cars and Van Hire Ltd.) had been hired for providing these services. This was either misinformation or indicated that the two entities were identical or the same.

⁹ The contractor of Prasar Bharati, the Host Broadcaster for CWG-2010.

Ceremony. 72 small plaques were to be supplied, but only 52 plaques had been taken to stock; there are no records of actual distribution of these plaques. Further, only a payment of Rs. 5 lakh had been paid till December 2010.

10.5.5 Other Miscellaneous Expenditure incurred by Shri Mahindroo

Besides the above payments, Shri Mahindroo also incurred expenditure of

£ 28,301 (Rs. 21.23 lakh) on miscellaneous items, including food bills, alcohol charges, Chairman's party, phone charges, tips to hotel staff etc. and also expenditure without documented justification and/or reasons.

Incidentally, Shri Jeychandran and Shri Mahindroo drew advances of £ 65,000 (Rs. 48.75 lakh) each from the OC. Although they had submitted their adjustment bills in December 2009 and February 2010 respectively, these had not yet been settled.

10.6 Opening and Closing Ceremonies



We note that the ceremonies were widely appreciated; in particular, the opening ceremony was a spectacular success. Our concerns, as described below, focus on delayed planning, lack of assurance that funds were expended economically, and numerous instances of non-compliance with procedures to ensure due diligence and transparency.

10.6.1 Delays in planning

There were huge delays in planning for the opening and closing ceremonies.

- The manning of the Ceremonies Functional Area commenced only in January 2008 (against the original deadline¹⁰ of October 2006), and no personnel from the Ceremonies FA formed part of the delegation to Melbourne CWG-2006.
- The process for engagement of the international consultant and the event management firm was suspended by the OC in December 2008 on the orders of MYAS (since the GoM had started examining this issue), and restarted only in May 2009 (after the appointment of a Creative Director in line with the GoM's directions).
- The first creative concepts for the opening and closing ceremonies were presented only in September and December 2009 respectively, against the stipulated timeline of October 2008.

10.6.2 Overlapping roles of agencies

For handling the opening and closing ceremonies, multiple sets of agencies were appointed:

- Shri Bharat Bala Ganapathy was engaged in February 2009 as the Creative Director on the recommendation of a panel of experts¹¹ (including Shri Bharat Bala himself) constituted by the GoM. From November 2009, he was appointed as “Creative Consultant”;
- Spectak Productions (headed by Mr. Ric Birch) was engaged in September 2009 as the international consultant for ceremonies;
- Wizcraft was appointed in December 2009 as the Event Management Firm; and
- 17 consultants (one Indian and 16 international) were appointed for the period between February and December 2010 for various services.

There was considerable overlap between the roles and responsibilities of these multiple agencies, as summarized below:

Table 10.2 - Overlapping roles of different agencies

Role of Shri Bharat Bala	Role of Spectak Productions (Shri Ric Birch)	Role of Wizcraft
<p>(Phase I – Creative Director February – October 2009)</p> <p>Ideation and development of creative concept for opening and closing ceremonies</p>	<p>Adequate support for planning of creative story/ boards/ scripts and designs, logistics and production plans/schedules (including audio-visual, sound/music, lighting, props, décor, aerial rigging, pyrotechnics etc.) along with timely and high quality implementation of all creative and production aspects of the ceremonies.</p>	<p>Rendering the service of creatively enhancing, coordinating, organizing, producing, directing, managing, executing and successfully delivering the opening and closing ceremonies.</p>
<p>(Phase II – Creative Consultant - November 2009 – October 2010)</p> <p>Advice and work for overall development of concept theme</p>	<p>Help to access the most appropriate talent, technology and specialist consultants and contractors from across the world.</p> <p>Provide timely advice to ensure that the preparations and delivery of ceremonies are meticulously planned.</p>	<p>Sourcing ceremonies procurement for technical arrangements, performers and other creative elements.</p>

¹⁰ As indicated in the General Organisation Plan of the OC.

¹¹ The other members were Shri Javed Akhtar, Shri Prasoon Joshi and Shri Shyam Benegal.

Consultant	Work
Mark Fisher	Production Designer
Piers Shepperd	Technical Director
Durham Marengi	Lighting Designer
Laurence Estrin	Communications Designer
Andrew Garrod	Associate Technical Director
James Lee	Production Rigging
Ian Baldwin	Technical Systems Manager
Scott Willsallen	Audio Designer
Sarah Grubb	Master Scheduler
Ola Melzig	Technical Director
Stage Safe	Health & Safety Consultant
Aaron Felker	CAD Manager
Richard Hartman	Scenic Engineering and Scenic Rigging Manager
Knut Stockhusen	Roof Loading Study
Linus Lopez ¹²	Power Consultant
Stage One	Rigging consultant
Laura Thatcher	Show Caller

The need for a multiplicity of agencies with roles, which are prima facie overlapping, is not clear; we found instances of Shri Bharat Bala rendering advice on areas within the remit of Wizcraft. At best, two agencies – one as a consultant/ advisor, and another for execution (on a turnkey basis) could be justified.

We also noticed that the working relationship between Shri Bharat Bala (who was appointed on the directions of GoM) and the other agencies – Wizcraft, Spectak Productions and other consultants were often discordant. OC's documentation reveals complaints by Mr. Ric Birch about the lack of live stage experience of Shri Bharat Bala. We are unable to comment on the differing perceptions of Mr. Ric Birch and Shri Bharat Bala as to their performance/ experience on the basis of available records.

¹² Only Indian Consultant

10.6.3 Engagement and Performance of Shri Bharat Bala

We found that no contract, specifying his scope of work and terms of remuneration, was signed with Shri Bharat Bala from February 2009 till February 2010. Shri Bharat Bala unilaterally decided his own scope of work for the first phase. Shri Bharat Bala also unilaterally determined his own remuneration:

- Initially in June 2009 at Rs. 40 lakhs per month from May to August 2009 and Rs. 10 lakh per month thereafter; and
- Revised in July 2009 to Rs. 50 lakhs per month from May to August 2009 and Rs. 12.50 lakh per month thereafter.

He was paid a total of Rs. 3.09 crore till October 2010 (including an advance payment of Rs. 0.25 crore).

As against the original timeline of August 2009, Shri Bharat Bala presented the creative concepts for the opening and

closing ceremonies only in September 2009 and December 2009 respectively. Further, the creative concept for the opening ceremony was largely a rearrangement of ideas presented by Wizcraft in August 2009 (as part of the technical evaluation for the event management firm¹³).

We are not clear about Shri Bharat Bala's role in Phase-II as Creative Consultant – “advice and work for overall development of concept and theme”, when the creative concepts had already been presented and an event management firm (Wizcraft) appointed to deliver the ceremonies.

10.6.4 Engagement of Spectak Productions (Mr. Ric Birch¹⁴)

We found that:

- Global tendering procedures were not followed for engagement of the international consultant;
- The tendering process commenced with an EOI in September 2008, was suspended in December 2008 (on the directions of MYAS), and restarted in May 2009. After evaluation in July 2009, an Lol was issued in September 2009 to Spectak Productions for Rs. 10.33 crore and the agreement signed in December 2009.
- The performance guarantee obtained from Spectak Productions was faulty, as it could be invoked only with its prior approval. Consequently, OC was unsuccessful, when in December 2010 (after a review), it tried to invoke the performance guarantee.

¹³ Shri Bharat Bala was present during the technical evaluation.

¹⁴ CEO, Spectak Productions

- OC favoured Spectak Productions by agreeing to take on the service tax liability of Rs. 1.06 crore (when the RFP clearly indicated that the consultant was to indicate costs inclusive of all taxes).

10.6.5 Engagement of Wizcraft as Event Management Firm

We found that:

- The tendering process was initiated in September 2008, suspended in December 2008, and restarted in May 2009. After evaluation in August 2009, the contract with Wizcraft was signed only in December 2009.
- The scope of work of Wizcraft was not adequately clear, as OC also appointed other consultants and contractors, whose scope of work fell within the same areas as indicated in Wizcraft's scope of work.
- No milestones were indicated in the scope of work, and the schedule of payments was not linked to deliverables.
- In the EOI, the contract was to be given on a turnkey basis on the lines of Melbourne CWG-2006; this was changed through a corrigendum issued on 30 September 2008. In the RFP, the Event Management Firm was not to get agency commission on procurement done by OC directly. However, in the contract, OC agreed to pay a fixed ceremonies management fee of Rs. 5.40 crore and event agency charges on a sliding scale depending on the procurement amount, (even on OC's direct procurements) which eventually amounted to Rs. 16.09 crore. This pattern of remuneration was on the

lines of Melbourne CWG-2006. However, OC did not follow the turnkey business model followed at Melbourne, and appointed staff/ consultants and made procurements on their own.

In our view, the event agency charges of Rs. 16.09 crore to Wizcraft were not justified. OC's response that Wizcraft was providing BOQs, drawing up scope of work, and sourcing vendors/ artists etc. is not tenable, since these activities were undertaken by Shri Bharat Bala, Spectak Productions and the other 17 consultants engaged by the OC.

10.6.6 Inappropriate Engagement of Other Consultants

OC appointed 17 other consultants for various ceremony-related activities for the period February to December 2010; Rs. 6.12 crore had been paid till February 2011¹⁵ to these consultants. 16 out of these 17 consultants were appointed on nomination basis (largely on the advice of Mr. Ric Birch and Event Management Firm), with one consultant appointed through limited tender.

Our review of the EOI documents submitted by Wizcraft revealed that five of these consultants (Mr. Piers Shepperd, Mr. Durham Marengi, Mr. Mark Fisher, Mr. Laurence Estrin and Mr. Richard Hartman) had addressed consent letters dated 1 June 2008 to Mr. Ric Birch, wherein they indicated that:

- They would provide their services on an exclusive basis to Spectak Productions

for submitting a creative proposal for the CWG-2010 ceremonies;

- It was understood that Spectak was providing their consulting services to Wizcraft; and
- Should Wizcraft be appointed as the producer for the ceremonies, they confirmed their availability and willingness to participate in the creative production group.

Further, the website of Spectak Productions also indicates that Mr. Ric Birch and 10 Spectak contractors provided services for CWG-2010.

Nexus between Mr. Ric Birch (Spectak Productions), Wizcraft and other consultants

This correspondence involving Mr. Ric Birch (Spectak Productions) and the additional consultants (with references to Wizcraft's role) took place on 1 June 2008, while the EOIs resulting in appointment of Spectak Productions and Wizcraft were issued only in September 2008. We conclude that:

- **Mr. Ric Birch and Wizcraft had a high level of confidence of being awarded the contracts for the CWG-2010 ceremonies, and had tied up with other experts well in advance. Incidentally, the other respondents to the EOI did not indicate evidence of such tie-ups.**

¹⁵ Final payments were yet to be made to two consultants.

- **These consultants, who expressed their willingness in June 2008 to work for Wizcraft, were appointed by the OC in 2010. Evidently, the cost of engaging these consultants was to be paid by Wizcraft, and not by the OC. OC should not have appointed these additional consultants, and their engagement at a cost of at least Rs. 6.12 crore amounted to a clear financial benefit to Wizcraft.**

Further, the terms and conditions of the contracts with the 16 foreign consultants did not safeguard OC's interests:

- The mandays to be spent on-site in India were not provided in 10 cases, and there was no formal system of periodic monitoring and reporting in all cases.
- We found three specific instances of overlapping scope of work – show caller/ stage manager, rigging manager, and master scheduler – between the consultants and Spectak Productions, Wizcraft and another consultant.
- No performance related provisions were incorporated in any of the contracts (despite OCFC's recommendations), which prevented OC from taking adequate action in June 2010 against Mr. Shepperd and Mr. Marengi. Further, no clauses regarding refund of advances (for breach of contract or non-delivery of services) were incorporated; consequently, OC could not take action against four consultants, who resigned mid-way.

- 12 out of 17 contracts did not specify the liability for service tax; OC finally bore the liability for service tax of Rs. 0.52 crore. In the case of Mr. Mark Fisher, OC failed to deduct service tax of Rs. 1.23 lakh.

We also found overpayments of Rs. 0.43 crore to Mr. Shepperd and Mr. Marengi, as well as an unexplained reduction in the scope of work of Mr. Andrew Garrod¹⁶ on 4 October 2010.

10.6.7 Theme song

Shri AR Rehman was engaged for composing and performing the theme song for the Opening Ceremony. The theme song was launched on 28 August 2010 and the video shoot completed only on 11 September 2010, as against the contractual date of 15 August 2010 for release at a press conference. This delay resulted in lack of adequate exposure and publicity for the theme song. No action could be taken for the delay, due to absence of penal provisions in the contract.

10.6.8 Music Composer and Director

OC engaged Shri Ranjit Barot as music composer and director for a turnkey solution for the opening and closing ceremonies at a total cost of Rs. 1.75 crore plus taxes. Contrary to the Fast Track Committee's direction, OC did not obtain the cost break-up for each sequence, nor did it constitute a negotiation committee. Further, we noticed overpayment of Rs. 0.18 crore to Shri Barot; OC also incurred expenditure of Rs. 0.73 crore for royalty and license fees for music (which should have been borne by Shri Barot).

¹⁶ Who was paid \$ 102,700 (Rs. 0.46 crore)

10.6.9 Procurement of accessories/ special items

In order to present spectacular opening and closing ceremonies, OC entered into various contracts for accessories/ special items. We found that the tendering/ award process in most of these contracts were deficient; details are summarized below.

Consultant for Band Stand

With the approval of GOM, OC engaged Mark Fisher Studio, London in October 2009 at a fee of USD 514,000 excluding taxes (Rs. 2.31 crore) for providing architectural designs and drawings for a centre stage pavilion (band stand) in the JLN Stadium for the opening ceremony.

We found that Mark Fisher Studio¹⁷ was engaged directly by the EMC (without OCFC's approval¹⁸).

Subsequently, Mr. Mark Fisher managed to get

- his scope of work revised to cover only “preliminary” designs and drawings”, rather than complete designs and drawings, and
- revised terms for 100 per cent payment in advance.

When the GoM decided in December 2009 to dispense with the bandstand, full payment had already been made; the CEO's efforts to subsequently review the work done by Mr. Mark Fisher were unfruitful.

¹⁷ Mr. Mark Fisher had attended two creative workshops hosted by Shri Bharat Bala; he was also one of the consultants, who submitted a consent letter to Mr. Ric Birch to work with Wizcraft for CWG-2010.

¹⁸ The proposal was, post-GoM approval, remitted to the OCFC, who refused to comment on it at that stage.

10.6.9.1 Hiring of Aerostat

After the idea of the band stand was dropped, Mr. Mark Fisher presented a design for an aerostat in January 2010. A turnkey contract for the aerostat was awarded to K-Events at a cost of € 5.87 million (Rs. 35.81 crore). We found that Mr. Ric Birch had claimed that after having surveyed 51 agencies for different aspects of the aerostat¹⁹, K-Events was the only respondent. Further, Mr. Ric Birch falsely claimed that he had no corporate or commercial relationship with K-Events; in fact, Spectak Productions and K-Events were part of the same group, the Filmmaster Group.

Further, OC showered other undue favours on K-Events:

- It hired two consultants and equipment for this work and paid Rs.2.23 crore; and additionally spent Rs. 0.23 crore for expenses on customs duty and electric generator, as well as necessary approvals; these were within the remit of the turnkey contract awarded to K-Events;
- OC also provided undue benefits worth Rs. 1.13 crore on account of travel, accommodation and other charges.

Further, one out of the five parts (sausages) of the aerostat was not utilized for the ceremony.

10.6.9.2 Pyrotechnic supplier

OC hired Howard & Sons in June 2010 as the pyrotechnic supplier at a cost of US\$ 0.75 million (Rs. 3.38 crore). We found that the supplier was selected through a limited

¹⁹ No evidence of such communications with these 51 agencies was available on record.

tender issued to firms recommended by Mr. Ric Birch, contrary to the Fast Track Committee's direction for an open tender²⁰; Also, we found excess payment of Rs. 0.23 crore on account of non-adjustment of freight charges.

10.6.9.3 Lighting and Searchlight

OC awarded a contract for lighting and searchlight to PRG, Belgium at a cost of US\$ 3.5 million (Rs. 15.75 crore). We found that the tendering/ award process was irregular:

- Limited tendering was adopted, contrary to the recommendations of the Fast Track Committee for open tendering. Further, the firms for the RFP were recommended by the Technical Director (Mr. Piers Shepperd) and not the lighting designer (Mr. Durham Marengi).
- The last date for submission of the bid was extended on PRG's request, as they had not prepared the bank drafts for processing fee and EMD.
- The contract was originally envisaged as two separate RFPs for lighting and searchlight, but a single contract was awarded on the basis of a post-bid proposal by PRG for a composite contract. However PRG did not provide the details of the equipment, they were going to supply.
- The technical evaluation was faulty, as another bidder, BeiAo Events, China with relevant experience was technically disqualified through incorrect evaluation.

Dubious Technical Evaluation of Lighting and Searchlight RFPs to favour PRG

Our review of the papers relating to termination of the services of Mr. Durham Marengi indicated an e-mail from Mr. Durham Marengi to a PRG official, who then complained to the OC against Mr. Marengi's attempt to "frighten" them.

In his e-mail, Mr. Marengi alleged:

- vigorous efforts by Wizcraft to rate PRG as top of the list, and mark down another bidder (Agora) for the lighting RFP,
- PRG failing to meet the bid requirements for the searchlight RFP.

Mr. Marengi then indicated that he and PRG could then "*play our collaboration card... so that OC has their preferred one stop shop*" and Wizcraft "*had their obviously preferred company in place*". Mr. Marengi also offered to "*assure everyone of the absolute integrity of PRG's actions in Delhi*" if PRG sub-hired a part of the contract from the other bidder, Agora, "*which would keep them from feeling aggrieved*".

Mr. Marengi also drew reference to the need to be "*especially squeaky clean as we head towards the infinitely politically correct procurement process that we will find in the UK (2012 Olympic) Games opportunities coming up soon.*"

On the basis of PRG's complaint (enclosing Mr. Marengi's e-mail), the OC terminated Mr. Marengi's contract.

²⁰ Later in March 2010 OCFC agreed for limited tender.

Subsequently, OC re-evaluated the selection of PRG. However, the re-evaluation committee, consisting of Shri Sanjiv Mittal, JDG (Procurement), Shri KUK Reddy, DDG (F&A), Shri Jeyachandran, JDG (F&A), Shri Ram Mohan, DDG (Legal), Ms Indu Anand Director (Ceremonies) and representative of Wizcraft found the selection of PRG to be correct. Interestingly, the committee re-evaluated the contract for lighting (which was the main focus of Mr. Marengi's e-mail) and not the searchlight contract.

We also found other instances of undue favour by the OC to PRG:

- Irregular payment of € 225,000 (Rs. 1.37 crore) to PRG on account of damage to equipment, although risk insurance for such eventualities was contractually PRG's liability;
- Short-deduction of TDS of US\$ 1.13 million (Rs. 5.09 crore), contrary to the advice of OC's CA; and
- Provision of 136 air flights free of cost, instead of 60 (as contractually stipulated).

10.6.9.4 Video Content²¹

We found the OC irregularly awarded a contract of Rs. 3.8 crore for video content to Prime Focus (the L-3 bidder), after negotiations with them, on the basis of Shri Bharat Bala's "strong belief in his capabilities", to reduce their rates to the L-1 rates. Incidentally, no tenders were floated, and only proposals given by Wizcraft were evaluated.

10.6.9.5 Audio Systems

OC awarded the contract for audio systems at a cost of US\$ 1.15 million (Rs. 5.17 crore) to Norwest Production and Sound.Com. We found the award process to be irregular:

- Although an open RFP was stated to have been issued in June 2010, the successful PQ bid was not available on record;
- Norwest submitted two options in its bid, one as per OC's criteria and the other on alternative criteria. During evaluation, OC revised its criteria and opted for the alternate option given by Norwest, thus selecting Norwest and not PRG²² who was L1 as per OC's RFP criteria; and
- While the work was awarded to Norwest through tendering, the contract was signed with Norwest and Sound.com and payments were equally divided between them.

²¹ To be projected on the aerostat

²² Who had just been awarded a composite contract for lighting and searchlight.

Appointment of Shri Omung Kumar (Blue Lotus Productions) as supplier of props for ceremonies

OC engaged Shri Omung Kumar (Blue Lotus Productions) as Art Director for the opening and closing ceremonies and manufacturing of props. The proposal for appointment of Shri Omung Kumar was initiated on the recommendation of Wizcraft, Mr. Ric Birch and Shri Bharat Bala; a separate tender process for manufacturing of props was scrapped at the commercial evaluation stage. The scope of work was finalized in April 2010 with Shri Omung Kumar, bypassing the Fast Track Committee, which was considering this issue. Initially, OC signed a turnkey contract for Rs. 11 crore plus taxes (for props and art direction for the opening ceremony) in July 2010. Subsequently, Shri Kumar was given additional work and props for Rs. 1.45 crore plus taxes, contrary to the principle of a “turnkey contract”. This was further expanded on 10 October 2010 to cover props of Rs. 4.04 crore plus taxes for the closing ceremony (which was just four days away). All these works were awarded without an approved list of props required. The need for such high volumes of expenditure on props is, thus, questionable.

The props included vehicles of different categories, ownership for which was not transferred in OC's name. Further, props worth Rs. 3.09 crore for the closing ceremony and Rs. 0.36 crore for the opening ceremony remained unutilized. In addition, props worth Rs. 2.38 crore were not received at all.

We also noticed that the props procured from Blue Lotus Productions were exorbitantly priced, as is illustrated below:

DESCRIPTION OF PROPS AND PRICES CHARGED

Podium (Rs.50000/- per piece)



Polo Circles (not used) - just a ply piece covered with cloth (Rs.13425/- per piece)



DESCRIPTION OF PROPS AND PRICES CHARGED

**Ashok Chakra painted on cloth
(4 metres diameter) (Rs. 150000/-)**



**Placard for each CGA
(Rs.3521/- per piece)**



**Sugarcane Truck
(Rs.10 lakh)**



**Chinese fan
(Rs. 11,000 per piece)**



DESCRIPTION OF PROPS AND PRICES CHARGED

Mobile flag holder - Used to hold the flags for all CGAs (Rs.2254/- per piece)



Garland with stand used as a show piece (Rs. 46833/- per piece)



Bangles for Namaste (Rs.22,950- per piece)



Chagada – Gujarati style (Rs. 2.5lakh)



Tiffin trays for dabbawalas (Rs.8,141/- per piece)



Milk Churn with Bicycle (Rs. 8,000 per set)



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DESCRIPTION OF PROPS AND PRICES CHARGED

Small truck (Tata 407-1996 model) Rs.4.47 lakh



Car (Ambassador-2001 Model) Rs.3.45 lakh



Though the EB asked OC to dispose off these props by selling them in order to earn revenue, Chairman OC approved the proposal for handing over the props and costumes to artist and schoolchildren.

10.6.10 Ground Protection and restoration FOP



Ground Cloth Closing ceremony Lying in JLN Stadium (Picture Taken 1 March 2011)



Ground cloth Opening ceremony Lying in JLN Stadium (Picture Taken 1 March 2011)

OC incurred a total expenditure of Rs. 17.84 crore on various forms of protective coverage for the ground at JLN Stadium for the opening and closing ceremonies. This included:

- Rs. 7.87 crore on procurement of ground protection (temporary flooring tiles to take heavy loads);
- Rs. 2.71 crore on ground cloth (thick carpets) for the opening and closing ceremonies; and
- Rs. 7.26 crore for rolling out grass turf replacement for the Field of Play in the stadium (where grass had initially been laid by CPWD at a cost of Rs. 0.40 crore).

We found that the need for multiple forms of ground protection was not adequately justified. In addition:

- The area to be covered was fixed after the RFP were issued; this area was subsequently reduced and even the reduced supply (of ground protection tiles and ground cloth) was utilised only partially²³ (leaving 4500 tiles worth

Rs. 2.02 crore as well as 16 rolls of ground cloth worth Rs. 0.20 crore, unutilised).

- Ground cloth for the closing ceremony was merely optional, but the OC still went ahead with procurement.

Further, the procurement of all these items was irregular:

- Procurements were done without following global tendering and also not providing adequate time for bidders to respond.
- The ground protection contract was initially floated on hiring basis in March 2010. Out of three qualified bids, the L-1 bidder (Signature Fencing and Flooring Systems) and L-2 bidder (Signature Fencing jointly with Jubilee Sports Technology Ltd.) were essentially the same. After the L-1 bidder withdrew its offer for Rs. 7.87 crore (purportedly

²³ The original requirement of ground tiles of 23,000 sq. meter was reduced to 16,900 sq. meter, but only an area of 11,970 sq. meter was covered.

because it refused to bear the withholding tax), the scope of work was reduced (from 23,000 sq. meter to 16,900 sq. meter) and awarded in June 2010 to L-2 (since Jubilee Sports agreed to bear the tax). Then, Jubilee Sports refused to bear the tax, and the contract was awarded on procurement basis to Rs. 7.87 crore to Signature Fencing. Incidentally, Signature Fencing supplied only one layer of ground protection (against the contracted three layers of protection)

- The ground cloth contracts for the opening and closing ceremonies were awarded on the basis of single responses to GeoFabrics, UK and Lalit Art Studio at costs of US\$ 387,695

(Rs. 1.74 crore) and Rs.0.97 crore. Further, Lalit Art Studio supplied ground cloth of the wrong colour (white against black and sand colour), but OC accepted the cloth.

- OC awarded the contract for rolled grass turf replacement in June 2010 at Rs. 7.26 crore to Hortus Consultants Ltd, after re-tendering. In addition, OC also awarded a service agreement for Rs. 0.48 crore in September 2010 to supply water proof membrane for levelling of ground and filling of sand for the Field of Play, which was actually the responsibility of CPWD. There was no evidence that CPWD refused to undertake this work.



Unused Ground Protection Tiles (March 2011)

OC was responsible for providing catering services at the Games Village and venues for athletes and team officials, CGF/ CGA officials, VIPs, technical officials and media persons, volunteers, workforce, contractors and spectators.

We found inexplicable delays in planning for catering services, as well as in the execution of various catering-related activities. The catering contracts for CWG-2010 were awarded only between May and August 2010, in contrast to the scenario for Melbourne CWG-2006 and London Olympics 2012 where these were awarded more than a year in advance.

There were numerous irregularities in the award of the Games Village catering contract. The process of award took 14 months, with two rounds of tendering, both on single financial bids. The cancellation of the first tender by the Chairman, OC was not only against the recommendations of OC officials, but was also done after opening the single financial bid on the Chairman's verbal orders. This decision to re-tender weakened the OC's negotiation position vis-a-vis the vendors and resulted in frantic activity upto June 2010 for conclusion of four separate contracts/ agreements.

The process for award of venue catering contracts was also flawed, with unusual delays. This witnessed one round of cancellation of tenders, and floating of three new RFPs as late as July 2010, with compromises on transparency, quality and economy (due to insufficient competition). Consequently, there were numerous complaints about the venue catering services, resulting in emergency arrangements during the Games time.

11.1 Planning for Catering Services

Catering for all the under mentioned categories of persons was an activity which was solely the mandate of the OC.

- athletes and team officials;
- CGF/CGA officials and VIPs;
- technical officials and media persons;
- volunteers, workforce, and contractors; and
- spectators.

We found totally inexplicable delays in planning for catering services:

- The catering functional area in the OC was activated only in January 2009 (against the original deadlines of June 2007) with the appointment of an Assistant Project Officer.
- The first draft operational plan for catering was prepared only in March 2009; also, a comparison of the sequence of actual catering-related activities vis-a-vis the operational plan revealed substantial deviations, raising serious doubts as to the actual implementation of the plan.



11.2 Contrast between CWG 2010 and Melbourne 2006 and London Olympics 2012

The catering contracts for CWG-2010 (Oct 2010) were awarded only between May and August 2010. By contrast, the contracts for Melbourne CWG-2006 (Mar 2006) were awarded in February 2005. The contracts for the London Olympics 2012 (July 2012) have already been awarded in February 2011.

Only one tie-up between the catering contracts and sponsors in the catering area could be arrived at, due to the enormous delays and uncertainties in finalisation of contracts for both sponsorship and catering. By contrast, the roles of the Olympic sponsors (McDonalds, Coca-Cola and Cadbury) vis-a-vis other catering service providers (incumbent and future) for London-2012 were clearly identified as early as in December 2009.

Catering requirements were divided into 11 tender packages, based on their location, size and scope –

- one for Catering for the Games Village (CGV);
- eight for clusters of venues; and
- two for non-venues (airport/ International Broadcasting Centre).

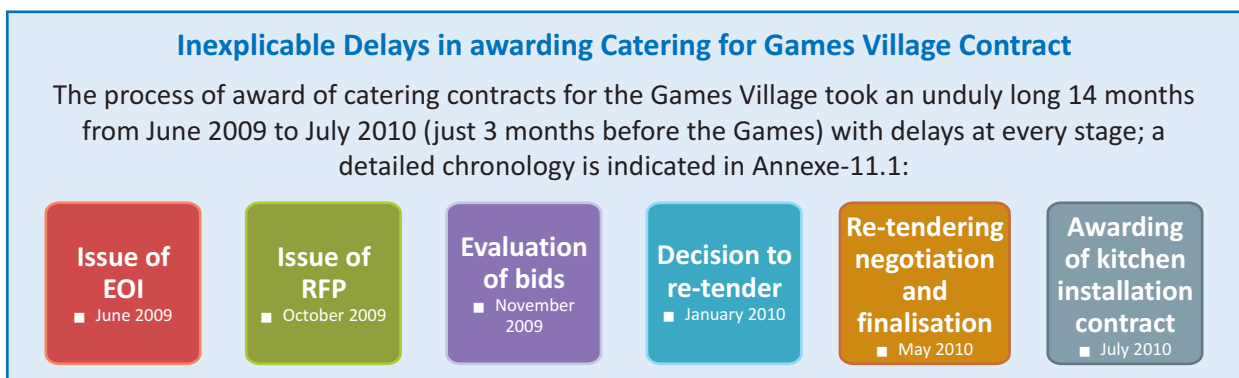
EOI were issued in June 2009 for all 11 tender packages; the Games Village package was processed first. The RFPs for the other 10 packages were staggered.

11.3 Award of Catering for Games Village (CGV) Contract

As per the HCC, the OC was to provide a variety of meals to all athletes, round the clock, in the Games Village. The food in the Games Village was to be prepared taking into consideration the special needs of high performance athletes, as well as national and religious habits and traditions of the competitors. More than 8000 athletes and officials were expected to stay in the Games village and to have food there. The catering contract was envisaged in two parts:

- Part A – for provision of catering services; and
- Part B – for kitchen design and construction

Figure 11.1 — Award of Games Village Catering Contract



We found serious deficiencies in the tendering/ award process:

- Global tendering, requiring issue of advertisement in the Indian Trade Journal and consultation with Indian embassies abroad and foreign embassies in India, was not followed at any stage.
- Although four bidders were technically qualified (after evaluation of responses to the June 2009 EOI), only one party – Delaware North Company Australia (DNC) submitted a financial bid¹.

Questionable Decision by Chairman to re-tender

The Evaluation Committee noticed that DNC had not submitted the EMD with its technical bid, but still decided to continue with technical evaluation. The Committee recommended, in December 2009, condonation of non-submission of EMD and opening of the commercial bid. The CEO recommended EB approval for such condonation. However, on verbal orders of the Chairman on 11 December 2009, the commercial bid of DNC was opened.

A month later, on 12 January 2010, the Chairman ordered re-tendering, due to non-submission of EMD². Despite SDG Catering's advice of 13 January 2010 that such re-tendering would take about 3-4 months with disastrous consequences and a subsequent e-mail from 19 January 2010 from DNC confirming that it was committed to depositing the EMD, the decision to re-tender was communicated to DNC on 2 February 2010. OC informed (December 2010) us that the Chairman was requested repeatedly for immediate decision on the DNC bid, but “due to reasons known to him” decided to re-tender the contract.

This was based on a reversal of opinion by Shri Jeychandran, JDG (F&A) and Shri Ram Mohan, DDG (Legal) (who were part of the evaluation committee recommending condonation), now agreeing with the Chairman's decision to retender. CEO's direction to submit this decision for OCFC's consideration was rebutted by the views of Shri Jeychandran and Shri Ram Mohan that the Chairman was the competent authority. The decision was never put up for the approval of either the EB or the OCFC.

As described below, the decision to re-tender unleashed frantic activity between March and June 2010 for tendering, negotiation and conclusion of four separate contracts/ agreements - with DNC for catering, PKL for procurement of kitchen equipment; Balmer-Lawrie for airlifting of kitchen equipment, and Constellation-Aster for kitchen installation and additional equipment. At this stage, every delay (howsoever minor) weakened the negotiating position of the OC, leaving it at the mercy of vendors.

In a separate response, Shri Kalmadi indicated that it was incumbent on the OC to reject the bid in the light of non-submission of EMD, and there was no occasion to seek the approval of the EB for enforcement of stipulated tendering conditions; hence, his decision was not questionable. We do not agree, for the reasons indicated above.

¹ In consortium with TajSATS and PKL London

² As already pointed out (Annexe 7.3 F), in three other previous contracts, the OC took a contrary position by condoning the non-submission of EMD.

- After re-tendering in February 2010, only one bidder (DNC) was found technically qualified, and its financial bid opened on 26 March 2010 (in their presence). However, on 30 March 2010, DNC stated that PKL, their partner for kitchen design and construction had refused to participate (*“due to frustrations and concerns about OC's processes and procedures to meet deadlines”*) and asked OC to directly negotiate with PKL (while also stressing that only PKL should be appointed as the equipment supplier).
- We did not find evidence of a valid consortium between DNC and PKL/ TajSATS (whose staff strength was included in DNC's bid document to meet the manpower requirements stipulated in the RFP). Further, the re-evaluation of technical bids after change in scope of work (removal of kitchen design and construction) was not done. Despite several deficiencies in the DNC bid, OC had no choice but to go ahead with the contract with DNC, nor was it able to enforce any penal measures against DNC for suddenly backing out from part of the bid. This was because the sequence of delays had left OC with no options in this regard.
- OC separately negotiated with PKL, who offered only outright purchase of the ex-hire (used) kitchen equipment (rather than hire), which was done in May 2010. At this stage, OC was in a weak negotiating position, which was exploited by DNC and PKL.
- Due to the delayed finalisation of the kitchen equipment contract with PKL, OC was forced to airlift the kitchen equipment in July 2010 from London at

a cost of Rs. 8.59 crore through Balmer-Lawrie.

- OC awarded a separate contract in June 2010 for purchase of additional equipment and installation of kitchen equipment purchased from PKL to a consortium of Constellations and Aster Technologies. A time limit of just 10 days (which was not extended) was provided for submission of bids. Further, Constellation did not qualify on its strength; Aster Technologies, whose role was not indicated in the bid, was evidently included only to meet the criteria of annual turnover of Rs. 15 crore. Incidentally, Shri Sunil Khanna, who was appointed in May 2010 as a consultant in the OC's Catering Functional Area, was already associated with Aster Technologies; this clear conflict of interest was not documented before award of the contract. Shri Khanna resigned from the OC on 13 June 2010³ citing his association with Aster Technologies. It appears that his sole interest in the OC was to facilitate award of the contract to the Constellations – Aster Technologies consortium.
- The kitchen was ultimately handed over by the OC to DNC only on 9 September 2010 (as against the contractually stipulated date of 15 August 2010). OC attributed this delay to DDA's failure to hand over the kitchen area in time.

In response, OC accepted that *“the decision making authority kept on postponing the decision. The merry go round of the SFC-*

³ Shri Khanna purportedly joined on 24 May 2010. However, the head of OC's Workforce Functional Area indicated that he learnt of Shri Khanna's joining only on his resignation.

EMC-EB-EMC-Chairman-EB took a heavy toll on precious time.” OC also agreed that a prompt decision in April 2010 could have ensured transportation through shipping instead of airlifting, but stated that “taking

prompt decision was never a strong point with OC”.

The financial implications of the numerous changes in the Games Village Catering Contract are summarised below:

Table 11.1 – Financial implication of changes to Games Village Catering Contract

November 2009	March 2010	May - July 2010	December 2010 (Payments)
DNC's Original Financial Bid	DNC's Revised Financial Bid	Contract with DNC - Rs. 66.59 crore	Rs.57 crore
Part A – Rs. 52.20 crore	Part A – Rs. 57.96 crore	Procurement from PKL - Rs. 8.63 crore	Rs.8.63 crore
Part B – Rs. 18.95 crore	Part B – Rs. 21.10 crore	Contract with Constellations/ Aster - Rs. 9.50 crore	Rs. 9.50 crore
		Airlifting of kitchen equipment by Balmer Lawrie - Rs. 8.59 crore	Rs.8.59 crore



View of the dining area in the Games Village

From the available documentation, we are unable to explain how the purchase price of equipment from PKL (Rs. 8.63 crore), even after clubbing with the Constellations/ Aster contract (Rs. 9.50 crore), was lower than the corresponding components of DNC's original and revised financial bids (which were on hire basis).

In response, OC indicated that there would be substantial savings of Rs. 9.4 crore on the DNC contract. Although the 527,227 meals provided exceeded the estimate of 480,435 meals, there were savings on account of overhead charges on actual basis, office space provided by the OC and Value-In-Kind (VIK) sponsorship from Coca Cola.



Kitchen equipment lying in packed condition post-Games

OC has still not been able to either dispose of the kitchen equipment or transfer/ redeploy it to a Government/ semi-Government body or institution. We recommend that the OC and MYAS take immediate action on this account, as the value of such equipment is continuously depreciating with time. Meanwhile the equipments are lying in the Games Village.

In our opinion, the lack of adequate competition for the Games Village Catering Contract from organizations with requisite global experience and credentials⁴ is strange, to say the least. DNC was the only truly eligible bidder with global experience in both rounds of tendering and it was, in a sense, inevitable that the contract would be awarded to DNC without financial competition.

From the documentation made available to us, we found no evidence of OC systematically having identified the large global players who had relevant experience over the last 10 years or so, or having encouraged such players to respond to the EOI (so as to promote adequate competition). Lack of competition was further accentuated by the OC's delays in planning and tendering/ approval, which left little time

- both for the catering agency to finalise its operational and logistical plans and for the OC to scout around for alternatives.

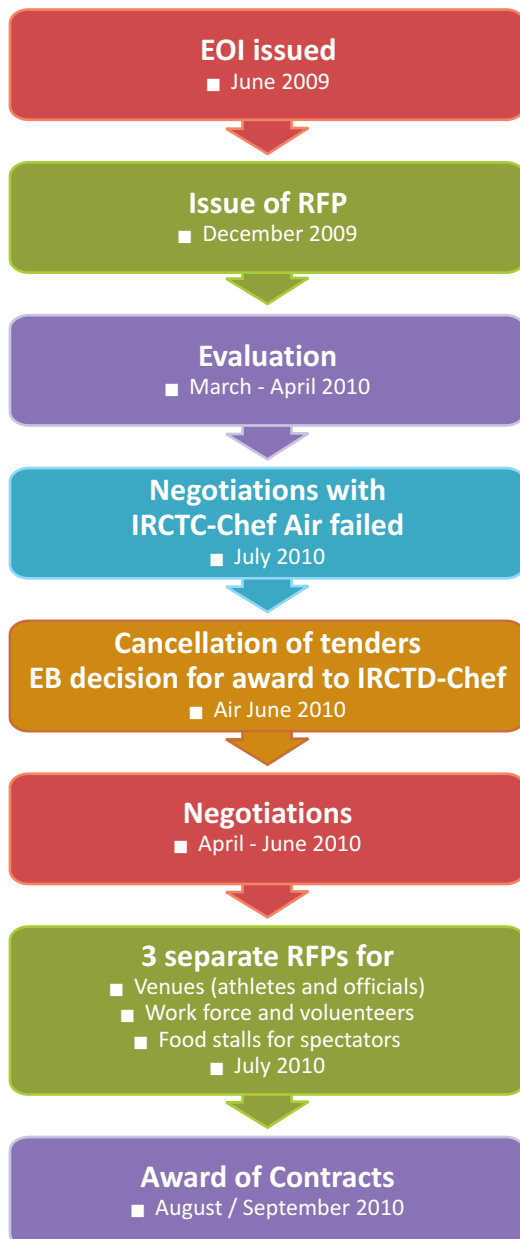
11.4 Catering at venues and non-venues

Although a common EOI was issued in June 2009 for the Games Village package and ten other catering packages (8 venue clusters and 2 non-venue clusters), the RFPs for the Games Village package and the other packages were to be issued in a “staggered manner”, purportedly to ensure proper framing of the Scope of Work. This merely ensured more delay for the venue and non-venue clusters; 13 out of 16 bidders were qualified, and RFPs issued to them only in December 2009.

⁴ e.g. Aramark, the largest food caterer in the US, which provided catering services at the Beijing Olympics 2008 did not show any interest, even at the EOI stage.

Inexplicably, catering for spectators at venues was not planned specifically as a revenue generation activity, and was clubbed with other catering services (which were cost centres, to be paid for by the OC). Further, the scope and range of catering services for spectators and others (and consequently the pool of potential service providers) were quite different; this was also not considered at the planning stage.

Figure 11.2 – Award of catering contracts for venue/ non-venue clusters



The process of award of catering contracts for the venue/ non-venue clusters took an even longer 15-16 months from June 2009 to August/ September 2010, with several flip-flops; a detailed chronology of events is listed in Annexe 11.2.

In our view, the delays and frequent changes are indicative of complete ad hocism:

- The RFP for venues/ non-venues was issued in December 2009, a full six months after the EOI, purportedly to ensuring proper framing of the scope of work. However, the last date for submission of bids to the RFP was extended twice due to changes in templates and the size of the work, indicating extremely poor estimation of requirements;
- In the first round of bidding, IRCTC submitted bids for all venue clusters⁵, with four other bidders for selected clusters;
- The first attempt by the Chairman, OC to cancel the tendering process took place in March 2010 after the technical evaluation, when he indicated that many reputed firms like ITDC had not participated. However, the commercial evaluation was allowed to proceed on the SDG Catering's advice that delays would escalate cost and make it difficult to meet deadlines;
- Multiple rounds of negotiations were carried out over three months (April-June 2010) with the five bidders for the clusters where they were L-1. The total estimated expenditure came down from Rs. 77.94 crore to Rs. 68.46 crore.

⁵ There were no bids at all for the two non-venue clusters.

- The results of these negotiations were nullified in June 2010, when the Chairman suggested cancellation of all tenders and nomination of IRCTC-Chef Air, which was endorsed by the EB; and
- After negotiations, though IRCTC agreed for a total amount of Rs. 43.83 crore, OC decided in July 2010 not to accept the IRCTC offer and float new RFPs. At this point of time, Shri Jiji Thomson SDG Catering clearly expressed his strong objection to floating new RFPs with diluted eligibility criteria and service levels (which would result in taking on board contractors with no proven experience in catering to such mega events) and requested that he be relieved of the responsibility of the Catering Functional Area, as he wanted to distance himself from such a move⁶. Subsequently, the responsibility for this functional area was handed over to Shri Sanjiv Mittal, JDG (Procurement) (with SDG Catering to continue to “supervise” the work), and new RFPs were floated.

11.5 Floating of three “new” RFPs in July 2010

Three separate RFPs were issued on 19 and 24 July 2010 for appointment of:

- Agency for operating food stalls for providing food and beverages to spectators as “user pay service” at 8 venue clusters;
- Caterers for all lounges (for athletes, officials and VIPs) in competition and training venues; and

⁶ Interestingly, this file was returned by the Chairman's Office only in December 2010 to the Catering Functional Area.

- Caterers for supply and distribution of food packets to workforce, volunteers, security personnel at all venues (except the Games Village).

The RFPs provided just 6-10 days time for bidding, thus restricting participation (as pointed out by SDG Catering).

11.5.1 Agency for operating food stalls for spectators

In August 2010, OC selected Fast Trax, which was the H-1 bidder offering Rs. 0.93 crore for all eight venue clusters, as the agency for operating food stalls for providing food and beverages to spectators. The MoU was signed only on 27 September 2010 and was badly drafted⁷.

Safety of Food for Spectators

Initially, the RFP stipulated submission of lab test reports for the last three months; this was relaxed to submission of food safety certificates (HACCP/ ISO 22000) in lieu thereof. Further, Fast Trax's bid for catering at the lounges (for athletes, officials and VIPs) and provision of food packets for workforce and others was rejected due to non-submission of HACCP certificate. In fact, Fast Trax's offer of Value-in-Kind sponsorship of Rs. 8 crore for food packets was rejected on this account.

Clearly, while the OC was unwilling to compromise on food safety standards for the Games Family (and association of the Games brand with non-HACCP agencies for such catering), it did not accord the same priority to food safety for spectators.

⁷ The MOU indicated the date of payment of the second installment as 23 September 2010, which had already elapsed.

The entire amount was to be paid in advance – 25 per cent on signing of the MoU, 50 per cent by 23 September 2010, and 25 per cent by 2 October 2010. However, as of December 2010, OC had received only Rs. 0.38 crore. In response, OC indicated they were taking legal recourse for recovery of the balance amount.

11.5.2 Caterers for Lounges at Competition and Training Venues

We found significant deficiencies in the tendering process for catering for lounges:

- For two venue clusters – 1 and 2, multiple bids were received, and the contracts were awarded by the Fast Track Committee to the L-1 bidders - Graviss Hospitality and IRCTC, at Rs. 5.2 crore and Rs. 1.7 crore respectively. For cluster 4, a single bid was received from Seven Seas at Rs. 2.0 crore and accepted. However, IRCTC's single bids for clusters 3, 7 and 8 (at Rs. 1.40 crore, Rs. 0.80 crore and Rs. 3.2 crore) were rejected on being found “very expensive”. Clusters 5 and 6 received no bids, but received fresh bids for Rs. 1.90 crore and 1.20 crore from Graviss (under a new clause of “right of first refusal” for technically qualified bidders evolved by the Committee); these were, however, rejected.
- The Committee cancelled the bidding for clusters 3,5,6,7 and 8, and called for “snap bids” in 24 hours from the same three bidders (IRCTC, Graviss and Seven Seas). After this round of “snap bidding”, cluster 6 was awarded to Graviss at Rs. 0.74 crore, and clusters 3,5,7 and 8 to Seven Seas at Rs. 1.20 crore, Rs. 0.90

crore, Rs. 0.78 crore and Rs. 1.38 crore respectively.

- Additional work of providing hot meals to athletes and team/ technical officials for lawn bowls venues was awarded to Graviss at Rs. 0.36 crore.

OC followed an arbitrary approach in this process. In the first round, Seven Seas was awarded a cluster on single bid, but IRCTC did not receive the same consideration for three clusters where it was a single bidder. Instead of negotiations with all single bidders for reducing the costs, OC evolved an unusual and irregular practice of “snap bids”, which involved complete lack of transparency.

Interestingly, while the catering rates for the lounges for athletes and technical officials ranged from Rs. 450 to Rs. 600 per head per day, the corresponding rates at the lounges for the VIPs and Games Family ranged from Rs. 1190 to Rs. 2356.

11.5.3 Caterer for supply and distribution of food packets

Out of seven responses, OC found five firms technically qualified and awarded the work to the L-1 bidder, AFP Manufacturing Co. Pvt. Ltd (a manufacturer of namkeen, snacks and bakery products), at a cost of Rs. 8.75 crore. However, we found that AFP Manufacturing was ineligible and was irregularly qualified by the OC:

- They did not provide details of catering processes, equipment details, manpower, transport, kitchen equipment etc., as stipulated in the RFP. Instead, they submitted an MOU dated 30 July 2010⁸ with Co-ordinators, who

⁸ Last date of submission of bid

also did not provide such details but merely indicated a list of recent clients.

- The HACCP certificate for AFP Manufacturing was for their unit at Bhiwadi, manufacturing namkeen and bakery products and not for any catering services. This issue was flagged by the catering consultant and SDG Catering. Subsequently, AFP submitted an HACCP certificate for hospitality and catering for Ekta Shakti Foundation, a body under the “umbrella” of AFP with experience of supplies for the Mid-day Meal Scheme⁹.

OC's failure to examine AFP Manufacturing's capability for such large scale catering services before awarding the work to it resulted in total chaos. AFP's base kitchen was not found satisfactory during OC's inspection on 25 September 2010. Further, OC's estimation of the requirement of meals also went up by more than 100 per cent, and AFP was found incapable of serving such large requirements. AFP also indicated their inability to provide packed lunch and dinner before 1 October 2010. OC was forced to make alternate arrangements:

- Engagement of 19 new caterers (in two phases);
- Engagement of Kohinoor Foods for retort¹⁰ food as a back-up solution;
- Use of vehicles and manpower of AFP; and
- Buffet solution (along with on-site packing) at JLN Stadium, and provision of dry snacks from AFP.

⁹ By contrast, Fast Trax was declared ineligible for want of the HACCP certificate.

¹⁰ Food in a flexible sealed pouch or package which can be stored for long periods without spoiling

Besides additional expenditure of Rs. 4.23 crore, the arrangements for catering for the work force turned out to be chaotic, with numerous complaints about non-service and unhygienic food from various categories of users.

Incidentally, OC had engaged TQS for food audits at all locations at a cost of 0.88 crore. Although the food audit reports were available on OC's records, there were numerous complaints about food quality. Further, food audit of the base kitchens of some of the caterers could not be conducted, as even JDG/SDG Catering were not aware, till the last minute, of the source of food supply for each venue.

11.6 Catering at Airport

Catering at the airport originally constituted Cluster 11 at the stage of the initial EOI of June 2009. This aspect was not considered subsequently till 20 September 2010, when the need for providing meals at the airport from 23 September 2010 to guests and workforce was flagged. After discussions with Delhi International Airport Ltd. (DIAL), OC appointed two existing caterers at the airport – Premium Port Lounge Management and Global Gourmet – out of the five caterers suggested by DIAL. OC incurred a total expenditure of Rs. 0.75 crore for catering at the airport.

Successful organisation of the Games required several integrated technical solutions – a Timing, Scoring and Results (TSR) system, a Games Management System (GMS), a Games Time Website, and supporting IT, telecom and network infrastructure.

The TSR system is required for capturing and disseminating the detailed results of a competition. We found that planning for TSR was badly delayed and initiated only in January 2009. The tendering and award (including re-tendering) process took an unusually long period of 13 months from March 2009 to March 2010. There was an abnormal six months gap between the 1st EOI in March 2009 and the issue of the RFP (for the 2nd tender) in October 2009. There were clear and repeated interventions at different stages to steer the TSR contract towards Swiss Timing Omega and eliminate MSL, Spain.

- *The technology consultant recommended award of the contract on nomination basis to Swiss Timing Omega.*
- *The RFP (for the 2nd tender) favoured Swiss Timing Omega by stipulating experience in Asian Games, CWG or Olympics during the last five years with “end-to-end service”; this was further amended to change the service requirements from “Timing, Scoring and/or Results” to “Timing Scoring and Results”.*
- *MSL, Spain was irregularly disqualified at the PQ stage, overruling objections from two members of the Evaluation Committee. MSL, Spain and Swiss Timing Omega had jointly provided TSR solutions for Melbourne CWG-2006, Doha Asian Games-2006 and Beijing Olympics 2008. Both MSL and Swiss Timing Omega were equally qualified / unqualified as to the “end-to-end service requirement” or the requirement to provide Timing, Scoring and Results. Further, the fact that MSL had been appointed for providing TSR for 2010 Asian Games Guangzhou was not considered.*

OC was thus left with a single financial bidder, effectively eliminating any opportunity for competitive pricing of TSR. This facilitated award of the TSR contract to Swiss Timing Omega at an exorbitant cost of Rs. 135.27 crore (compared to just Rs.39.84 crore equivalent at Melbourne CWG-2006 from the same vendor).

There were several deficiencies in the performance of TSR. TSR was not tested either during the test events, or in a real-time Games situation. The Commentary Information System (CIS) and remote CIS did not function properly during most part of the Games. The Games Information System (provided as Value-in-Kind sponsorship by Swiss Timing Omega) also did not function properly.

The award of the Games Management System (GMS - the primary IT application for administration of the Games) was also flawed. As in the case of TSR, the RFP conditions were unduly restrictive by stipulating experience in Asian Games, CWG or Olympics during the last five years. Three out of four bidders were disqualified, with MSL, Spain being eliminated through a biased evaluation. However, Gold Medal Systems was declared eligible, despite not submitting any documentation in support of its financial strength and finally awarded the GMS contract at a total cost of Rs. 25.29 crore (compared to just Rs. 4.15 crore equivalent at Melbourne-CWG from the same vendor).

Inexplicably, OC failed to consider the need for a Games Time website (the main Internet platform for disseminating real-time information on sporting events during the Games) till June 2010. The award of the contract to HT-Hungama was flawed and irregular. In the absence of bids being received in a sealed cover, associated complaints, and a cash discount (which we cannot confirm if it was received with the bid) making the L-3 bidder into L-1, the award procedures appeared to lack transparency. In addition to adverse media reports about the website's performance, the CGF President also confirmed serious problems with the website; documentation with OC on this aspect was, however, sparse and unreliable.

In October 2009, OC appointed Telecommunications Consultants India Ltd. (TCIL), a PSU, as a turnkey implementation agency for telecom, IT and networking projects and paid Rs. 18.66 crore. We found that the engagement of TCIL was unjustified, and TCIL's contract was not implemented in turnkey mode (with OC remaining in full control of approval of individual contracts).

Further, TCIL's consulting services/ advice was only taken in a selective manner, and not used at all for telecom services.

OC had not properly planned the decommissioning of technology and IT equipment. Rs. 21.04 crore of leased equipment was yet to be returned to the vendors, while procured items were still lying with the OC.

12.1 Overview of Technology Requirements

The main technology requirements for successful staging of the Games covered:

- A Timing, Scoring and Results (TSR) system for capturing details of the results of the sporting events, and other associated systems/ modules;
- A Games Management System (GMS) for supporting administration of the Games;
- A Games Time Internet website for enabling public access to full details of sporting results; and
- IT, telecom and network infrastructure to support the above systems and normal office automation applications.

12.2 Management of Technology Functional Area

We found that there was lack of adequate leadership, advice and continuity for the Technology Functional Area:

- There were as many as nine key persons associated with the functional area at different points of time:

Table 12.1 — Key persons associated with Technology Functional Area

People associated	Period
VK Gautam	September 2007 to October 2009
SK Dass	January – April 2008
Sujit Panigrahi	October 2008 – December 2009
Sandeep Arya	November 2009 – December 2009
Ajit Sirohi	December 2009 – February 2010
Sunil Arya	February – November 2010
Harsh Kumar	February 2010 till date

- Shri Brian Nourse prepared the Functional Area report for technology in August 2007 on behalf of EKS, and was subsequently appointed twice as Consultant by the OC – from December 2007 in intermittent spells, and continuously from September 2009 to October 2010¹. On both occasions, his scope of work was not clearly defined, timelines were not given, and payments were not linked to achievement of deliverables.

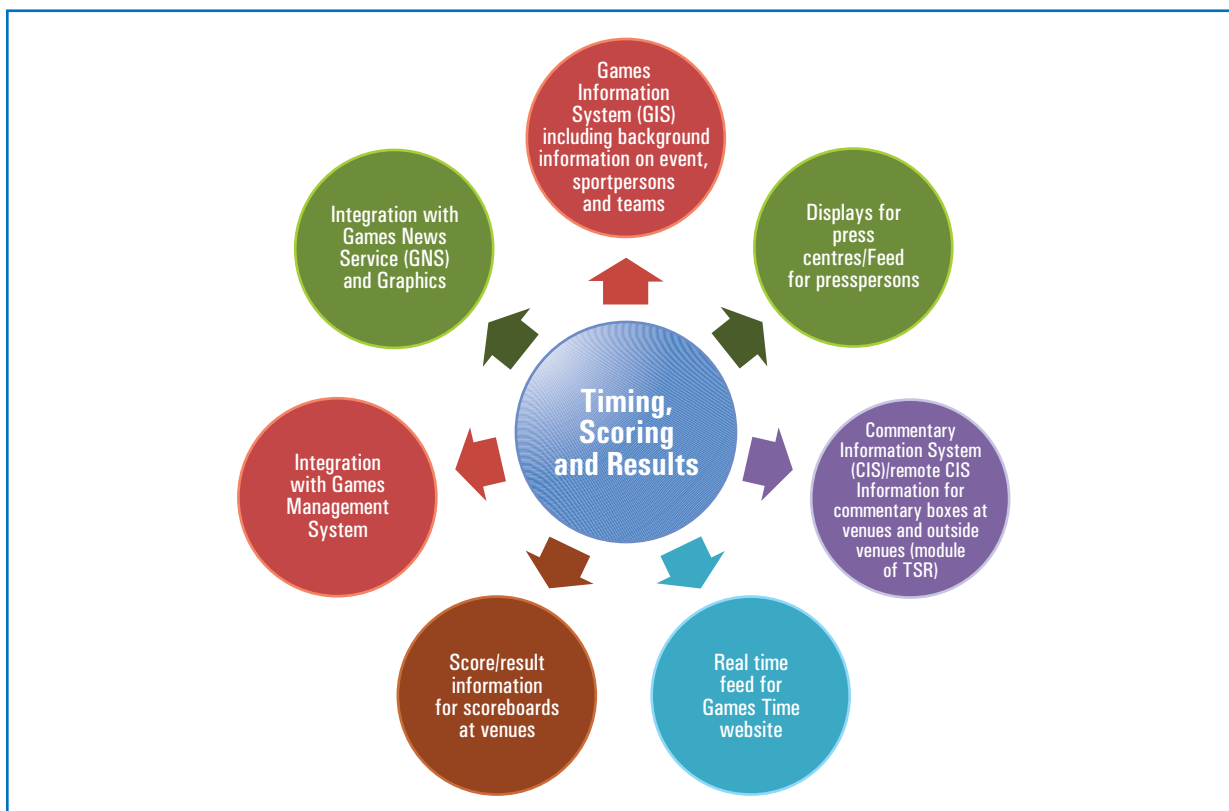
12.3 Timing, Scoring and Results (TSR) System

12.3.1 Overview

The Timing, Scoring and Results (TSR) system captures the detailed results of a competition, both during and at the conclusion of the session, and distributes this information, while ensuring consistency in results, outputs and graphics. An overview of the TSR system and integration with other systems is depicted below:

¹ Shri Nourse's contract was terminated by the OC in March 2010, in order to enable him to commence work for Glasgow CWG-2014.

Figure 12.1 – Overview of TSR System and integration with other systems



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OC procured the TSR system from Swiss Timing Omega at a cost of Rs. 112.45 crore (CHF 2,49,90,000) with an additional liability of Rs 22.82 crore for service tax (Rs. 11.58 crore) and withholding tax (Rs. 11.24 crore).

12.3.2 Delays in Planning

We found that planning for TSR for CWG-2010 was badly delayed and the first draft of the scope of work for TSR was prepared only in January 2009². By contrast, planning for TSR services for London Olympics-2012 started four years in advance. The delays at the planning stage were primarily attributable to lack of internal expertise and complete reliance on the consultant.

² Shri Bhanot, however, announced at a meeting of the Centralised Co-ordination Committee in December 2008 that Swiss Timing Omega would be providing the TSR equipment, even before the TSR scope of work was prepared.

12.3.3 Budgeting

The original budget for TSR-related activities of Rs. 57.53 crore was increased to Rs. 109.53 crore by the EFC in October 2009. The total cost of TSR of Rs. 135.27 crore exceeded the budget by Rs. 25.74 crore, despite the absence of any additional budget allotment / re-appropriation.

Abnormally high cost of TSR in CWG-2010 as compared to Melbourne CWG-2006

OC procured the TSR system at an abnormally high sum of Rs. 135.27 crore from Swiss Timing Omega in March 2010, as compared to Rs 39.84 crore³ (AUD \$12 million) spent for Melbourne CWG - 2006 for procuring the system from the same manufacturer i.e. Swiss Timing Omega. This additional cost is abnormally high and calls into question the reliability of the contracting procedure.

³ 1AUD=Rs.33.20 (as on 1.1.2006)

Originally, TSR was envisaged as a legacy item to be procured centrally by an agency to be designated by MYAS out of the budget provision of venue owners⁴. It is only in the EFC meeting of October 2009 that Shri VK Verma, DGOC stated that the TSR equipment would be on “lease in- lease out” basis. However, the budget for TSR was still given as a grant, rather than a loan.

When the final accounts of the OC are drawn up, this should be treated as a loan for accounting purposes, although the ultimate deficit will necessarily have to be borne by Gol.

12.3.4 Award of TSR Contract

We found unduly long delays in the tendering and award of the TSR contract:

Figure 12.2 – Undue delays in tendering and award of TSR contract



There was an abnormally long gap of six months between the first EOI (March 2009) and the issue of RFP (October 2009), which was punctuated only by the consultant's discussion paper (May 2009) making a case for engaging Swiss Timing Omega on nomination basis.

Such unwarranted and unexplained delays, particularly at a stage in organizing the Games when shortage of time was a critical concern, suggest considerations other than ensuring fair and transparent practices in award of the contract which are borne out by our findings.

⁴ As clarified in the December 2008 meeting of the Centralised Co-ordination Committee.

We observed that there were clear and repeated interventions to steer the contract towards Swiss Timing Omega and eliminate MSL, Spain and other potential bidders

through biased technical evaluations to restrict competition that resulted in a single financial bid with no scope for competitive pricing:

Table 12.1- Chronology of events relating to TSR contract

Timeline	Stage	Intervention
December 2008	Centralised Co-ordination Committee Meeting	<ul style="list-style-type: none"> Announcement by Shri Lalit Bhanot that the hardware for TSR would be supplied by Swiss Timing Omega
March 2009	EOI	<ul style="list-style-type: none"> The EOI listed five eligibility criteria and stated that '<i>only Swiss Timing Omega meets all the above criteria</i>'. Shri VK Gautam, COO opposed the process, as the Technology FA was not involved.
April-May 2009	Responses to EOI	<ul style="list-style-type: none"> Two responses were received from TechnoVision SPA (Italy) and Mondo (India) Shri Bhanot, however, constituted an evaluation committee, which rejected both bids. Shri Bhanot recommended Swiss Timing Omega for TSR to the MYAS. No further action was taken.
May 2009	Consultant's Discussion Paper to Shri Bhanot	<ul style="list-style-type: none"> The consultant recommended a single supplier approach for all TSR components and suggested confirmation of the scope of work and direct negotiations with Swiss Timing Omega.
October 2009	RFP (2 nd round of tendering)	<p>The RFP clauses restricted competition and favoured Swiss Timing Omega</p> <ul style="list-style-type: none"> Experience of providing TSR systems in Asian, CWG or Olympics during the last five years – despite objections of the then ADG (Technology) and Shri Gautam about its restrictive nature and suggestions to include Pan-American or other similar multi-sporting events, the clause was retained by Shri VK Verma, DG-OC, without recorded reasons. The scope of work required “end to end service” associated with CWG (incidentally, neither Swiss Timing Omega nor MSL, Spain fulfilled this criteria on their own). The RFP was amended to change the service requirement from 'Timing, Scoring and/or Results' to 'Timing Scoring and Results'. This change formed the basis for rejecting MSL.

Timeline	Stage	Intervention
October - November 2009	Responses to RFP and Pre-Qualification	<ul style="list-style-type: none"> ■ Two bidders responded to the RFP – Swiss Timing Omega and MSL, Spain. ■ The bids were to be evaluated in three stages – pre-qualification (PQ), technical and commercial. However, MSL, Spain was disqualified at the PQ stage itself. While two members of the Evaluation Committee – ADG (Technology) and ADG (Revenue) recommended that both bidders be qualified – they were overruled by the other two members (with the support of Shri VK Verma, DG-OC) on the grounds that MSL did not have experience as an end-to-end provider and had never provided the timing function in the specified events. ■ Incidentally, Swiss Timing Omega and MSL, Spain were jointly providing TSR systems for Melbourne CWG-2006, Doha Asian Games -2006, and Beijing Olympics 2008 – with the timing element being provided by Swiss Timing Omega (the main contractor), the results software and the Games Information System by MSL, Spain, and the scoring element being provided jointly by both parties. Further, OC was aware that MSL had already been appointed for providing TSR for the 2010 Asian Games, Guangzhou. Hence, the rejection of MSL, Spain was questionable. ■ We conclude that if MSL was not experienced in providing end to end solution, neither was Swiss Timing. However the evaluation was just steering towards selection of Swiss Timing Omega .

OC was left with a single financial bidder (by irregularly disqualifying the only other serious competitor - MSL, Spain), effectively eliminating any opportunity for competitive pricing of TSR, which facilitated acceptance of the exorbitant rates quoted by Swiss Timing Omega.

OC took another 4 months to complete a (now meaningless) technical and commercial evaluation and award the contract to Swiss Timing Omega only in March 2010; this further delay is inexplicable.

Interestingly, OC also took advice on MSL, Spain's eligibility from TCIL and Shri Mike Hooper. TCIL advised disqualification of MSL, Spain, though it had no association or technical knowledge on the specific aspects of the TSR tender. Shri Mike Hooper relied largely on TCIL's opinion.

Swiss Timing Omega offered VIK (value in kind) of 3 legacy scoreboards and Games Information System (GIS)⁵ besides a cash

⁵ OC had also floated a separate tender for GIS in October 2009 to which MSL, Spain had responded; this tender was terminated on acceptance of Swiss Timing Omega's offer of GIS as VIK for the TSR contract. Incidentally, MSL, Spain was providing the GIS in previous Games as a partner of Swiss Timing Omega

sponsorship of Rs. 4.50 crore and a cash discount of Rs. 1.18 crore. This was accepted by the OC. OC extended several undue favours to Swiss Timing Omega:

- **Liability for Tax:** OC took an additional liability of Rs.22.82 crore on account of taxes on behalf of Swiss Timing Omega, contrary to the RFP provisions. This variation was neither discussed by the commercial evaluation committee nor brought to the notice of the OCFC.
- **Cost of TSR systems for test events:** The RFP was modified by keeping costs relating to test events out of the commercial bids, though this formed a part of the original scope of work. Accordingly, Swiss Timing Omega in its commercial bid asked for an additional 33 per cent for providing TSR for test events, which was not considered by the OC.
- **No clause for Liquidated Damages:** The contract had no clause for levying liquidation damages on Swiss Timing Omega for non-achievement of milestones or non-performance.
- **Terms of payment:** The contract provided for payment of 95 percent amount even before completion of the game, thus leaving no foothold for the OC in case of poor performance.

12.3.5 Performance of TSR

We found several deficiencies in the performance of TSR:

- TSR was not tested during the test events (due to reduction in scope of work) and was not tested at all in a real-time games situation.

- The final user acceptance of TV graphics (to be superimposed on live video feed) was to be completed by July 2010, but the graphics were not approved till 24 September 2010.
- Commentary Information System (CIS), a module of TSR, provides real time information to commentators and sports presenters of Prasar Bharati and other international broadcasters. For most part of the Games period, the CIS and remote CIS⁶ did not function properly. The dissatisfaction with the service was such that some broadcasters sought refunds from OC for non delivery of CIS services and the Australian RHB even wanted removal of the logo of TSR provider from the telecast as a penalty.
- Games Information System (GIS) (provided by Swiss Timing Omega as VIK) was the link between results generated by TSR and its distribution to broadcasters, media persons and other users. This did not function properly during CWG-2010 and the broadcasters lodged complaints in this regard.
- Despite CIS and GIS not functioning, OC did not revoke the performance guarantee of Rs 5.63 crore provided by Swiss Timing Omega, which was valid till 31 October 2010.

⁶ This was meant to provide CIS information at other than venue locations

12.4 Scoreboard Structures

Besides the TSR equipment, Swiss Timing Omega also provided 39 scoreboards 36 of which were rental and 3 were legacy items. OC had to erect structures for mounting these scoreboards. The contract for execution of these structures was awarded to Advance Tech Engineering at a cost of Rs. 3.40 crore. We found the following deficiencies in the approval process:

- The RFP was issued in May 2010 without global tendering; and
- Various corrigenda effecting changes in scope of work, eligibility criteria of turnover, consortium related conditions and documentation to be submitted by bidders were purportedly issued. We do

not find evidence that these changes were duly approved and advertised.

The execution of the contract and its monitoring was also deficient as:

- Scoreboards could be installed at only 10 out of 33 venues by the deadline of 1 September 2010;
- There was no provision for levy of liquidated damages;
- Proper testing for certifying the safety of the structure was not carried out; and
- In case of a Rugby 7s venue, the location and site was changed at the last moment by Swiss Timing Omega. During testing, the scoreboard structure came crashing down and was re-installed subsequently.



12.5 Games Management Systems

The Games Management Systems (GMS) is the primary application that deals with the

administration of the Games. OC procured this system from Gold Medal Systems for Rs 21.02 crore with an additional liability of Rs 4.27 crore towards taxes.

Figure 12.3 – Overview of GMS

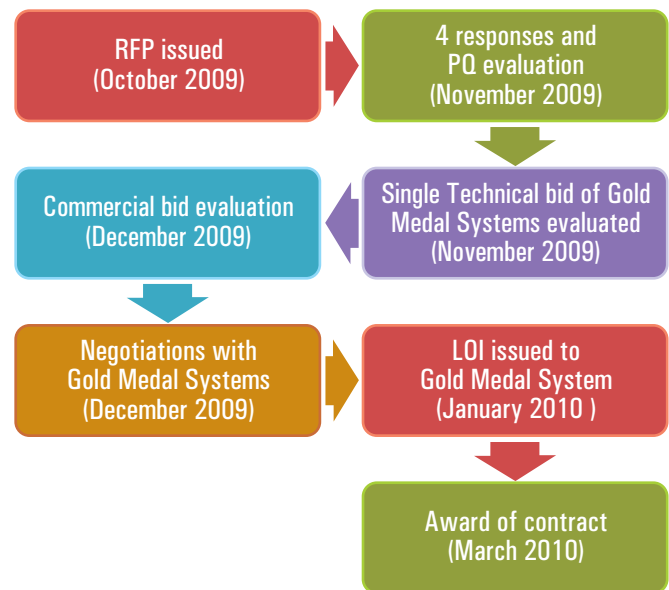


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12.5.1 Delays in Planning

For CWG 2010, the process for procuring GMS was initiated only in October 2009 and the contract could be signed just six months before the Games (March 2010). In contrast, CWG-Melbourne 2006 had awarded the GMS contract 18 months prior to the start of the Games. This created a squeeze on the delivery schedule and, combined with lack of competition, led to a 500 per cent increase in costs, with the supplier virtually dictating all the terms.

Figure 12.4 – Undue delays in award of GMS Contract



12.5.2 Elimination of competition

We observed that the bidding process was tailored to eliminate competition and facilitate Gold Medal System's emergence as a single financial bidder:

- Global tendering was not resorted to and sufficient time was not given for responses. The RFP could not generate adequate competitive tension, as two major players in the field, Atos Origin⁷ and Sangyong⁸, did not even respond to the EOI.
- The RFP was restrictive in ensuring competition as it asked for experience of providing GMS in Olympics, Commonwealth or Asian Games in the last 5 years and could effectively have had a maximum of just 3 qualified bidders.
- Out of the four bidders, three bidders were disqualified on grounds of inadequate experience, processing fee and supporting documentation. MSL Spain, which was disqualified for the TSR contract was once again disqualified in the PQ evaluation for GMS, although it had better credentials than Gold Medal Systems. It had provided all the five modules of GMS directly in the past, whereas Gold Medal Systems could provide only two out of five modules on its own and was dependent on multiple partners for delivering the other modules. Incidentally, Gold Medal Systems also did not furnish any document evidencing its tie up with its local partner, Tristar Enterprises.

⁷ supplier of GMS for Beijing Olympics 2008

⁸ supplier of GMS for Doha Asian games 2006

- Although MSL Spain had not provided GMS in Olympics, Commonwealth or Asian Games in the last five years, it had provided GMS for Asian Games 1998. This was not considered, due to the restrictive RFP clause.
- The PQ evaluation is even more questionable as Gold Medal Systems did not submit the required documentation in support of its purported financial strength; whereas MSL Spain had done so and had strong financials in comparison to Gold Medal Systems.

Evidently, the restrictive clauses in RFP and biased evaluation of bids resulted in elimination of competition, and ensured that the financial bid of Gold Medal Systems was the only bid to be opened. With no financial competition, and on the plea of shortage of time, OC accepted the highly priced bid of Gold Medal Systems. This bid was five times the amount (Rs. 4.15 crore) charged for Melbourne CWG-2006 by the same vendor.

As in the case of the TSR contract, OC also unduly favoured the vendor for GMS in several ways:

- **Liability for Tax:** OC took an additional liability of Rs.4.27 crore on account of taxes on behalf of Gold Medal Systems, contrary to the RFP provisions. This variation was neither discussed by the commercial evaluation committee nor brought to the notice of the OCFC.
- **No clause for Liquidated Damages:** The contract had no clause for levying liquidation damages on Gold Medal Systems for non-achievement of milestones or non-performance.

- **Performance Guarantee** - There was no provision for performance security in the contract, despite OCFC's instructions in view of the unascertainable financial condition of Gold Medal Systems.
- **Increased Rates** - A clause for payment at increased rates for additional work was added after EB's approval.

12.6 Official Games Time Website

12.6.1 Planning

The Games Time website was effectively the main internet platform for CWG2010 to disseminate real time information on sporting events during the Games. Although the Games Time Website is a standard and predictable feature of all multi sport international events, this was not planned or considered till June 2010, when, after CGF criticism, the proposal for creating a Games Time Website was initiated. OC also failed to exploit the opportunity for revenue generation from the Official Games Time website through advertisement revenue due to deficient and delayed planning.

12.6.2 Irregular Award of Contract to HT-Hungama

The bidding process was squeezed and completed within two months, leading to several irregularities in the award of the contract to HT-Hungama at Rs. 2.95 crore in August 2010:

- Global tendering was not followed and only 10 days time was given for responses;
- The RFP stipulated past experience in international multisport events as a pre-

qualification. A day before the final bid submission date, this criterion was relaxed on the grounds that no bidder might qualify on these criteria. We have no evidence of this corrigendum being published on the website/newspapers. Three bids from HT-Hungama, HCL Info systems- NDTV Convergence and TCS-Sports interactive were received; interestingly, all three did not have such experience but were termed as technically qualified under the relaxed criteria;

- The documentation from Hungama regarding its consortium with Hindustan Times was deficient, but was ignored by the technical evaluation committee;
- Despite complaints that bids were received in loose sheets, unbound and unsealed, Hungama's bid was accepted;
- Although Hungama's commercial bid was L-3 at Rs. 7.94 crore, it was declared L-1 by taking into account a cash discount of Rs. 4.65 crore offered by them. We cannot confirm whether the offer of cash discount was actually received along with the bid. This L-1 bid was reduced further to Rs.2.95 crore after negotiations.

The bids were not received in a sealed cover as is the stipulation. This evidently led to complaints. Further, audit has seen no proof of the cash discount reportedly offered by Hungama actually accompany the bid to convert it into L-1. There was relaxation in the RFP criteria also. Such infirmities in the award to Hungama lack transparency and lead to the conclusion that the process was tweaked in their favour.

12.6.3 Performance of the Website

While there were adverse media reports on the performance of the website, quoting problems of speed and non availability of real time information, the documentation at the OC's end was sparse and unreliable. Even the CGF head, Shri Mike Fennel stated that *"there is certainly a big problem with the Official Games Time Website"*.

OC's vetting of the content hosted on the website was also deficient, as the list of participating nations incorrectly included Korea, Japan, Philippines and even the US. Even the archival CD/DVD of the fully functional website, which was to be provided by November 2010, had not been given by the vendor till March 2011.

Despite these facts, OC failed to encash the performance guarantee of Rs. 0.29 crore; there were no other contractual provisions for penalties in case of non performance.

12.7 Telecom, IT and networking projects

12.7.1 Appointment of TCIL on nomination basis

Telecommunications Consultants India Limited (TCIL), a Public Sector Undertaking, was appointed without any recorded justification as the turnkey implementation agency for telecom, IT and networking projects on nomination basis in October 2009. This was approved ex-facto by the EB in January 2010.

OC had a 139 strong technology team (excluding 4 consultants/advisors) since October 2009. Out of the 42 technology related contracts worth Rs 247 crores, only 12 contracts of Rs 92.17 crore were

awarded through TCIL on behalf of the OC; for which OC paid Rs. 18.66 crore to TCIL as commission and tax. Considering that the Technology functional area could handle technical contracts like TSR and GMS on its own, engaging the services of TCIL for 12 routine contracts is grossly unjustified. Further, many other contracts e.g. of Wi-Fi services, data cards, official website and IPTV were awarded by OC directly. Interestingly, TCIL was never consulted in contracts related to telecom or IT services.

Further, the contract with TCIL was not implemented in practice in turnkey mode. At different stages of the contract from negotiations to bid evaluation, contracts were sent to OC for approval.

Also, it was noticed that TCIL's 'selective' advice was taken on other technical issues e.g. in the TSR contract at the pre bidding stage for declaring MSL, Spain ineligible.

12.7.2 Supply of Audio Video Equipment for Venues

OC had to provide audio video equipment⁹ at all competition and non competition venues for media and international broadcasters. The estimation of requirements was faulty, went through revisions, and resulted in over provisioning; the equipment was finally procured from Samsung India for Rs 3.79 crore.

The first round of tendering commenced with the issue of the RFP in March 2010 (without budgetary approval) and resulted in the issue of a purchase order for Rs. 5.20 crore to MIRC Electronics (ONIDA) in June 2010. This was cancelled as there were

⁹ TV, TV mounts, DVD/CD, Data Projector (desktop), Digital Video Camera, Tripod for Digital Video Camera (Still), PA system etc.

substantial reductions in quantities and duration of renting (on the instructions of the Fast Track Committee) and the vendor revised the terms and conditions, which TCIL refused to accept. This proposal was neither seen by the Chairman, nor ratified by the EB at any stage.

After MIRC's refusal, on 7 September 2010, the Fast Track Committee recommended approaching Samsung India and LG India for outright purchase or rental of the equipment. However, OC chose to approach only Samsung India (and not LG India) on nomination basis on 8 September 2010 and issued the LOI on 13 September 2010 of Rs 3.78 crore for outright purchase of the equipment excluding PA Systems, DVD recorder and Portable CD players. There were no recorded reasons for initial inclusion and subsequent exclusion of these items.

12.7.3 Procurement of Computer Hardware

OC purchased/leased 3302 laptops and desktops for Rs 9.80 crore in several batches during April to September 2010 to meet IT requirements at competition and non-competition venues. Strangely, the quantities required were not assessed at one go and nearly 50 percent (1638) of these computers were leased. We could find no documented criterion for deciding whether to procure or lease. Further, the option of getting suitable sponsorship from IT companies for such a large requirement was never explored by the OC at any stage.

Interestingly, leased computers were always taken through TCIL, while purchases were done directly by OC. The lease rent charged was 76 percent of the cost, and with an

additional 9 per cent as commission and 10.33 per cent as leasing charges for TCIL, OC ended up paying 95 percent of the purchase cost of equipment. In addition, OC spent Rs. 2.92 crores for purchasing software licenses for these leased computers.

12.7.4 Maintenance of inventory, decommissioning and legacy planning

OC procured IT equipment worth Rs. 6.46 crore and rented Rs. 58 crore worth of IT equipment for the games. The documentation on inventory, distribution and decommissioning was incomplete and there were substantial delays in ascertaining the location of all equipment. The leased equipments were to be decommissioned and returned to the respective vendors; we found that Rs. 21.04 crore of leased equipments was yet to be returned. OC has not planned for disposal of the owned assets. There was no policy for warehousing and legacy use of the equipment after the games. After MYAS turned down OC's initial proposal for offering this equipment to its employees at discounted rates, no action has been taken and the equipment is lying in MDC stadium and OC headquarters (March 2011).

12.8 Provision of IT services – Other contracts

12.8.1 Wi Fi services in Games Village

Without involving TCIL, OC decided in March 2010 to provide free wi-fi internet service at the Games Village. While the initial proposal was for services in only selected parts of the Games Village, the

scope of work was extended significantly, raising the estimated cost from just Rs.15 lakhs to Rs. 3.50 Crore. Based on a single response received, the contract was awarded to Radius Infratel at a cost of Rs.2.75 crore. Incidentally, several complaints were received from international broadcasters about the non-functioning of Wi-Fi services and OC was compelled to provide for alternative services. OC stated that necessary deductions were being made for non performance.

12.8.2 Provision of data cards for media

OC provided 1400 data cards from Tata Teleservices and Reliance and took another 1264 data cards on lease from MTNL at a total cost of Rs.0.8 crore, after wireless internet access was barred for security reasons. Records of usage, distribution and return of these datacards are very scanty. Also, when some data cards did not function, OC had to make alternative arrangements.

12.8.3 Fixed line broadband connection for media persons

The work of providing high speed Internet bandwidth for media press Operations was awarded to Tata Communications Ltd. on nomination basis in September 2010 at a cost of Rs. 11.28 crore. OC stated that this was resorted to when CERT guidelines disallowed Wi Fi services in media tribunes, and the option of datacards could not fulfil this requirement. According to the OC, prior approval from financial authorities was not sought due to paucity of time.

12.8.4 IPTV for Games village

OC awarded a contract for Rs. 0.60 crore on 21 September 2010 to Bharati Airtel on nomination basis for provision of IPTV, without recorded reasons for the change from Cable TV. Records on actual delivery of services were not available.



The Sport Functional Area was responsible for organisation of sporting events, maintenance of results records, and presentation ceremonies; it was also assigned the responsibility of purchase of sporting equipment.

There were several deficiencies in the procurement of sports equipment, such as not following global tendering procedures and purchases on single tender basis. We also found purchase of a boxing ring with older specifications, half the badminton shuttlecocks crossing the shelf life even before the events, and huge quantities of procured equipment lying unused in stores, raising doubts on the reasonableness of the assessment of requirements (in particular, trampoline sets procured for an event not scheduled in the Games).

The procedures followed for hiring Shri Greg Bowman and his company, Great Big Events (GBE), for a multiplicity of contracts relating to sports presentation ceremonies were questionable. One contract was, in effect, de-activated in September 2010, and re-awarded at exorbitant rates to GBE. We also noticed fraudulent payments to GBE for false claims of personnel assignments (when they did not even visit India), which were certified by OC officials.

Audio video equipment for sports presentations were hired at exorbitant rates, through a highly flawed process. Our enquiries revealed that the quoted prices for purchase of the same equipment was about half the hiring cost.

13.1 Overview

During the Games, 272 events in 17 sporting disciplines were to be organized. The Sports Functional Area was responsible for organisation of each event including its regulations and conduct; maintenance of the timing, scoring and results records; the presentation ceremonies and announcements.

13.2 Procurement of Sports Equipment

13.2.1 Overview

After venue owners indicated their lack of expertise in procurement of sporting equipment, MYAS assigned the overall responsibility for procuring sports equipment for both competition and training venues in October 2009 to OC and released a budget of Rs. 25 crores in May 2010, in addition to OC's existing sanctioned budget of Rs. 5.42 crores.



We do not find sufficient evidence that requirement assessment for sports equipment was done with due diligence. Although OC stated that after initial listing of items, comments were invited from the national sports federations, we found that most federations did not make any comments. Thus, the procurements – both the items and brands, as well as quantities - were effectively decided by the OC, which apparently had no expertise in this area.

OC awarded 93 contracts for procurement of sports equipments between February 2010 to September 2010 for a total amount of Rs 27.22 crore. We found several deficiencies in the procurement:

- Global tendering procedure was not followed at all;
- Performance guarantee was not obtained from the successful bidders in any case;

- In 5 cases, supply orders of Rs 3.95 crore were issued even before approval of the competent authority(EMC);
- In 19 cases, purchases worth Rs. 3.17 crore were made on single tender basis. Interestingly, in 14 such cases, the single tenderer was the same agency i.e. Swatantra Stores, Patiala¹. In cases where only one tender was received /found eligible, the option of re-tendering was not exercised by OC, despite reasonable time being available.
- While processing the award for purchase of boxing equipment, OC irregularly shifted from item wise processing of bids to processing the procurement as a single package after technical qualifications of the bidders had been evaluated and commercial

¹ Which is essentially a sports equipment store and not manufacturer

bids opened. Consequently, the purchase order was placed to a party who was not the L1 bidder for all items.

Selected instances of irregularities in procurement are detailed below:



13.2.2 Purchase of Athletic Equipment

Out of the five IAAF² approved companies who bid for this work, three did not submit the usage certificates³ from the international federation as required in the RFQ and the only qualified bid of DIMA Sports was opened in March 2010. After an inexplicable delay of 3 months, the supply order was issued in June 2010 to the firm at a cost of Rs. 2.78 crore. In July 2010 DIMA

² International Association of Athletic Federations

³ Usage certificate is given by the International Federation for the usage of any equipment in any previous international event.

expressed their inability to deliver the items in time due to vacations in Europe. OC maintained that the delays were on account of their waiting for other bidders to give the required usage certificates. We, however, noticed that in August 2010, after cancelling the earlier supply order, OC divided the order and procured the equipment at higher rates from UCS Inc(USA) and Nordic Sports AB(Sweden) which resulted in additional expenditure of Rs. 0.95 crore. Surprisingly, both the companies never submitted any usage certificate.

13.2.3 Purchase of Boxing Equipment



The International Boxing Federation changed its boxing ring specifications in January 2010 from 7.5 m x 7.5 m to 7.8 m x 7.8 m for all AIBA approved events⁴. OC, however, ordered 2 competition boxing

⁴ The new specifications were notified 2 years in advance; existing rings with old specifications were considered valid only till December 2010.

rings for Rs. 0.18 crore in February and June 2010 with the old specification.

Significantly, the evaluation committee dealing with the purchase of boxing rings did not have any member from the national boxing federation, or sportspersons associated with boxing. OC stated that though their specifications were incorrect, in one case the supplier changed it to new specification. The other boxing ring is however, unfit for use in AIBA-approved events.

13.2.4 Purchase of shuttlecocks

Of the 2000 dozen shuttlecocks purchased for badminton events, 1000 dozen shuttlecocks had crossed the shelf life⁵ even before the events were held. Significantly, 1392 dozen shuttlecocks (i.e. 68 per cent of the procurement, including the ones which had crossed the shelf life) valuing Rs 0.16 crore remained unutilised.

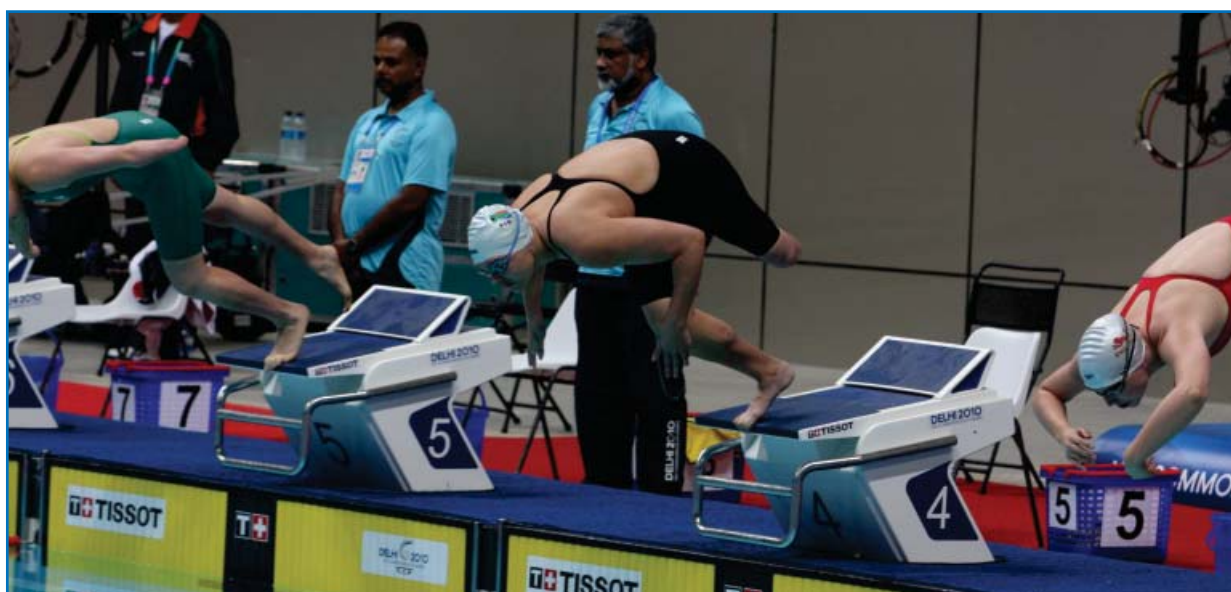
Further, while OC placed an order with Sunrise & Company for providing 300 dozen of Speed-1, 400 dozen of Speed-2 & 300 dozen of Speed-3 i.e. total 1000 dozen

Yonex shuttle cocks, the vendor supplied 1000 dozen of shuttle cocks of only two speeds i.e. speed 1 & 2. OC accepted the supply, though it was at variance with the supply order.

13.2.5 Delayed supply of equipment for test events and training

Imported sporting equipment for gymnastics and aquatics worth Rs. 4.56 crore and Rs.1.08 crore respectively was required to be delivered before the test events scheduled in July-August 2010, but was delivered only in August-September 2010. This led to cancellation of test events in the disciplines of synchronised swimming and high board diving. Also, in the absence of the new equipment, some equipment had to be transported from Pune and Ranchi⁶.

Four training boxing rings (Rs 0.35 crore) ordered for the practice session of the Indian team scheduled from 23 September to 3 October 2010, were received only on 29 September 2010 and could be installed just one day before the events began.



⁵ as prescribed under the standards of the IBF

⁶ Out of the equipment procured for CYG-2008, Pune and National Games 2011, Ranchi

13.3 Procured equipment lying unused

We found huge quantities of sports equipment lying unused at various locations even after the Games had concluded, raising doubts on the reasonableness of the assessment of requirements. Some instances are given below:

- Sports equipment worth Rs 1.35 crore (Details in Annex 14.1), was lying unpacked in the ITPO store as of November 2010;



Non-use of trampoline during CWG 2010

- Out of 17 venues, equipment usage records of only 7 venues were received. In these venues, sports equipment worth Rs 0.93 crore (Details in Annex 14.2) was lying fully unused.
- 10 trampoline sets procured for aquatics at a cost of Rs 0.34 crore were kept unused at the ITPO store.
- 2 trampoline sets procured for gymnastics at a cost of Rs 0.11 crore were procured wastefully, as there was no trampoline event scheduled in the Games. These were lying packed in the IG Stadium store throughout the Games.



Use of trampoline during Beijing Olympic 2008

- 16 storage trolleys, which were neither in the list approved by MYAS nor requested by the Sporting Federation, were procured at a cost of Rs. 0.25 crore as part of aquatic equipment, but were never made available at the Dr. SPM Aquatics Complex, the aquatics venue. Eight of these trolleys were kept at the Games Village and the rest remained in the store.

13.4 Sports Presentation Ceremonies

13.4.1 Overview

Sports presentation is the showcasing of a sport for venue spectators and broadcast audiences. This is the ceremony where the medal winners are presented with medals in recognition of their achievement and their countries are honoured by raising their national flags and playing the national anthem of the gold medal winners.



OC incurred a total expenditure of Rs. 13.62 crore for sports presentation:

- Rs 5.68 crore on Shri Greg Bowman/ Great Big Events (GBE);
- Rs 6.75 crore on hiring of audio video equipment;

- Rs 0.19 crore on hiring of sports presentation managers and announcers; and
- Rs 1.00 crore for miscellaneous expenses on GBE consultants.

OC awarded several contracts to Shri Greg Bowman and his company, Great Big Events (GBE), as summarised below.

Table 13.1 – Contracts awarded to Shri Greg Bowman and Great Big Events

Timeline	Vendor	Work	Contract Amount	Actually Paid (Rs. in Crore)
October 2009	Greg Bowman	Sports presentation consultant	USD 17,200 per month	0.77
January 2010	Great Big Events	Sports presentation core team	USD 502,000	1.47
July 2010	Great Big Events	Supply of sports presentation managers (17) and victory ceremony producers (3)		Bidding cancelled
September 2010	Great Big Events	Sports presentation workshop & Basic Music/Video Pack Service Agreement	USD 850,000	3.44



We found that these contracts were awarded and managed by OC in complete disregard of the norms of propriety and without safeguarding its financial interests.

13.4.2 Hiring of Greg Bowman and Great Big Events

In October 2009, OC hired Shri Greg Bowman as consultant for sports presentation on nomination basis. He was overall in-charge for the delivery of the sports presentation programme across all competition Venues.

Shri Bowman was also responsible for selecting the Sports Presentation Team. Accordingly, he hired his own company, Great Big Events (GBE) on nomination basis in January 2010 for a period of 10 months at a cost of USD 502000 (Rs. 2.26 crore) for assisting the consultant (Shri Bowman) and for the creation, deployment and delivery of the Sports Presentation programmes for the Games.

In July 2010, OC advertised for the “supply of sports presentation manager (17) and victory ceremony producers (3).” The two tenders received were from Great Big Events and Fun and Games Limited, which was submitted by Shri Radley Foxon, an

employee of GBE. Shri Greg Bowman did not inform OC of this interconnection and advised OC to accept the bid of GBE. This bid was however cancelled as both bids were found to be unsealed.

Seven months into the January 2010 contract and after receiving payments of Rs 1.47 crore (65 per cent), GBE sent a notice of termination in August 2010 to OC. OC did not terminate this contract, but initiated an EOI for a new contract for “supply of sport presentation managers and victory ceremony producer”, although the contract was awarded for a different scope of work⁷. The entire process of bidding was miraculously completed within 16 days as follows:

Table 13.2 – Award of second contract to GBE

1 September 2010	Issue of EOI (in newspaper)
7 September 2010	Last date of receiving EOI
7 September 2010	Opening of single bid from GBE
12 September 2010	Negotiations with GBE
13 September 2010	Approval of Fast Track Committee
16 September 2010	New contract signed between OC and GBE

After hurried negotiations and approvals of the Fast Track Committee on 13 September 2010, on 16 September 2010 OC once again entered into an agreement with GBE at a

⁷ Sports Presentation Workshop and Basic Music/Video Pack Service Agreement

total fee of US\$ 850000 for 29 days. The cost of this contract was absolutely unjustified as it essentially amounted to an enormous upward revision of rates, after paying Rs 1.47 crore under the earlier contract.

Further, till August 2010, despite progressing 70 percent on timeline and release of 65 percent of the amount contracted earlier, GBE had neither assisted in the recruitment of sports personnel nor trained them before the test events as was required under the January 2010 contract. We find that, OC's negotiations for the re-hiring of GBE were highly questionable, as, besides the exorbitant rates, the scope of work included items already done under the initial contract by GBE or by OC on their own e.g.

- **Conducting interviews for Indian announcers** - 42 of the 55 announcers finally selected were engaged prior to signing of the second contract.
- **Hiring of presentation personnel** - 30 sports presentation personnel were already engaged directly by OC.

OC also failed to utilise the services of GBE as per the contract. In early September 2010, OC was processing the award of tender for hiring of audio/video equipment and even before GBE could finalise the venue wise requirements, tendering was already done. It would appear that the OC officials handling the award of the contract allowed unwarranted expansion of scope of work to justify payments of substantial sums of Government money.

Fraudulent payment to Great Big Events (GBE)

As per the January 2010 contract, GBE was to assign 9 personnel for contract related activities. While three of them were to stay in India for the entire duration of 10 months, the other six had to stay for specified number of days. Fees were accordingly prescribed on monthly and daily basis for these two categories.

We ascertained that the three GBE executives required to stay in India did not do so for the entire stipulated period as one executive did not even visit India and was paid @ 7500 USD per month for 7 months. OC officials actively colluded by duly certifying their payment invoices and work, despite their absence from India. Shri ASV Prasad, JDG (Sports) even certified⁸ the presence of one executive Ms. Kate Campbell⁹, who never visited India.

The entire claim for the periods that the executives were not available in India could be termed as fraudulent. However, even on a proportionate basis, such fraudulent payments amounted to Rs 40.13 lakh (USD 89186).

While OC indicated that they would make deductions from the remaining 10 percent payment, the balance with OC would not cover the excess payment.

⁸ The attendance sheet for the month of May and June 2010 was authenticated by DDG (Sports) and countersigned by JDG (Sports) stating that Kate Campbell was present full time in India.

⁹ Incidentally, we found a draft agreement signed by Greg Bowmen (for GBE) where in place of Kate Campbell, the name of Ms. Kavita Sontakay (who was an employee of OC till 2 weeks after this contract was signed with GBE) is mentioned.

GBE's performance under the contract entered in September 2010 was also deficient:

- Against a commitment to conduct at least six training workshops with sports presentation managers/ assistants and announcer, GBE conducted only four workshops.
- GBE was to provide audio systems, audio production systems, video production equipment and communication equipment at all venues, including nine Instant Replay machines at cost of USD 25953¹⁰. While the advance payment to GBE was increased to 50 percent on this pretext, there was no evidence that they provided these equipments. Instead, OC hired these equipments separately at a cost of Rs 6.75 crore.

13.4.3 Exorbitant Hiring of Audio video Equipment for Sports presentation:

Despite hiring expensive consultants for sports presentation, OC realised its requirement for renting of audio and video equipment only on 4 September 2010, when a tender was floated. The contract was awarded to Modern Stage Pvt. Ltd at a cost of Rs 6.75 crore. We found the award process to be flawed:

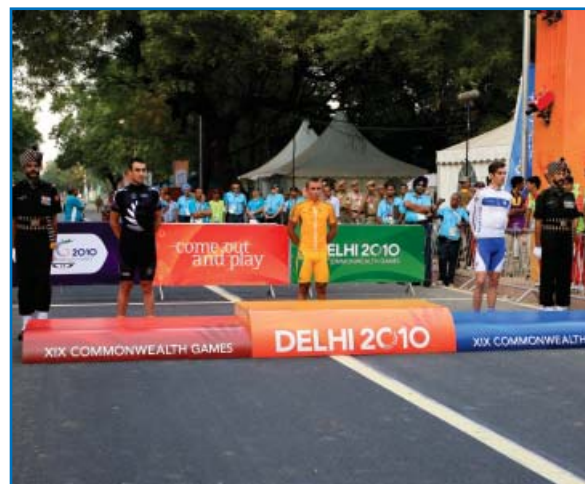
- The newspaper advertisement only gave notice of a detailed advertisement on the OC's website which was not available till 9 September 2010. The website advertisement was available only for one day (10 September 2010) and the technical bid was opened on 11

September 2010. Interestingly, the newspaper advertisement did not even mention whether the equipments are to be hired or purchased.

- OC added a restrictive clause of experience of CWG, Asian, Olympics or World Mega Sports Competition, thus ensuring even less competition.
- Only two responses were received; after negotiations, the contract was awarded at a total cost of Rs 6.75 crore.

Further, the vendor raised an additional bill for Rs 1.28 crore, on account of a claim of supplying additional equipment (after keeping GBE informed); OC had no knowledge of this additional supply.

To evaluate the reasonableness of the hire charges, we invited quotations for purchase of the audio, video equipments hired by the OC from the Modern Stage Pvt. Ltd. In response, two quotations were received. The quoted price for purchase was around Rs. 3.5 crore, as opposed the hire charges of Rs 6.75 crore paid by OC. Clearly, the hiring process was non-transparent and the charges exorbitant.



¹⁰ For this, freight charges @ USD 15000 were also paid to them.



Games branding essentially involved running the Games News Service (GNS) and other press operations, communication and marketing, and “image and look” (i.e. promoting a unique Games look and identity through banners and graphics); this was handled through three separate functional areas.

We found that the appointment of Shri Manish Kumar as Director, Press Operations and his subsequent promotion was irregular. Despite numerous complaints about his behaviour, no action was taken till late-September 2010, when he was transferred out of Press Operations, just eight days before the Games.

The exorbitant cost of Rs. 10 crore for the Games News Service (GNS) contract (against the initial budget of just Rs. 0.56 crore) was due to a decision to go in for outsourcing (as against the internally developed option used at Melbourne-CWG 2006) and also on account of flawed tendering procedures (with re-tendering) resulting in award on a single financial bid to Infostrada Sports. GNS failed to perform satisfactorily during the Games, as the Games news content was inaccessible from 5 to 8 October 2010 and was rectified subsequently using makeshift arrangements.

The selection of the “Games Look Provider” for preparing banners was marked by a cluster-based approach (as in the case of overlays). Further, on the pretext of urgency, a snap bidding process was used. As in the case of the venue overlays contracts, OC allowed several ineligible vendors to bid, while disqualifications were made on a selective basis; we also found the same vendor quoting different prices for the same items across clusters.

The Communications Functional Area was hampered by bad planning, drastic curtailment of the budget for advertising campaigns, and award of works on ad hoc basis to selected TV channels and media houses.



14.1 Overview

Games Branding essentially involved three aspects:

- **Press Operations** – Running the Games News Service (GNS) for providing the editorial content for the GIS, managing the main and venue press centre and facilities for media persons;

- **Communication** – Creating awareness about the games; and
- **Image and Look** – designing logos and promoting a uniform games identity through graphics and banners.

14.2 Press Operations

14.2.1 Appointment and Removal of Shri Manish Kumar as Director, Press Operation

The appointment of Shri Manish Kumar as Director, Press Operations was irregular:

- In September 2008, Shri Manish Kumar was appointed as Director, Press operations.
- After 15 days of his appointment, Shri Kumar informed Shri Lalit Bhanot that he was unwilling to accept the post at the remuneration offered.
- OC kept the post vacant for another 6 months and then interviewed Shri Manish Kumar again, offering him a considerably higher salary. The post was neither advertised openly nor any other interviews conducted.

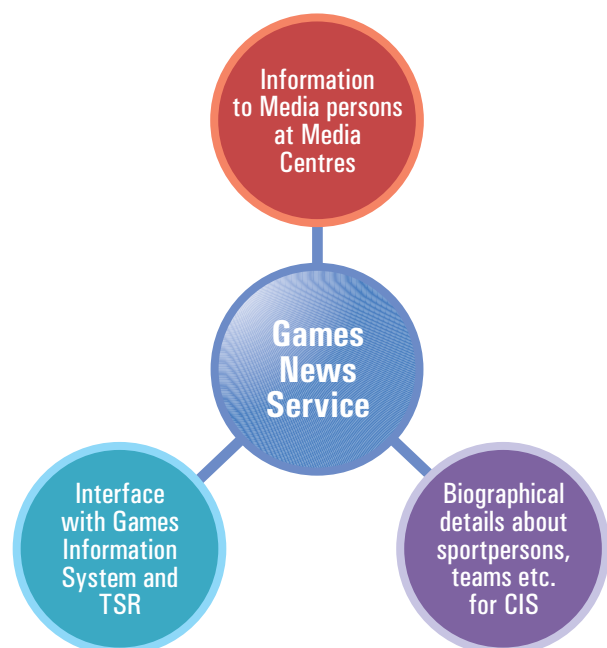
Due to complaints regarding his behaviour, Shri Manish Kumar was transferred out of Press Operations just 8 days before the commencement of the games to the Sustainability and Environment Functional Area office without any specific charge. Earlier in August 2010, a foreign hire of the OC, Shri Gnanapragasam, responsible for press operations across all venues, had left the organisation, complaining about Shri Manish Kumar's misbehaviour, but OC did not conduct an inquiry into these complaints. Shri Manish Kumar was also

instrumental in procurement of media kits without due financial approval, where he also revised the quantities and items on his own, at the time of placing the order. CEO, OC declined to give ex-post facto approval and ordered for recoveries from the concerned officials.

Interestingly, though Shri Manish Kumar's performance in Press Operations was far from satisfactory, he was promoted from Director to DDG. Further on his transfer, Shri Manish Kumar did not hand over records to his successor. Thus, during the Games, the Press Operations FA had no access to its own records, including the GNS contract documents (and the obligations of the GNS provider). Although the matter was brought to the notice of higher management, no action was taken on this issue.

14.2.2 Games News Service

Figure 14.1 – Games News Service



The Games News Service (GNS) supplies the editorial content for the Games Information System (GIS) i.e. athlete biographies, records, background, reviews, previews from the competitions etc. OC awarded the GNS contract to Infostrada Sports in June 2010 at a cost of US \$ 20.60 million. We found that the award was irregular:

- An RFP was issued in January 2010 only on the OC's website, and without presenting any last date for submission; global tendering was not followed. Only one bid from Infostrada Sports was received.
- OC retendered the work in March 2010, but again received only one bid from Infostrada Sports.
- After three months, in June 2010 OC awarded the GNS contract to Infostrada Sports:

OC also showed other favours to Infostrada Sports:

- OC deducted only Rs. 5 lakh as performance security against the required amount of Rs 45.30 lakh.
- OC made payments in foreign currency (USD), without approval, resulting in additional financial burden of at least Rs. 58.09 lakh due to currency fluctuations. Even the conversion rate applied at the time of negotiation was incorrect.
- OC accepted the liability for service tax payment of Rs 0.94 crore without the EB's approval, although the LOI stipulated otherwise.
- The terms of payment were also varied materially from the commercial bid in

favour of the vendor. The vendor had demanded 30 per cent payment till the first delivery (with 20 per cent within 10 days of signing of the contract) while the OC agreed to pay 50 percent (with 20 per cent within 10 days of contract signing). The contract also irregularly provided for advance payment of 70 percent.

The initial budget of Rs. 0.56 crore for GNS was based on the internal development model adopted for Melbourne CWG-2006. However, OC incurred Rs. 10.00 crore (inclusive of taxes) on an outsourced GNS. OC chose not to take action on SDG (Press Operations)' opinion recommending engaging journalists and university students for this task; the relevant notings of the SDG were missing from OC's records. Further, Infostrada hired most of its manpower requirement for GNS locally.

We found that the exorbitantly priced GNS failed to perform satisfactorily during the Games, as the Games news content was inaccessible from 5 to 8 October 2010 due to technological glitches. The GIS, which was supplied by Swiss Timing Omega and was to receive editorial content from GNS, did not perform satisfactorily, as pointed out in Chapter 12. OC confirmed that the information could not be displayed because no testing was carried out prior to the event. Finally on 8 October 2010, a makeshift arrangement was made to provide electronic access to GNS information in PDF format. Even Shri Mike Hooper, CEO CGF confirmed the difficulties experienced by broadcasters and media-persons due to the malfunctioning of GNS.

14.3 Image and Look



The successful execution of the Games required building and ensuring consistency in the image and look for CWG-2010.

14.3.1 Graphic Design

OC issued a limited RFP in June 2008 for appointment of a Graphic Design Agency, in response to which two bids were received. OC declared the L-2 bidder, Idiom Design and Consultancy to be “technically superior” (after opening of commercial bids) and issued the LOI to it in July 2008, to match the L-1 bid. OC finally signed the contract with Idiom Design and Consultancy only in November 2008 on further relaxed¹ payment and performance guarantee terms.

Further, the visual identity concept for Games (logo, mascot, colour palette, pictogram, sub-graphics and sub brands) could be finalised only in July 2009, delaying other milestones for image and look activities.

¹ *Idiom Design and Consultancy asked for separate payment for approval of design (art work) and reduction in performance guarantee.*

14.3.2 Selection of “Games Look Provider”

OC hired two consultants on nomination basis only in October 2009 for scoping and costing Games branding.

The Games Look Provider was to promote a uniform game identity and look through graphics, banners etc at all venues. Although scoping was completed in October 2009, for inexplicable reasons, tendering for this work was taken up only in June 2010, encouraging deficient tendering procedures on pretext of urgency .

OC replied that considerable time was spent in reworking the entire BOQ for venues and cities to fit within the re-appropriated budget which was received in June 2010.

OC adopted a “cluster” based approach (on a similar pattern as venue overlays), with work divided in 9 clusters covering all venues and non venues. OC stated that this approach was adopted with OCFC's approval in view of cost effectiveness, ease

of operations and paucity of time. However, we found that this cluster based approach led to several irregularities and increased cost:

Table 14.1 – Chronology of events for selection of Games Look Provider

June 2010	RFP Issued
July 2010	Out of nine bids, two were rejected in pre-qualifications. After technical and commercial bidding, cluster-wise, L1 selected for nine clusters Three rounds of negotiations held with L1 bidder
July and August 2010	Fast track committee approved the negotiated prices for cluster 1,2,3,7,8 and called for “snap bid” for the other 4 clusters to all 7 bidders and awarded work on the basis of these snap bids

- The draft RFP initially contained an unusual clause for “snap bids” which was deleted at the insistence of Director(Procurement) These snap bids were later called for from four clusters where the deviation in prices was more than 10 percent of the estimated cost, resulting in undue benefit to two vendors (Peacock Media and Hannu Advertising) who were not L-1 before the snap bids but were finally awarded the contract. In retrospect, this appeared to be a pre-meditated strategy to favour selected vendors.
- Ambiguity on the turnover eligibility criteria for bidding for multiple clusters
- was not rectified², leading to lower competition. It was not clear whether annual turnover of Rs. 4 crore or more was required in each of the three preceding financial years or any one of them.



² despite being pointed out by Director (Procurement).

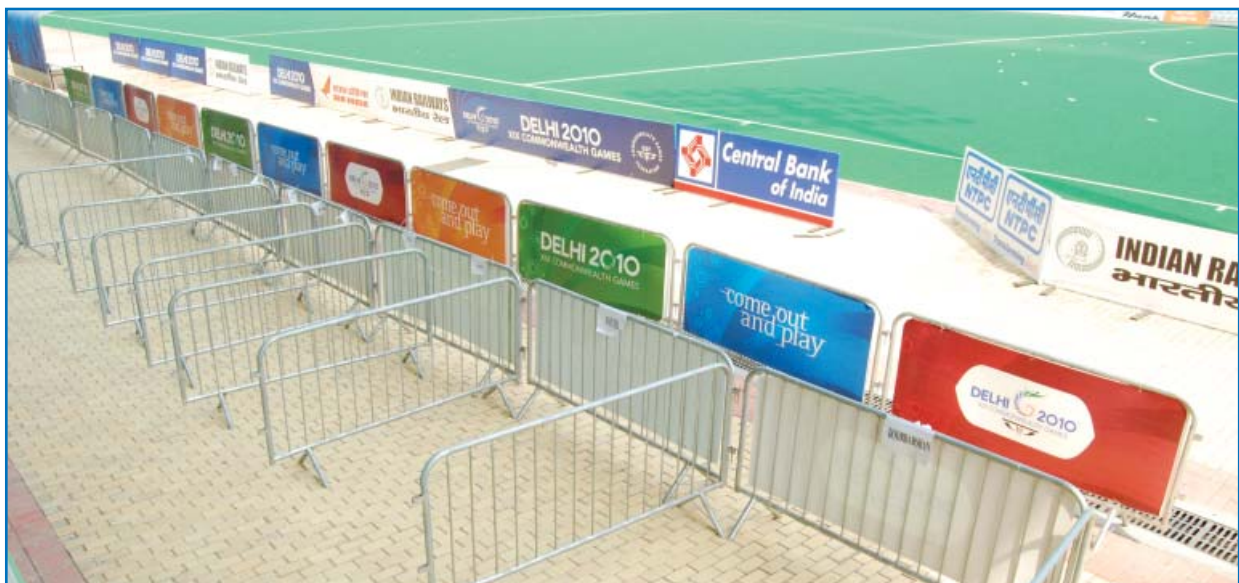
Consideration of ineligible vendors

Mirroring the overlays contract, OC entertained several vendors who could not supply the required documents or were ineligible. We also found that disqualifications were made selectively.

While two bidders were disqualified for not submitting certificate of factory license/ certificate from the Pollution Control Board, OC accepted a temporary license from another bidder (Peacock Media) and even a certificate in the name of a sister concern from yet another bidder (Hannu Advertising), both of whom were finally awarded contracts.

Further, Roop Sign and Graphics, a bidder who had submitted multiple bids, one independently and one in consortium, was given an opportunity to select and propose its preferred bid and was awarded a contract.

As in the case of the venue overlays contract (refer Chapter-9), the annual turnover of Pico Hong Kong was accepted on the basis of self certification, and they were allowed to bid for all clusters.



- As per the conditions of snap bids, all technically qualified firms were required
- to submit the order of preference for award of contracts for different clusters. We found that bids of different bidders and L-1 prices for their preferred clusters matched with almost unreal precision, indicating existence of a cartel.

As in the case of the venue overlays contracts, successful vendors for different

clusters had quoted different rates for same items and OC accepted it. Also, the same vendor (Design Dialogue) quoted different prices for same items in the different clusters. Had OC negotiated rates in different clusters to match the lowest item wise rates, across clusters, they could have achieved savings of Rs 2.04 crores across the clusters (details in **Annexe- 14.1**).

14.3.3 Execution of Games Look Provider Contract

Although the works were awarded for Rs 25.94 crores, after further physical verification, the scope of work was reduced to Rs 20.33 crores; finally, the work executed by the vendors was limited to only Rs 14.45 crores. This decrease was largely due to OC's failure in ensuring timely accreditation and permissions, coupled with limitation of time available for execution.

14.4 Communications Functional Area

14.4.1 Overview

Although the Communication functional area was operating since 2007, its operation plan was prepared only in April 2009, revised twice, and finalised in March 2010. The functional area was required to create awareness about the Games; promote ticketing, merchandising and sponsorship for the Games; and create Games time build up to support spectator services.

These objectives could not be achieved due to:

- Bad planning;
- Reduction of the budget from the initial amount of Rs. 82.02 crore to Rs.68.34 crore to Rs.38.34 crore in June 2010. This forced curtailment of advertisement campaigns for the QBR domestic leg;, ticket marketing; test events; Pre Games, Games and Post Games advertisements; internet campaign and direct media relations;
- Initial reluctance on the part of senior management of OC for marketing efforts

(as it was anticipated that the CWG tickets would sell on their own); and

- Award of works on ad hoc basis to selected TV channels and media houses.

Internal controls in the Functional Area were very weak as there was no institutional memory and the files and records made available to audit were incomplete.

14.4.2 Award of contract on ad hoc basis to selected TV channels

OC awarded contracts for Rs. 3.78 crore for production and broadcasting of commercials for promoting of CWG-2010 to CNN-IBN and NDTV. An arbitrary approach was followed, with no planning for specific channels and time slots, cost benefit analysis, benchmarking of rates and tenders. Proposals were considered, in an ad hoc manner, as and when a proposal was received; no form of competitive tendering was adopted. We had no assurance about the competitiveness of the rates quoted by these channels and the need and usefulness of the proposals.

From March 2010 to June 2010, the entire pre games publicity and sponsorship publicity was done only on NDTV and CNN-IBN.

Further, although OC had rights to telecast commercials produced by these channels (particularly for celebrity films, special episodes on development of games) it never used these commercials. Instead, it separately spent Rs.0.81 crore on the production of films during Games time.

14.4.3 Non-utilization of VIK worth Rs. 16.20 crore during the Games

As part of the international broadcasting contracts³, OC got VIK (Value in Kind) sponsorship in the shape of commercial spots for promotion of the Games. While some of these channels broadcast their own films for Games publicity, the VIK on other channels was not utilized during the Games. Instead, OC awarded separate contracts worth Rs. 0.73 crore for promotion of games internationally following deficient tendering processes to BBC, Google, MSN and Yahoo. Incidentally, inadequate publicity was one of the reasons for low sale of tickets in other participating countries.

14.4.4 Empanelment of Advertising Agency

In 2007, OC empanelled three advertisement agencies, namely, JWT, Quantum, and Mercantile for effective publicity and communication and for handling all indoor and outdoor publicity. Work of Rs.10.76 crore was executed by these agencies. **Records regarding selection of these firms were not furnished by the OC.** In December 2009, a fresh empanelment of advertisement agencies was considered, and approved, but not pursued further.

14.4.5 Non-utilisation of audio and visual commercial valuing Rs. 1.27 crore

OC failed to utilise audio and video segments produced at a cost of Rs. 1.27 crore as it revised its media plan to cover only the print media for the launch of logo and promotion on the “1000 days to go” campaign.

Abnormally high specification restricting competition

OC floated a RFP for appointment for sports consultant in the Communication Functional Area in June 2010. Although the estimated value of the contract was only Rs. 2 crore, the RFP stipulated pre-qualification criteria of an abnormally high turnover of Rs. 250 crore, ignoring DDG(Procurement)'s advice . Only two out of three bids received met this criterion, and the work was awarded in July 2010 at a negotiated cost of Rs. 1.90 crore to Percept Limited. This arbitrary turnover requirement of Rs. 250 crore was, in our opinion included to restrict competition.

³ with Network Ten, TVNZ and South Africa Broadcasting Corporation.

Workforce and Other Supporting Activities of the Organising Committee

We found serious deficiencies in the award of the workforce consultancy contract to a consortium of E&Y and EKS. The tendering process was clearly tailored to favour EKS. There were several deficiencies in the contractual clauses, which tended to favour the interests of the consultant, as well as in the execution of the contract.

We found that the OC managed the workforce in an arbitrary and ad hoc manner, leaving ample scope for patronage, favouritism and nepotism in the appointment and promotion of officials. Security and reference checks were not carried out for most employees, and certain employees, whose past records should have rendered them unfit for appointment in the OC, were nevertheless appointed. Further, the OC was grossly understaffed till 2009, but was grossly overstaffed by September 2010 (with this overstaffing being regularised post facto by the EB).

Regarding the Accommodation Functional Area, we found arbitrariness in hiring of apartments for OC's consultants and employees and one case of potential conflict of interest in hiring flats. OC had nominated Ashok Hotel as the flagship hotel for CWG-2010. Though between 155 to 399 rooms were vacant in Ashok Hotel on a daily basis, OC was inexplicably unwilling to accommodate technical officials in the same hotel where guests/officials were accommodated, and booked accommodation for them in 11 other hotels, resulting in infructuous expenditure of Rs. 1.15 crore.

We found 492 persons who had not received security clearance were incorrectly listed by the Accreditation Functional area in the data for the Integrated Security System, which indicated that the accreditation system was not followed strictly. We also found procurement of 1.5 lakh lanyards¹ at a cost of Rs. 0.68 crore with an inexplicable fire retardant requirement of 800 degrees Celsius.

Contracts for venue cleaning services were awarded irregularly, using a cluster-based approach, to just two contractors. Restrictive eligibility criteria were applied in a biased manner. 8 out of 9 packages went to A2Z Maintenance and Engineering Services, which was also engaged by OC for office automation services.

Although a separate logistics contractor was hired (with VIK sponsorship), most of the Functional Areas made separate arrangements. This resulted in information on the location and distribution of assets not being available with the OC. The Procurement Functional Area was also equally underutilised.

We found undue favour in awarding the insurance brokerage contract to Marsh/ Trinity, as also in the selective clauses for appointment of insurance companies (which favoured the interests of Marsh/ Trinity, rather than the OC).

¹ A lanyard is a rope or cord generally worn around the neck to carry identity cards and similar objects.



15.1 Workforce

15.1.1 Appointment of Workforce consultant

To build capable and well-managed workforce and to define transparent, implementable and appropriate human resource policies, OC signed an agreement in March 2008 with the consortium of Ernst and Young (E&YS) Pvt. Ltd. and Event Knowledge Services (EKS) for workforce consultancy services at a cost of Rs. 22.36 crore.

15.1.1.1 Selection of consultant

As in the case of other contracts with EKS (refer Chapter 9, Para 9.1), we found serious irregularities in the award of this contract, with clear intent to favour EKS:

- Global tendering procedures were not followed. Instead, in May 2007 OC floated an EOI with restrictive clauses

with regard to an annual turnover of Rs. 50 crore in foreign currency, and experience of providing advisory services to at least two multi-sport events of the stature of Olympics, Asian Games or Commonwealth Games.

- Only 2 out of four bidders qualified; EKS responded as an independent entity, and was found ineligible.
- At the RFP stage, OC relaxed the criteria² and issued RFP to three agencies viz. Price Water Coopers, Ernst and Young Pvt. Ltd. and Homes Glen Institute of Tafe, Australia. Only two responded with bids, both of which were technically qualified. EKS was allowed to form a consortium with E&Y after the EOI evaluation, which ensured its technical eligibility; the other bidder was Price Waterhouse Coopers.

² One year experience in advisory capacity for workforce

- OC took recourse to the RFP stipulated condition of considering only the “technically superior” bidder, and opened only one financial bid - that of EKS-E&Y consortium, which was awarded the work in March 2008. This clause in the RFP is against the extant CVC guidelines and GOI rules, and was evidently put in to ensure that OC could predetermine the winning bid.

15.1.1.2 Faulty contract with consultant

We found that the contract with EKS- E&Y included many clauses which were detrimental to the interests of OC:

- **Absence of schedule for delivery of services:** While the contract had a detailed list on deliverables from OC, it did not indicate the deliverables from the contractor and associated timelines.
- **Wasteful expenditure of Rs. 0.31 crore for compensation structure of OC employees** - The consultant's report on compensation structure, costing Rs. 0.31 crore, was redundant, since OC already had an EB approved compensation structure in place since January 2008. Further, OC's compensation structure was not altered in the light of the consultant's report.
- **Preferential terms of engagement for the consortium member:** Instead of dealing with the lead partner the two partners of the consortium were paid separately and in different currencies as per the contract. Rs. 7.23 crore was to be paid to EKS in foreign currency. Separate and higher out of pocket expenses were also allowed for EKS. They were allowed Rs. 2.20 crore for out

of pocket expenses as against Rs. 0.69 crore to E&Y the lead partner.

- **Full payment scheduled before the completion of work:** While the contract was till 15 November 2010, the final payment to the consultant was to be made by April 2010.

15.1.1.3 Irregularities in execution

We noticed several regularities in the execution of the contract:

- **Non utilization of output documents:** Although the consultant had submitted 73 policy documents (including Functional Area operational plans), we found no evidence of their actual use. Most FAs were not even aware of the timelines prescribed in these operational plans.
- **Release of payment due to misinformation:** At the time of release of a payment instalment In June 2010, when the CEO inquired about terminating the contract of EKS-E&Y, he was misinformed by Shri Abrar Hussain, DDG Establishment that the contract was to end in July 2010 and 90 days notice is required to terminate the contract. He therefore, recommended that there was no option but to release the payment, which was done. However, for inexplicable reasons, the next instalment was not released to EKS.
- **Non revocation of bank guarantee:** Though the consultant failed to deliver the “Post Commonwealth Games Delhi Report” and two HR reports (costing Rs. 2.82 crore as per the commercial bid), OC did not invoke the performance bank

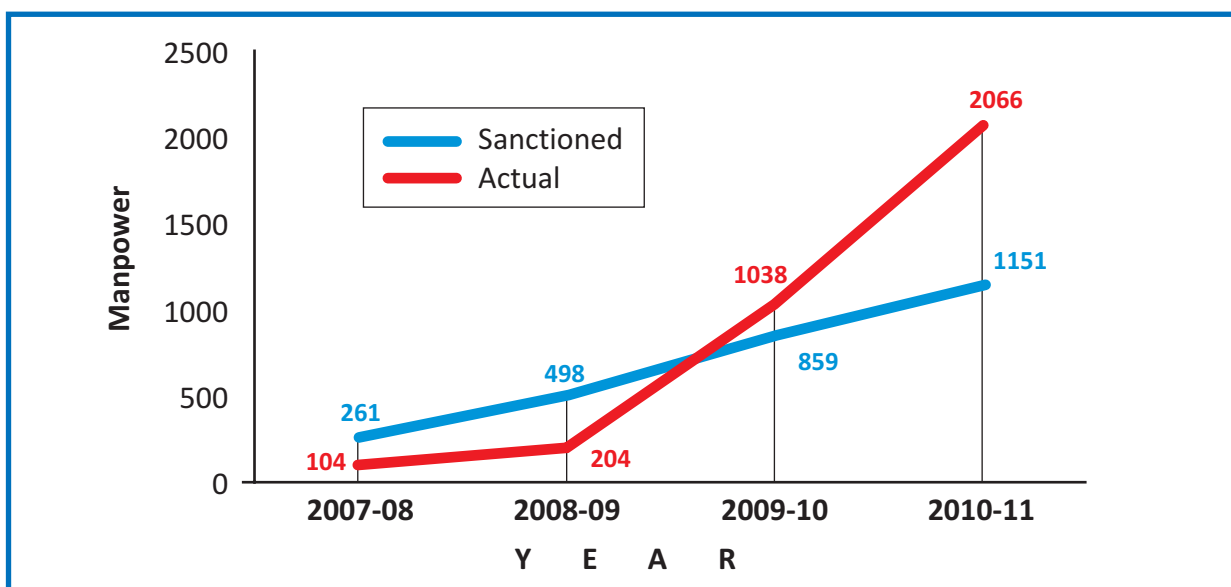
guarantee of Rs. 2.23 crore, which was valid till 15 November 2010.

- **Short deduction of TDS amounting to Rs. 3.06 Crore:** OC deducted income tax of US \$ 2.11 lakh @ 10 per cent, instead of 42.23 per cent as applicable to a Permanent Establishment (PE). This resulted in short deduction of income tax of Rs. 3.07 crore.

15.1.2 Arbitrary and Ad hoc Workforce management

While the General Organizational Plan of OC established the management structure of the OC and had timelines for hiring of staff clearly laid out, we found that the OC went about workforce management in an arbitrary and ad hoc manner, leaving ample scope for patronage, favouritism and nepotism.

Figure 15.1 – Excess Appointment of Staff at OC



15.1.2.1 Excess Appointment of Staff

Till 2009, OC lacked critical manpower as per its requirements. However, by September 2010, it had 2066 personnel in position, against the sanctioned strength of 1151. This was regularised post facto by the EB in a meeting held just 12 days before the Games. Incidentally, the proportion of excess staff at higher levels was substantially higher. There were 40 excess personnel at DDG level where sanctioned strength was 9 and 5 were excess at JDG level where sanctioned strength was 2. Further, the posts of DG, JDG, and COO were equated, facilitating distribution of

perquisites and higher salaries to a larger number of officials.

15.1.2.2 Irregularities in the appointment of Personnel

The maintenance of personnel files was extremely poor, and no files were maintained in respect of the Chairman, Secretary General, Vice Chairman and Treasurer. Our scrutiny of 191 personnel files in the rank of Director and above revealed several irregularities:

- **Identification of requirements:** The stipulated process for identification of requirements for subsequent

recruitment was rarely followed. Further, we could not find position briefs, job profile and desired qualifications in our sample of personnel files.

- **Competitive sourcing of candidates:** While OC appointed three recruitment agencies³ for sourcing of candidates, less than 5 percent of OC's staff was hired through them. Newspaper advertisements for recruitment were also rarely followed. We found that in 167 out of the 191 sampled personnel files, only one person was considered for the particular post and selected.
- **Appointment of personnel not having the requisite qualifications:** EKS-E&Y prepared job descriptions (with roles

and responsibilities), and required educational qualifications and experience for each unfilled position as of 2008. However, OC did not take note of these job descriptions, and appointed persons without the requisite qualifications and experience. We noticed incomplete or missing educational and experience certificates in 175 out of 191 personnel files.

- **Security and Reference Checks:** We found details of security/ vigilance checks and reference confirmations in only 18 and 2 files respectively out of 191 files. An illustrative list of employees, whose past records should have deterred their appointment in the OC, is given below:

- **Shri VK Verma:** In July 2008, after resignation of the then DG-OC, OC appointed Shri V.K. Verma as Director General on nomination basis. There was no advertisement or interview for the post, and only an unsigned single page bio data of Shri Verma was available in the personnel file. Even the dates of employment were not mentioned in the bio-data. While it was indicated that Shri Verma belonged to the Indian Railways Service of Mechanical Engineers (IRSME), there is no information regarding his retirement, NOC from his former cadre and re-employment information. We ascertained that there was a vigilance inquiry against Shri Verma, while he was working as Commercial Director in Air India, where he was "warned" for indiscretion and error of judgment. This information was not available in his personnel file.
- **Shri T.S. Darbari :** Well before his formal appointment with OC, Shri Darbari was, in August 2007, part of the evaluation committee for bids of the workforce consultants and was appointed as Joint Director General (Revenue, Marketing and Chairman's Secretariat) in January 2009. There was no evidence of any interview or application from Shri Darbari, and Chairman, OC was kind enough to write to his private sector employer for his early release on the very day of his selection by the search committee. OC took no action on the numerous complaints received against him from various sources (including MYAS) from February to April 2010. Shri Darbari's services was eventually terminated in August 2010 on corruption charges.
- **Shri Nachiketa Kapur:** Shri Nachiketa Kapur was appointed as Director, Protocol and Media Relations in July 2009 and further promoted to the rank of DDG. The official had been rejected for the post of OSD to Minister of State (MOS) for Women and Child Development in February 2008 by the Appointment Committee of the Cabinet (ACC), which stated that he should not be considered for any sensitive posts in future. OC however employed him, without any verification.

³ ABC Consultants, Ma Foi Management Consultant, and Team Lease-People Strong Consortium

15.1.2.3 Non Disclosure of related employees:

While there were no formal records or disclosures by employees of their close relatives working in the OC (despite provision for such disclosure), OC provided us a list of 35 such cases who had one or more relatives working in OC. Such a large number of cases, which are easily identifiable by OC (without formal disclosure records), indicates risk of favouritism / nepotism in appointments.

15.1.2.4 Fixation of salary

We found that employees were indiscriminately granted higher pay at the

time of appointment. OC did not follow the GoI rules for considering the pension of retired Government officers for deduction, while fixing their pay at the time of re-employment.

15.1.2.5 Unadjusted advances from employees

We found that employees were allowed to leave the organisation without adjusting the outstanding loans and advances. Apart from a serious internal control failure this indicated the work environment of patronage.

Table 15.1 : Advances outstanding against Employees at the time of relieving

Name of the Official	Designation	Functional Area	Loan/advance outstanding after relieving from OC
Mr. Sujit Panigrahi	ADG	Technology	15,000
Vijay Kumar Gautam	COO		83,647
B.B. Kaura	JDG	Protocol	69,313
Brig Sunil Arya	ADG	Technology	50,000
M. Jeychandran	ADG	Finance	50,49,652
Sanjay Mohindroo	DDG	Technology	67,58,578

15.1.2.6 Promotions in the OC

Given the temporary nature of the OC, there was no provision for grant of promotions. Nevertheless, OC granted promotions (multiple promotions in some instances) in an arbitrary and ad hoc manner to some of its employees. We found that this was apparently used as a form of patronage:

- Performance appraisal, which was supposed to be the basis for promotion, was not available in many cases.

- There was no criteria, time frame or process for grant of promotions.
- 7 persons were granted two promotions in short span of 1-3 years, of which 5 were staff associated with CYG-2008, Pune, Chairman Secretariat and DG Secretariat.

Promotions were granted to certain officials, despite low ratings by the workforce consultant of these officials on educational qualification and experience, as summarised below. Some officials were also promoted, despite less than satisfactory performance of their functional areas.

Table 15.2 : Staff promoted despite low ratings on educational qualifications and experience

Name of the Official	Designation	Functional Area
Mr. Ram Mohan	DDG	Legal and Chairman Secretariat
Dr. G.S. Anand	DDG	Venue Development and overlays
Dr. G.S Bawa	DDG	Sports and Venue Development
Mr. Abrar Hussain	Director	Workforce
Mrs. Indu Anand ⁴	PO	Ceremonies

15.1.2.7 Cases of Gross Irregularities in Workforce Management

- **Shri Vijay Kumar Gautam:** In September 2007, Shri Vijay Kumar Gautam, IAS (Maharashtra cadre) was appointed to the post of COO, which had overall responsibility for the delivery of the Games in addition to certain functional areas. Despite complaints by his reporting officer (Shri VK Verma, DG) about his performance, Chairman OC did not allow him to be replaced. Shri Gautam was allowed to proceed on leave from December 2009 for the next 10 months (including the actual Games period) and was relieved from the OC w.e.f. 31 October 2010, while still on leave. Shri Gautam's leave applications were addressed directly to Chairman, OC and not to the DG. Despite his leave spells never being formally sanctioned, he was paid full salary for the period.
- **Shri Manish Kumar :** There were several irregularities in appointment and functioning of Shri Manish Kumar, DDG Press Operations. Details are already discussed in para 14.1.1
- **Shri Sanjay K. Mahindroo:** Shri Mahindroo was interviewed for the post of Director (Information Services and Network) in May 2009, but appointed as DDG (Information Services-Technology). Approval was obtained for a salary of Rs.60,000, but Shri Mahindroo's appointment letter indicated his salary as Rs. 1,00,000 and his post as DDG (Technology/Marketing).
- **Wing Commander (Retd.) Rajiv Mohla :** Wing Commander Mohla was interviewed in April 2010 for the post of DDG (Chairman Sectt.), when he was also holding the post of Secretary in DDA (Sports Complex). He was appointed on 28 April 2010 as DDG (Chairman Sectt.), but continued to hold both the posts till October 2010.
- **Ms. Sangeeta Welinkar:** Ms. Welinkar joined the OC during CYG-2008, Pune as a coordinator. She was then appointed as DDG for 'Image and Look' in January 2009 by upgrading the post (without EB approval), and was promoted five months later as ADG 'Image and Look' with the approval of Chairman. We did not find Ms. Welinkar's qualifications and experience matching with her job profile.

⁴ She was granted two promotions despite the above low rating

15.2 Accommodation

15.2.1 Overview

The Accommodation Functional Area was responsible for:

- providing suitable accommodation to OC employees and consultants as per their contracts; and
- booking of hotel rooms and other arrangements for delegates and officials.

15.2.2 Hiring of Flats

OC hired 38 apartments in different parts of NCR Delhi for its consultants and employees at a cost of Rs. 4.39 crore as rental charges. This hiring was done in an arbitrary manner without any advertisements and prescribing entitlements in terms of maximum rent, area etc. Inexplicably, the selection of apartments was done by Shri Lalit Bhanot's office, despite the existence of a specific Functional Area for accommodation related issues. Further, we found instances of hiring of multiple accommodation for the same period and idle accommodations, with avoidable expenditure of Rs. 0.12 crore.

Further, as of March 2011, security deposit worth Rs.0.60 crore for these flats was still lying with the property owners, though most contracts had ended in October 2010.

Flats from Salwan Educational Trust

In November 2009, OC entered into an agreement with Salwan Education Trust for renting five flats for which OC ultimately paid Rs. 0.33 crore. While no details for selection of these flats were available on record, we

found that the entire process was done through Shri Lalit Bhanot's office. There is a distinct possibility that this process was conducted through Shri Sushil Salwan⁵, a legal advisor of OC pointing to a potential conflict of interest. Despite knowing that these flats were lying vacant for a significant part of the lease period, OC continued to retain them and pay rent, resulting in expenditure of Rs 0.21 crore towards rent on unoccupied flats.

15.2.3 Booking of hotel accommodation

The Ashok Hotel was nominated as the Flagship Hotel for the CWG 2010 and was booked exclusively for accommodating guests/officials from 29 September 2010 to 16 October 2010 at a cost of Rs 12.01 crore.

Of the 480 rooms provided by Hotel Ashok as many as 155 to 399 rooms remained vacant on different days during the period of reservation. During the same period, OC booked accommodation for International Technical officers (ITOs) and National Technical Officers (NTOs) with 11 others hotels at a total cost of Rs 3.53 crore. As the guest arrival list was firmed up by then, OC could have utilised at least 100 rooms in flagship hotels to accommodate the ITOs/NTOs, thereby saving Rs.1.15 crore. However, for some inexplicable reason, OC was apparently unwilling to accommodate ITOs/NTOs and other guests in the same hotel.

⁵ He was also a trustee of Salwan Education Trust

15.3 Accreditation

Accreditation Functional Area was responsible for issue of accreditation cards after obtaining security clearance. Data in respect of accredited persons was sent by the OC to ECIL, who was responsible for providing the integrated security system in all venues. We found that due to OC's negligence, 492 persons, who did not receive security clearance, were listed in the ECIL verified data as on 12 October 2010. This oversight was a serious security flaw and indicates that the accreditation system was not followed strictly.

Procurement of Lanyards by OC

A lanyard is a cord or rope worn around the neck to carry the identity card. Without ascertaining the need for lanyards for the accreditation card, a supply order for 1.5 lakh lanyards was placed on Tristar Enterprises⁶ in July 2010 at a total cost of Rs. 0.68 crore; out of these, 48,040 lanyards costing Rs. 0.22 crore were never used. Inexplicably, the lanyard specifications for fire retardantness stipulated withstanding temperature of up to 800 degree Celsius, whereas for the plastic pouch⁷ (which would contain the accreditation card) the requirement was 110 degree Celsius. We find no utility for such abnormal specification for the lanyard⁸, except to restrict competitive tendering.

⁶ Incidentally, Tristar Enterprises, was also the consortium partner of Gold Medal Systems who supplied GMS (See para 13.5)

⁷ for which separate RFP was issued

⁸ Incidentally, the selected lanyard contained PBDE (Polybrominated diphenyl ether), a chemical banned due to its harmful effects on the environment and humans.

15.4 Cleaning and waste management

This Functional Area was responsible for cleaning and waste management at venues and non venues, and also for development of an Integrated Waste Management Plan. The initial budget for this work of Rs.11.22 crore was increased in June 2010 to Rs 31.22 crore.

We found that the consultant for cleaning and waste management was appointed only in November 2008 and planning for this aspect was unduly delayed till July 2009.

15.4.1 Contract for Cleaning services at Venues

OC took an inexplicable long period of 11 months (from October 2009 to August 2010) for appointment of cleaning companies for providing cleaning services at all competition and non competition venues, after dividing them in nine tender packages (clusters). Except for tender package two (which was awarded to Sarvatra Integrated Services at a cost of Rs.1.02 crore) all the other eight packages were awarded to A2Z Maintenance and Engineering Services for Rs. 19.30 crore.

We found that the tendering process was deficient in many ways:

- There was no justification on record as to why the package/cluster based approach was adopted
- The qualifying marks for technical evaluation were lowered in the RFP from that specified in the EOI, purportedly to get more competition.

- The tendering was restrictive as the EOI stipulated an annual turnover, specifically related to cleaning services, of at least Rs 5 crore, in each of the last three financial years, for one tender package with a seating capacity of up to 5000, and Rs.10 crore for bigger venues. Consequently out of the 23 firms who responded to the EOI, 9 firms were disqualified for not satisfying prequalification criteria.
- We found that the two successful bidders, A2Z and Sarvatra, also did not fulfil the requirements indicated in the prequalification and technical bid stages, as details of experience were not provided by both of them. A2Z submitted only the certified copy of its turnover (from which the income derived exclusively from cleaning services could not be determined). Clearly the evaluation was not objective.
- At the technical evaluation stage when A2Z, Cleanvent and ISS Integrated Facility Services did not submit the required documents, OC contacted them to fill in the gaps instead of rejecting the bids.
- While OC consistently maintained during the tendering process that multiple tenders would not be allotted to the same vendor, A2Z was finally awarded eight out of nine tender packages.

Undue favour to A2Z Maintenance and Engineering Services

It appears that OC was intent on benefiting A2Z rather than safe guarding its own interests:

- During the price reduction negotiations, the scope of work and period was reduced
- A2Z was awarded multiple packages despite lack of games time/international experience, although Director (Cleaning and Waste Management) noted that it was beyond the capability of one single vendor to bring in such a large workforce for delivery of service.
- Although it was decided in May 2010 that A2Z would not undertake any other contract till its assignment with OC for CWG is over, OC itself engaged A2Z for office automation work in June 2010. Thus OC relaxed the condition in favour of A2Z. Interestingly, when A2Z had applied for another contract of office maintenance/housekeeping of OC, it was disqualified. We fail to appreciate why such relaxation was considered important, when there was no dearth of companies providing either cleaning/waste management services or office automation service.
- A2Z quoted different prices for items of same specifications in the tender packages allotted to him. OC did not question these inconsistencies, nor did it negotiate for lower rates.
- The performance of A2Z was found deficient and OC stated that a deduction up to Rs. 4.53 crore was being considered as also encashment of performance guarantee.

15.4.2 Cleaning services at Non Competition Venues

Due to deficient planning, the four non competition venues - International Broadcasting Centre, Uniform Accreditation Centre, Main Logistics Centre and Media Press Centre were not covered in the nine tender packages, and a separate tendering was conducted in June 2010. A contract for Rs.0.98 crore was awarded to an ineligible vendor (as they did not meet the relevant parameters as given in RFP), as no time was available by then.

15.5 Logistics

OC decided to centralise its logistics work with a separate functional area. Agility Logistics was appointed as the logistic service provider in July 2010, after a six month long tendering processing, at a cost of Rs. 12.5 crore less VIK sponsorship of Rs.11 crore. As of March 2011, OC could not provide details of the VIK services availed from Agility Logistics. However, we found that 20 out of 34 Functional Areas of OC did not avail of the centralised logistic services and made separate arrangements even for warehousing and distribution of goods e.g. OC engaged Buhariwala Logistics for the opening and closing ceremonies at a cost of Rs 0.69 crore. Further since all goods procured by the OC did not pass through the centralised logistics section, full information on assets procured by the OC, their location, distribution and retrieval was not available.

Also, after four months of the closure of the Games, OC has yet to complete physical verification of stores. Substantial assets are still lying in the Games Village, MDC Stadium and OC Headquarters. OC stated that they were awaiting instructions from

MYAS. We also found that out of four prime warehouses in the premises of ITPO, OC, JLN and SAI, two were closed in November 2010 without any physical verification. As such possibility of shortages during transit movement to OC building and MDC stadium cannot be ruled out.

15.6 Procurement

A separate Functional Area for procurement was established to facilitate planning for procurement of goods and services for the Games and procure goods and services as per defined timelines, locations and quantities. However, this Functional Area was grossly underutilised and played a very limited role in OC procurement. The procurement manual was prepared only in April 2010, and was also not complied with. In most cases, though associated with tendering, this Functional Area was not used to make procurement for other areas. In many cases e.g. Image and Look and Communication, their advice on tendering was ignored.

No plan for the return and disposal of surplus material was formulated till the Games were over. A committee was formed in November 2010 for the disposal of assets; however, its work is yet to start (March 2011).

In cases of procurement through this Functional Area, we found some irregularities e.g.:

- Souvenir items worth Rs.3.51 crore were lying unutilized as of December 2010, out of which commemorative medals constituted Rs.2.64 crore.
- Out of 200 laptops purchased in April 2010, 52 laptops worth Rs.0.27 crore were lying unutilised.

15.7 Risk Management

15.7.1 Insurance Broker

As per the Host City Contract, the OC was required to obtain adequate insurance coverage in respect of all risks associated with the organization and staging of the Games.

OC took 15 months to select insurance brokers:

Table 15.2 : Chronology of events for selecting of brokers

Timeline	Event
March 2007	EOI issued
June 2007	Evaluation committee recommended re-tendering, as none of the nine responses had the desired profile
July 2007	EOI issued again. Criteria revised from experience of five international events to experience of only two events.
January 2008	RFP issued to three shortlisted firms – Marsh India, Aon Global Insurance and JB Boda Insurance.
25 March 2008	Two sets of minutes of the Technical Evaluation committee, one where Marsh India was the bidder, and another where it was shown along with partner Trinity Insurance Broker.
June 2008	OC signed an agreement with Marsh India/Trinity Insurance Brokers

Incidentally, the RFPs for appointment of insurance companies for different covers included an unusual clause that “All re-insurance requirements will be discussed with Marsh/Trinity before approaching reinsurance market. All insurance companies have to follow guidelines laid

down by Marsh/Trinity with regard to Re-Insurance companies, failing which the bid will stand cancelled.”

Further, the RFP also provided for maximum brokerage permissible under IRDA rules. Both these clauses appear to have been designed to benefit the interest of the broker Marsh/Trinity.

15.7.2 Insurance for CYG-2008, Pune:

For CYG-2008 Pune, OC executed three insurance policies at a cost of Rs. 1.30 crore with Reliance General Insurance and ICICI Lombard. No records pertaining to these policies were made available for scrutiny. Strangely the insurance cover for 80 OC officials was taken up to March 2009 (while the Games took place in October 2008). In August 2009, OC, on the advice of MYAS, decided to opt only for public sector insurance companies for insurance coverage.

15.7.3 Execution of Insurance Policies

In September 2009, EB approved execution of a Comprehensive General Liability policy for US\$ 20 million (Rs. 100 crore). However, on the intervention of Shri Mike Hooper in October 2009, OC executed the said policy for US\$ 100 million at a total premium of Rs. 2.90 crore. Shri Hooper insisted that OC should take the insurance for US\$ 100 million based on the recommendations of CGF's insurance consultant Marsh⁹. It was noted in the EB meeting that there was a conflict of interest as Marsh was both a consultant to CGF and an insurance broker to OC and had a vested interest in

⁹ Shri Hooper even threatened that if OC did not execute the policy for US\$100 million, CGF would do so and charge it to OC.

increasing the policy amount on account of their brokerage commission. Despite EB's approval for a limit of US\$ 100 million (i.e. Rs. 460 crore), OC executed the policy for an enhanced limit of Rs. 500 crore resulting in excess payment of premium of Rs. 0.23 crore.

The management of other insurance policies and premiums was faulty on several counts:

- OC took insurance cover for 25000 volunteers (as against the actual 17667 volunteers and for a longer period than the volunteers' engagement, resulting in excess expenditure of Rs.0.11 crore.
- OC executed insurance policies for QBR personnel and equipment during the international and national legs of QBR at a premium of 0.84 lakh, although this was the responsibility of Maxxam, the QBR consultant.

- OC took insurance cover for directors and officers liability to protect the officials from the decision taken in good faith, during which process, Shri M Jeychandran¹⁰ falsely informed the CEO that the EB had approved a policy for US\$ 25 million. The EB did not discuss this issue in the above meeting. Further, as recommended by the CEO, the approval of SFC was also not taken. OC made a payment of Rs.1.29 crore in June 2010 only on Chairman's approval.

In a separate response, Shri Kalmadi (ex-Chairman, OC) disputed the above statement and indicated that the EB members had, in their meeting on 11 May 2010, suggested that OC should obtain such Directors & Officers Liability (D&OL) insurance. We do not agree, since the minutes of the EB meeting of 11 May 2010 did not reflect a discussion, nor a decision, on D&OL insurance.

¹⁰ Incidentally, Shri Jeyachandran submitted a claim for Rs. 5 crore (under the directors and officers liability cover) directly to the insurance company after his suspension; details are not available in OC's records.



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SVG R1 CAN 0 1:06 0

INDIAN RAILWAYS
Serves With Care

DELHI 2010
WELCOME TO THE CAPITAL

DELHI 2010

INDIA NTC

DELHI 2010
XIX COMMONWEALTH GAMES

DELHI 2010
WELCOME TO THE CAPITAL

Executive Summary

Background

The XIX Commonwealth Games (CWG-2010) were successfully hosted in Delhi from 3 to 14 October 2010. These Games represented the largest ever multi-sport event held in India. 4336 athletes and 2115 officials representing 71 Commonwealth Games Associations (CGAs) participated in competitive events in 17 sports disciplines, besides events in 4 para sports disciplines. While Australia was the most successful team at CWG-2010, India gave its best ever performance in the Commonwealth Games by securing second position in the medal tally with 38 gold, 27 silver, and 36 bronze medals.

The right to host CWG-2010 was awarded in November 2003 to Delhi on the basis of the May 2003 bid of the Indian Olympic Association (IOA), and the guarantee of Government of India (GoI), in conjunction with the Government of the National Capital Territory of Delhi (GNCTD) to bear the financial liability for hosting the Games, including underwriting any shortfall between revenues and expenditure.

In July 2009, we presented a Study Report to the Government of India on preparedness for CWG-2010. This Study Report was intended to provide an aid to the Executive in monitoring and benchmarking progress towards preparing the infrastructure and staging the Games, and making mid-course corrections.

The current audit of CWG-2010 was comprehensive in nature, and builds on the findings and recommendations of our Study Report on preparedness for the Games. It covers the period from May 2003 (when the bid was submitted) to December 2010 after the conclusion of the Games, as well as a multiplicity of activities – not just the hosting of the Games per se, but also the development of sporting venues, the Games Village, city infrastructure projects and other associated/ supporting activities – executed by a diverse set of agencies.

We conducted our field work between August and December 2010, held entry and exit conferences with the concerned agencies, and also issued detailed Statements of Facts (SOFs) to the agencies, seeking their responses and comments, which have been appropriately considered in this report. Our main findings are summarised in the following paragraphs. Details are available in the activity-specific chapters.

Governance

The commitment of Gol, in conjunction with GNCTD, in September 2003 to become parties to the Host City Contract (HCC) and undertaking to bear the financial liability for hosting of the Games, including underwriting any shortfall between revenue and expenditure, was critical to the success of the IOA bid for Delhi to host CWG-2010. The competing bid from Hamilton, Canada did not involve deficit guarantees from the Canadian Federal and Provincial Governments, nor did they agree to be parties to the HCC. In the case of India thus, the Games became the property of the nation, rather than merely that of the IOA. This was, however, inadequately reflected in the subsequent constitution of the Organising Committee (OC).

In our opinion, the unique challenge of managing and monitoring the activities of multiple agencies for delivering the Games Project should have been met by entrusting its stewardship to a single point of authority and accountability, with adequate mandate to ensure all deliverables in time, to cost, and to specified quality standards. Further, in view of the Government guarantee for meeting the cost of the Games, it was essential for such stewardship to be fully under Government control. However, this model of management or financial control was not followed for the Games Project.

Although the bid document of May 2003 envisaged the OC as a **Government-owned registered society**, with the Chairman of the OC Executive Board (EB) being a government appointee, and the IOA President being only the EB Vice-Chairman, the OC was ultimately set up in February 2005 as a **non-Government registered society**, with the IOA President, Shri Suresh Kalmadi as the Chairman of the OC EB. This change was orchestrated through a sequence of events, commencing with a document titled as an “updated bid” of December 2003 (which had no legal sanctity or relevance), indicating a changed structure. This “updated bid” dated December 2003 surfaced only in September 2004, viz. 16 months after the IOA made its bid and 10 months after that bid had already been declared successful! Despite serious objections from the erstwhile Minister, YAS, late Shri Sunil Dutt, Shri Kalmadi was appointed as the OC Chairman, based on a PMO recommendation of December 2004. This decision facilitated the conversion of the originally envisaged Government-owned OC into a body outside Governmental control, without commensurate accountability to Government and concomitant controls to ensure propriety and transparency (despite full financial guarantee and funding from Government). Attempts in 2007 by Shri Mani Shankar Aiyar, Minister, YAS and late Shri SK Arora, Secretary, Ministry of Youth Affairs and Sports (MYAS) with the PMO, the Group of Ministers (GoM) and the Cabinet Secretariat, highlighting the ineffective position of MYAS in

exercising control over the OC, met with strong resistance from the Chairman, OC, and were hence rendered unfruitful.

In the absence of a single point of authority and accountability and the lack of a clear governance structure, a multiplicity of co-ordination committees were created, disbanded, and reconstituted at different points of time. This approach was not methodical, consistent and effective, and also led to complete diffusion of accountability. This was unlike the structure for the Melbourne CWG-2006, where the Victorian Government oversaw the planning and delivery of the Games through a specially formed Cabinet Committee. The Minister for Commonwealth Games was specifically empowered and made responsible under the Commonwealth Games Arrangements Act 2001.

Although there were some changes in the governance structure of the OC from October 2009 onwards, these actions were largely in the nature of emergency fire-fighting measures. Possibly, the only effective steps taken were around August 2010 which eventually ensured the actual conduct of the Games. Early and decisive action on the governance structure for the Games of the kind witnessed in August 2010, with a single point of authority and accountability, could have made the Games delivery process less painful, more streamlined and accountable.

(Chapter 4)

Planning

There was a seven-year window from the award of CWG-2010 to Delhi in November 2003 to its hosting in October 2010, which was not appropriately utilised. The time window from November 2003 to mid-2006, which could have been effectively used for planning, clearances and approvals, was wasted. The OC itself was registered only in February 2005, while EKS was appointed by the OC as the consultant for preparation of venue briefs and site plans only in July 2006. This led to cascading delays in all subsequent activities, since the return briefs, concept designs and detailed designs and drawings for venues could be prepared only thereafter. Even after that, specifications and designs for venues continued to be revised by the OC and International Sporting Federations till late stages.

Overall planning for the Games, including the General Organisation Plan, the Games Master Schedule, and the operational plans for different Functional Areas, was also substantially delayed. So was the detailed planning for state-of-the-art city infrastructure in time for CWG-2010.

(Chapter 5)

Financial Management

Even while approving submission of the IOA bid in May 2003, and providing financial liability and deficit guarantees in September 2003, Gol did not have a clear and realistic assessment of the estimated cost of hosting the Games. The IOA bid of May 2003 estimated an all-inclusive cost of just Rs. 1200 crore (after setting off operational expenses against estimated revenues from hosting the Games). By contrast, the overall budget estimate for CWG-2010 for Gol and GNCTD (including MCD, NDMC and other agencies) as of October 2010 was Rs. 18,532 crore. This excludes investments by other agencies (such as DMRC and AAI/DIAL) on allied infrastructure.

The highly conservative and unrealistic size of the original budget envisaged in the May 2003 bid led to revisions of estimates at very short intervals even upto September 2010. This evidenced a piecemeal approach for consideration/approval of individual cost elements. The other major reason for increased costs/estimates was delays at multiple stages (including delays in grant of approvals by Gol), resulting in bunching of activities towards the end and consequential increase in cost.

The absence of a single point of authority and accountability for the Games was compounded by the early disbandment of the Finance Sub-Committee of the GoM, which would have acted as a special EFC for CWG-related proposals. This contributed to the piecemeal approach towards cost estimation and budget approvals.

We also found numerous instances of delays in grant of budgetary and financial approvals by the Gol. While we acknowledge that careful scrutiny of proposals is required to ensure due diligence before approvals and commitment of Gol funds, processing and approvals should have demonstrated a greater sense of urgency (in view of the considerable delays that had already taken place). These delays also contributed to the cascading of time at the execution stage.

(Chapter 6)

Internal Controls and Decision Making within the OC

The internal control environment and decision making structures within the OC were highly inadequate. The state of documentation in the OC was so inadequate that we are unable to derive assurance as to either the authenticity or the completeness of records.

Contract management by the OC was irregular and deficient. The state of contract documentation is such that we are neither sure of the entire sequence of events leading to award of contracts, nor about the total number of contracts and work orders awarded. We were also unable to ascertain complete contract-wise payments and outstanding liabilities.

The processing of certain sensitive contracts/ cases was allocated in an arbitrary and ad hoc manner to certain officials who had no linkages with the concerned Functional Area. Such action diluted the process of due diligence and scrutiny. There was enormous bunching of high value contracts in 2010, particularly in the second and third quarters. The argument of urgency was used to obviate the regular process of tendering for award of contracts. We found numerous instances of single tendering, award on “nomination basis”, award of contracts to ineligible vendors, inconsistent use of restrictive Pre-Qualification (PQ) conditions to limit competition to favour particular vendors, inadequate time for bidding, cancellation and re-tendering of contracts, and inexplicable delays in contract finalization, all of which seriously compromised transparency and economy. Further, there were numerous deficiencies in the appointment of external consultants and advisors and management of the multiplicity of contracts thereof.

We also found that the OC-IOA relationship was blurred, facilitating grant of irregular benefits to IOA at the expense of the OC/ GoI through various means.

(Chapter 7)

Revenue Generation by OC

At all points of time, the OC consistently presented staging of the Games as revenue neutral, if not revenue surplus. This argument was used to justify the independence and financial autonomy of the OC. However, this premise of revenue neutrality was seriously flawed, as it was never supported by robust and appropriately validated revenue projections. In fact, between March 2007 and July 2008, the revenue projections skyrocketed from Rs. 900 crore to Rs. 1780 crore. In our view, this increase in revenue projections (mainly on account of inflated projections of sponsorship revenue and donations) was made with the sole objective of keeping pace with the vastly increased operating expenditure estimates, so as to maintain the claim of revenue neutrality. Both MYAS and MoF failed to exercise necessary due diligence, and did not seriously challenge the OC's claim of revenue neutrality. In reality, the total committed revenues amounted to just Rs. 682.06 crore, and the net revenue actually realised by OC (after deducting revenue generation costs) was just Rs. 173.96 crore.

The OC's performance in revenue generation was consistently poor across all major revenue streams, e.g.

- It could generate committed sponsorship revenue of just Rs. 375.16 crore (against the target of Rs. 960 crore), out of which nearly 67 per cent was from Government agencies/ PSUs. No revenue has been received on account of merchandising and licensing rights. The engagement of SMAM as the consultant for sponsorship and merchandising/ licensing rights was flawed, as it was based on a single financial bid. It was also unduly influenced by the recommendation of the CGF CEO, and placed undue emphasis on international experience (ignoring the vast potential of the Indian market). OC chose not to derive lessons from the poor performance of SMAM leading upto the Games, and terminated its contract only in August 2010.
- The commercial exploitation of national and international broadcasting rights was badly managed. The agreement for national broadcasting rights between OC and Prasar Bharati was signed only on 23 September 2010, resulting in generation of just Rs. 24.70 crore of revenues for the OC. With regard to international broadcasting rights, OC could sign agreements for only Rs. 213.46 crore, of which only Rs. 191.40 crore has been received.
- OC's performance on ticketing was also deficient. Gross ticketing revenue of just Rs. 39.17 crore was realized (against the target of Rs. 100 crore). The appointment of the ticketing consultant and the ticketing agency was delayed enormously, and sale of tickets commenced only in September 2010. The generous distribution of high value complimentary tickets was excessive (nearly thrice that of earlier CW Games at Manchester and Melbourne). Also, OC adopted a wide range of ticket pricing, contrary to the recommendations of consultants, which contributed to low ticket sales (particularly of high denominations).
- OC included a revenue target of Rs. 300 crore in July 2008 from donations/ raffle, against which it collected a paltry sum of Rs. 0.99 crore.

(Chapter 8)

Games Planning Consultancy and Overlays

Event Knowledge Services (EKS) was awarded five consultancy contracts relating to venue appraisal/ briefs, project monitoring, games planning and workforce (awarded to an EKS consortium) during 2005-08. Three of these contracts were awarded on nomination basis, facilitated by strong patronage from the CGF (with which EKS had a close link). Tendering conditions for the other two

contracts were tailored to suit EKS. We are also unable to verify the need for this multiplicity of contracts, and the possible overlap between the deliverables from different contracts.

Planning and scoping for venue overlays was critically delayed by the OC and completed only in June 2009, after which the responsibility for procurement of overlays items was transferred from the venue owners to the OC. The procurement process followed for award of venue overlays contracts was highly irregular. OC inexplicably shifted from an item-wise basis (followed internationally) to a venue-cluster approach, based on geographical locations. This cluster-based approach, along with tailored eligibility criteria, was used to discourage competition by restricting the number of vendors. These criteria were then selectively and inconsistently applied to remove competitors, leaving a field of just four “technically qualified” consortiums – ESAJV-D-Art-Indo, Pico-Deepali, Nussli and GL-Meroform. The commercial bids of all four vendors were the lowest exactly for those clusters, which were their first and second preferences. Such coincidence points to collusion and the possibility of cartels among the vendors.

The overlays contracts were signed at exorbitant rates, causing huge financial loss to the OC (and the GoI). Although we cannot fully quantify the true total loss (based on available records), we have, however, come up with indicators of the financial loss in different ways (by inter se comparison of item-wise rates across clusters and vendors as well as rates declared to Customs).

(Chapter 9)

Ceremonies

The main ceremonial events of CWG-2010 were the Queen's Baton Relay (QBR), and the opening and closing ceremonies (which were to be signature events showcasing Indian culture and heritage). We note that the ceremonies were widely appreciated; in particular the opening ceremony was a spectacular success. However, we found numerous irregularities in the appointment of contractors/vendors for various ceremonies.

Regarding the QBR Launch Ceremony on 29 October 2009, we found an inexplicable reduction in the scope of work for JMW (the event management agency for the QBR Launch) in October 2009 (with an increase in cost). On the other hand, the OC made highly suspect payments of £ 386,237 to two little known entities – AM Films UK Ltd and AM Car and Van Hire Ltd – for diverse and unconnected services for the QBR Launch ceremony. The assignment of work and payments therefor were highly questionable; associated approvals and clearances were obtained and payments made with uncommon haste. Large

amounts were also paid in cash, perhaps to avoid leaving a transaction trail. The role of Shri TS Darbari and Shri Sanjay Mahindroo, who were unrelated to OC's Ceremony Functional Area, in the QBR Launch Ceremony is also questionable.

We found that planning for the opening and closing ceremonies was inordinately delayed. Further, a multiplicity of agencies was engaged – Shri Bharat Bala as Creative Director/ Creative Consultant, Spectak Productions (Shri Ric Birch) as International Consultant, Wizcraft as the Event Management Firm and 17 other consultants. There was considerable overlap between the roles and responsibilities of these multiple agencies. We also found that Spectak Productions and Wizcraft had tied up with other experts well in advance of the award of the contracts. The engagement of the additional consultants (for at least Rs. 6.12 crore) at OC's cost amounted to a clear financial benefit to Wizcraft.

There were also major irregularities in procurement of accessories/ special items. The consultant for the band stand, Mr. Mark Fisher, got his full fee of US\$ 514,000, even though the idea of the band stand was abandoned. Mr. Fisher then presented a design for an aerostat, which was accepted. The fact that Spectak Productions and the aerostat vendor were part of the same group was concealed. There were also serious irregularities in the technical evaluation and award of the lighting/ searchlight contract, as well as in the award of the contract for video content.

Contracts for Rs. 16.49 crore for art direction and props for the opening and closing ceremonies were irregularly awarded to Blue Lotus Productions, without even having an approved list of props which were actually required. Huge quantities of props remained unutilized. Some props were not even received. Many of these props were exorbitantly priced.

(Chapter 10)

Catering

OC was responsible for providing catering services at the Games Village and venues for athletes and team officials, CGF/ CGA officials, VIPs, technical officials and media persons, volunteers, workforce, contractors and spectators. We found inexplicable delays in planning for catering services, as well as in the execution of various catering-related activities.

There were numerous irregularities in the award of the Games Village catering contract. The process of award took 14 months, with two rounds of tendering, both on single financial bids. The cancellation of the first tender by the Chairman, OC was not only against the recommendations of OC officials, but was

also done after opening the single financial bid on the Chairman's verbal orders. This decision to re-tender weakened the OC's negotiating position vis-a-vis the vendors and resulted in frantic activity upto June 2010 for conclusion of four separate contracts/agreements.

The process for award of venue catering contracts was also flawed, with unusual delays. This witnessed one round of cancellation of tenders and floating of three new RFPs as late as July 2010, with compromises on transparency, quality and economy (due to insufficient competition). Consequently, there were numerous complaints about the venue catering services, resulting in emergency arrangements during the Games Time.

(Chapter 11)

Technology

Successful organisation of the Games required several integrated technical solutions, including a Timing, Scoring and Results (TSR) system, a Games Management System (GMS), and a Games Time Website.

We found that planning for TSR was badly delayed and initiated only in January 2009. There were clear and repeated interventions at different stages to steer the TSR contract towards Swiss Timing Omega and eliminate MSL, Spain. Restrictive experience criteria for “end-to-end service” were specified and altered, and used to irregularly disqualify MSL, Spain. Swiss Timing Omega and MSL Spain had jointly provided TSR solutions for Melbourne CWG-2006, Doha Asian Games-2006 and Beijing Olympics 2008, and were, thus, equally qualified / unqualified as to the “end-to-end service requirement”. OC was left with a single financial bidder, effectively eliminating any opportunity for competitive pricing of TSR. This facilitated award of the TSR contract to Swiss Timing Omega at an exorbitant cost of Rs. 135.27 crore (compared to just Rs.39.84 crore equivalent at Melbourne CWG-2006 from the same vendor). There were also several deficiencies in the performance of TSR - in particular, the Commentary Information System (CIS) and the Games Information System (provided as Value-in-Kind sponsorship by Swiss Timing Omega).

The award of the Games Management System was also flawed. Restrictive RFP conditions resulted in disqualification of three out of four bidders, with MSL, Spain being eliminated through a biased evaluation. Gold Medal Systems was finally awarded the GMS contract on a single financial bid at a total cost of Rs. 25.29 crore (compared to just Rs. 4.15 crore equivalent at Melbourne-CWG from the same vendor).

Inexplicably, OC failed to consider the need for a Games Time website till June 2010. The award of the contract to HT-Hungama was flawed and irregular, with award procedures appearing to lack transparency. In addition to adverse media reports about the website's performance, the CGF President also confirmed serious problems with the website.

(Chapter 12)

Sports

The Sport Functional Area in the OC was responsible for organisation of sporting events, maintenance of results records, presentation ceremonies, and purchase of sporting equipment.

There were several deficiencies in the procurement of sports equipment, such as not following global tendering procedures, purchases on single tender basis, and deficient assessment of requirements.

The procedures followed for hiring Mr. Greg Bowman and his company, Great Big Events (GBE), for a multiplicity of contracts relating to sports presentation ceremonies were questionable. One contract was, in effect, de-activated in September 2010, and re-awarded at exorbitant rates to GBE. We also noticed fraudulent payments to GBE for false claims of personnel assignments (when they did not even visit India).

(Chapter 13)

Games Branding

Games branding essentially involved running the Games News Service (GNS) and other press operations, communication and marketing, and “image and look” (i.e. promoting a unique Games look and identity through banners and graphics).

We found that the exorbitant cost of Rs. 10 crore for the GNS contract was due to a decision to go in for outsourcing (as against the internally developed option used at Melbourne-CWG 2006) and also on account of flawed tendering procedures (with re-tendering) resulting in award on a single financial bid to Infostrada Sports. GNS failed to perform satisfactorily during the Games, as the Games news content was inaccessible from 5 to 8 October 2010 and was rectified subsequently using makeshift arrangements.

The selection of the “Games Look Provider” for preparing banners was marked by a cluster-based approach (as in the case of overlays). Further, on the pretext of urgency, a snap bidding process was used. As in the case of the venue overlays contracts, OC allowed several ineligible vendors to bid, while disqualifications were made on a selective basis. We also found the same vendor quoting different prices for the same items across clusters.

(Chapter 14)

Workforce and Other Supporting Activities of the OC

We found serious deficiencies in the award of the workforce consultancy contract to a consortium of E&Y and EKS. The tendering process was clearly tailored to favour EKS. There were several deficiencies in the contractual clauses, which tended to favour the interests of the consultant, as well as in the execution of the contract.

We found that the OC managed the work force in an arbitrary and ad hoc manner, leaving ample scope for patronage, favouritism and nepotism in the appointment and promotion of officials. Security and reference checks were not carried out for most employees. Certain employees, whose past records should have rendered them unfit for appointment in the OC, were nevertheless appointed.

Other major deficiencies in certain functional areas included the following:

- 492 persons who had not received security clearance were incorrectly listed in the data for the Integrated Security System, which indicated that the accreditation system was not followed strictly.
- 1.5 lakh lanyards at a cost of Rs. 0.68 crore were procured with an inexplicable fire retardant requirement of 800 degrees Celsius.
- Contracts for venue cleaning services were awarded irregularly, using a cluster-based approach, to just two contractors. Restrictive eligibility criteria were applied in a biased manner. 8 out of 9 packages went to A2Z Maintenance and Engineering Services, which was also engaged by OC for office automation services.

(Chapter 15)

Common Issues in Venue Development

There were delays relating to venue development at all stages – planning delays on account of late preparation/ approval of venue briefs, return briefs, and concept designs; delays in tendering and contract award; and delays in works execution and handover.

In the absence of in-house design skills, the venue owners/ implementing agencies were dependent on external design consultants. There were considerable variations in the performance of these consultants. We noticed that where the role of the foreign partner in the design consultants consortia (with relevant experience in design of sports stadia) was less, there were significant deficiencies in design inputs for execution.

Different implementation agencies followed different processes for award of major construction works. CPWD awarded most of the venue development contracts on item-rate basis, which is the preferred method as per the CPWD manual, since it is best suited to deviations from the original scope of work. Two major works, were, however, awarded on lump sum basis. Large number of extra/ substituted items and deviations in these works tended to change the very essence of the contract. PWD, GNCTD awarded most of its works on percentage rate tenders. This method of tendering is acceptable, only when the major portion of work is on account of items included in the Delhi Schedule of Rates (DSR), which was not the case in most of the venue development works.

Deficiencies in the process for award of major works related mainly to pre-qualification and eligibility. The pre-qualification of bidders separately for each venue not only introduced arbitrariness and inconsistencies in eligibility criteria, but also delayed the process of award and execution. Considering the similar nature of works for sports venue, we believe that a common pre-qualification process should have been conducted.

We found several deficiencies in the process of “justification” for awarding works at substantially higher amounts than the cost estimates. There were also numerous instances of deviations (quantity deviations, extra items, and substituted items) from the original scope of work, with adverse implications in terms of increased cost and delays.

We found numerous instances of delays in achieving the milestones listed in the contract, for which adequate penal action was not taken, and Extensions of Time (EOTs) not managed properly.

A key element of cost escalation is labour wage escalation. We found several deficiencies in the application of this escalation clause. In our opinion, although

such payments are in the nature of compensation, the payments are routinely made as per a specified formula and there is no mechanism to verify that payment is made for labour actually engaged by the contractor/ sub-contractor. In order to ensure that the benefit of increased minimum wages reaches the actual beneficiary, we recommend that such payments should be made only on production of proof of unskilled labour actually engaged, duly authenticated by the Labour Welfare Department.

(Chapter 16)

Venues developed by Central Public Works Department

General Issues

CPWD was engaged by the Sports Authority of India (SAI) for upgradation/ renovation of five competition venues – Jawaharlal Nehru Stadium, Dr. SP Mukherjee Stadium, Major Dhyan Chand National Stadium, Indira Gandhi Indoor Stadium, and Dr. Karni Singh Shooting Range, as well as one training venue – DPS, RK Puram. In addition, CPWD renovated the Kadarpur Shooting Range on behalf of CRPF.

We found that the appointment of Consulting Engineering Services (CES) as the main design consultant for the five main stadia was seriously flawed. CES was favoured at the evaluation stage by award of marks on “concept design” (which were largely outputs of a previous set of consultancy contracts for “condition survey” awarded to CES). Further, the technical qualification of CES on the basis of “concept design” is all the more surprising, since the OC's consultant, EKS was engaged only in November 2006 and thereafter prepared the venue briefs, on the basis of which “concept designs” were to be prepared. The performance of CES in almost all the venue consultancy contracts was abysmal.

A Centralised Co-ordination Committee, chaired by Chairman, OC and including representatives from venue owners/ implementing agencies, was responsible for selection of brands of sports surfaces. We found clear instances of favouritism and bias shown by this Committee (which was largely guided by the OC) in selecting sport surfaces for athletic tracks, hockey turf and badminton court mats.

A joint tendering mechanism was put in place for selection of agencies for laying the sports surfaces at the venues. We found serious deficiencies in the award of the contract for laying of synthetic athletic track surfaces by CPWD to Shiv Naresh Sports Pvt. Ltd. The restrictive tendering conditions resulted in a situation where the awarded rates were much higher than comparative rates

quoted for similar works. We also found that the area over which the synthetic track was laid included 9,130 sqm outside the main track and area of final warm-up and call rooms at JLN Stadium at a cost of Rs. 6.63 crore. We are unable to derive assurance that this additional quantity was required for the Games, and confirmed as such by OC. We also found deficiencies in the quality of the main competition track during our field visits in November 2010.

A joint tendering mechanism was evolved for supply and installation of WVIP/ VIP chairs and media chairs for five venues. We found a systematic pattern of calculations and re-calculations for inflation of rates, which ultimately benefited the vendor, Superior Furnitures.

We found excessive “redundancy” in power supply arrangements for the venues, including installation of DG Sets as permanent fixtures, installation of UPS, and hiring of additional DG sets of huge capacity by OC.

Jawaharlal Nehru Stadium

In Jawaharlal Nehru Stadium, we found instances of non-adjustment for work not executed, extra payments for work already covered by the scope of the lumpsum contract, and non-levy of compensation for delayed completion of the work of the membrane roof. We found deficiencies in execution of work in the construction of the weightlifting auditorium at JNS, and common areas.

Dr. SPM Swimming Pool Complex

The main work of Dr. Shyama Prasad Mukherjee Swimming Pool Complex was awarded on a lumpsum contract. We found a number of concessions to the contractor, in deviation from the spirit of the lumpsum contract – large number of extra items, additional payment for work covered in the original contract, as well as substitution of the original galvalume roof with an aluminium roofing system, due to the failure of the contractor. The essence of the lumpsum character of the contract was, thus, defeated. There were also instances of poor quality of work execution.

IG Stadium Complex

Work at the Indira Gandhi Stadium Complex involved upgradation/ construction of venues for cycling, gymnastics and wrestling. We found that a firm, otherwise ineligible for the composite work of the indoor cycling velodrome, was irregularly qualified. Strangely, competition for laying the permanent timber track for the velodrome was limited to Indian furniture contractors (in association with an international track design and construction expert), with no attempt to float

international tenders. This was compounded by dilution of eligibility criteria. There were deficiencies in the bidding process for the wrestling stadium, ultimately resulting in a single financial bid, which raises concerns on the competitiveness of the bidding process. Numerous irregularities/ relaxations in the tendering process for different works relating to the gymnastics stadium, hostel/ media centre and roads, boundary wall etc. to favour a particular bidder, Swadeshi Construction Co. was also observed.

Major Dhyan Chand Stadium

In the case of the Major Dhyan Chand Stadium, audit revealed dilution of pre-qualification criteria benefiting a particular contractor. Estimates were lowered substantially from the RFQ to the RFP stage, which may have discouraged larger companies from participating. We also found that the “justified” rates calculated by the CPWD did not truly reflect the market, as there was evidence of much lower rates for components of the main work from outsourced agencies. Also, despite additional costs for reduced time period for completion factored into the “justification” process, the project took 37 months, against the stipulated 18 months. There were inexplicable delays, with re-tendering twice along with dilution of bid criteria, in award of the work of the PA system to a firm, which was found ineligible in the first and second rounds of tendering.

Other Venues developed by CPWD

The originally envisaged renovation/ upgradation of Dr. Karni Singh Shooting Range was changed to reconstruction of ranges, creating a squeeze of time at the execution stage. There were deficiencies in the quality of works executed, which persisted even after the Games. We also found certain deficiencies in the execution of works at the Kadarapur Shooting Range. The training facilities to be constructed at the CRPF campus, Jharoda Kalan for police sportspersons for participation in CWG-2010, had not been completed.

(Chapter 17)

Venues developed by Delhi Development Authority

Delhi Development Authority (DDA) developed competition/training venues at Siri Fort Sports Complex (SFSC), Yamuna Sports Complex (YSC) and Saket Sports Complex (SSC).

There was an inexplicable delay of nearly a year in engagement of the design consultants for construction work of the new venues, which resulted in cascading

delays in award and execution of the main works. We found deficiencies in the selection and performance of Architect Bureau-GSA Group Consortium as design consultant for the archery competition venue, training venues and refurbishment work.

There were significant deficiencies in the procurement of chairs (with justification rates being unreliable). Deficiencies were also noticed in the contracts for synthetic surface for table tennis court as well as maple wood flooring at one venue.

(Chapter 18)

Venues developed by other agencies

NDMC and PWD, GNCTD developed competition/training venues at Thyagaraj, Talkatora, Shivaji, and Chhatrasal Stadia and Government Model Ludlow Castle School. The main contractor hired for Shivaji Stadium was a foreign company, China Railway Shisiju Group Corporation (CRSGC), when it is apparent from the conditions of the NIT, that such was not the intention. Shivaji Stadium could not be completed in time for the Games and the completed hockey pitch in the stadium has an East-West orientation, as against the required North-South orientation.

Simplex Project Ltd. was engaged as the main contractor for the works at Talkatora Indoor Stadium on a single bid basis; we are unable to derive assurance that the best price was determined for the work in a competitive market. The quality of construction was also found deficient by CTE, CVC.

In the case of Thyagaraj Stadium, we found several instances of adoption of higher cost items for estimation/execution from among multiple options, and also numerous instances of specifying a single brand or “equivalent”, thus favouring these brands, with consequential reduced competition and increased costs. We also found multiple forms of power back up – a solar power generator unit, and a dual fuel gas turbine with add-on Vapour Absorption Machine (VAM). The expenditure of Rs. 22.41 crore on the turbine and the VAM is largely infructuous, as it would be highly expensive to generate power from this unit post the Games.

Irregularities were also observed in the appointment of the design consultant for the Chhatrasal Stadium and Ludlow Castle.

JMI was selected as a training venue for Rugby 7s and table tennis. We found that the Rugby 7s field, developed at a cost of Rs. 2.11 crore, was being converted back into a cricket field, which defeats, at least partly, the objective of

creation of state of the art sporting infrastructure. Further, Rs. 2.58 crore was diverted for creation of sporting facilities for other disciplines (basket ball, lawn tennis, volley ball, hockey/football etc). While we recognise that development of university premises for providing sports facilities is desirable, the diversion of funds sanctioned for a specific purpose is irregular.

Delhi University and its affiliated colleges were designated as the competition venues for Rugby 7s and training venues for netball, boxing, rugby 7s, athletics and women's wrestling. We found that the legacy plan for training venues at individual colleges, covering the optimum utilisation of developed infrastructure as also arrangements for their regular maintenance and upkeep, is still pending.

The R.K. Khanna Tennis Complex, under the All India Tennis Association, was designated as the competition venue for tennis. We found that the consultant for this upgradation project was irregularly selected on nomination basis. However, AITA's concept of deleting the steel portion from the original contract (on account of volatility in steel prices in 2008) and procuring it directly had its advantages, especially since it did not include any 'escalation/ de-escalation' clause in the contract.

(Chapter 19)

Commonwealth Games Village

The Commonwealth Games Village, near the Akshardam Temple, had three major components – a residential complex for housing the athletes and officials, practice areas for athletes, and temporary structures (overlays) for the international zone, village operations and other areas.

We found that key issues related to selection of site were not properly addressed. Except for strengthening of the Akshardam bund, there was no evidence of compliance with the upstream flood mitigation/ abatement measures on the river Yamuna stipulated by the Ministry of Environment and Forests while according conditional environmental clearance. DDA essentially attempted to abdicate responsibility for this issue. We could also not verify compliance with the orders of the Hon'ble Supreme Court, which had permitted construction on the basis of an assurance regarding monitoring of construction activities by a PM-appointed committee in association with Dr. RK Pachauri. Surprisingly, when contacted, Dr. Pachauri confirmed that he had not been involved with any such monitoring activity.

We found serious irregularities in the award of the contract for construction of the residential complex in PPP mode to Emaar MGF Constructions Pvt. Ltd. There

was a series of misrepresentations and accommodations at the RFQ and RFP stage that resulted in Emaar MGF Constructions Pvt. Ltd, which was not qualified in terms of the PQ criteria, emerging as an eligible (and successful) bidder through the consortium route. Further, a short time period of just seven days was allowed after a significant addendum, introducing significant changes to the bid conditions.

In response to the RFP, two bids were received from Emaar MGF Constructions Pvt. Ltd and DLF Ltd. While DLF's conditional bid was summarily rejected without any interaction or negotiation, DDA chose to engage in a prolonged correspondence with its financial consultants, legal advisors and Emaar MGF Constructions Pvt. Ltd to find solutions to address the deficiencies in its proposal. Finally, only Emaar MGF Constructions Pvt. Ltd was declared technically qualified, and was awarded the contract on the basis of a single financial bid, thus denying DDA the benefit of financial competition.

The execution of the residential complex project was also plagued by several irregularities and deficiencies. The FAR constructed by the project developer substantially exceeded not only the sanctioned plan, but also the maximum permissible FAR under the Master Plan for Delhi – 2021. Emaar MGF also illegally constructed 17 additional dwelling units in the basement meant for parking. DDA allowed several financial concessions to Emaar MGF, including revision of milestones and delayed / non-levy of liquidated damages. Against the stipulated deadline of 1 April 2010, the residential flats were handed over to DDA between June and August 2010 and that too in incomplete condition.

The Central Building Research Institute, Roorkee (CBRI) was appointed by DDA as the third party independent quality inspection agency for the residential complex only after most of the foundation work was executed. CBRI pointed out serious lapses in construction work through thirteen reports between June 2008 and October 2010. These included deficient secondary reinforcement of beams and columns, lack of adequate concrete cover to Reinforcing Steel, improper beam-column joints, improper alignment of columns and tapered columns (which were plastered to cover up the deficiencies, contrary to CBRI's advice), and differences in the levels of grade slabs leading to seepage and leakages in the basements. CBRI concluded that on seeing the permeability of the concrete and the corrosion of reinforcing steel, it gave an impression that the service life of these towers could not be more than 20 years, unless substantial expenditure was incurred on repair and retrofitting. DDA did not take adequate action on these reports, as the deficiencies continued to recur in CBRI's successive reports.

There were serious deficiencies with regard to the award and execution of the design consultancy contracts for construction of the practice areas. The

selection of Sportina Payce Infrastructure Ltd. as the main contractor for the practice areas was manipulated to ensure that Sportina Payce Construction (India) Pvt Ltd. (a different entity) pre-qualified and the successful bidder for the project was different from the pre-qualified consortium. Subsequently, due to poor performance, the contract was terminated, and re-awarded.

The selection of GL Litmus Events Pvt. Ltd. as the contractor for delivering temporary structures (overlays) for the international zone and other areas was equally flawed. The successful bidder was entirely different from the pre-qualified entity, and the foreign entity with relevant expertise was not part of the successful bidding entity. Further, for a contract of Rs. 41.38 crore, the bulk of the material for which was to be imported, the value assessed at the Indian customs was only Rs. 5.32 crore.

Delhi Jal Board (DJB) constructed a 1 MGD Water Treatment Plant (WTP) for the Games Village, Akshardham Temple and surrounding areas at a cost of Rs. 35.20 crore. We found that the need for a separate 1 MGD was not clearly established and the plant was over-designed with expensive membrane filtration technology. Further, the tendering process was flawed and irregular, with undue and inexplicable delays. The bid evaluation was tailored to favour award of the work to a single bidder. The WTP is currently shut down and its requirement on a legacy basis is questionable.

DDA also purchased four 1250 KVA each generating sets with excessive and undue redundancy, which are now lying idle. Plans to shift two of these sets to DDA Headquarters (Vikas Sadan) appear unreasonable, as Vikas Sadan's current load is just 1230 KVA.

(Chapter 20)

Streetscaping and Beautification of Roads around CWG Venues

In 2004, GNCTD decided to implement streetscaping and beautification of roads for “aesthetics” before CWG-2010. However, in our view, the street-scaping and beautification project was ill-conceived and ill-planned, without a broad overarching vision and perspective of how this would impact urban design and development. The project was not part of Delhi's City Development Plan under the Gol's flagship JNNURM programme for urban development and renewal. GNCTD did not deem it necessary to obtain clearance from DUAC for this project, nor was there evidence of consultation with the Traffic Police at an appropriately early stage to assess and co-ordinate its impact on the management of the huge volume of Delhi traffic.

Streetscaping and beautification works at exorbitant average awarded costs of Rs. 4.8 crore/ km (compared to NHA's estimated cost of Rs. 9.5 crore / km for constructing a four-lane national highway or Indian Railways' estimated cost of about Rs. 4.1 crore/km for constructing railway track) were awarded and executed in an ad hoc and arbitrary manner, with wasteful expenditure of Rs. 101.02 crore.

The project was largely a consultant-driven project, with the selection of consultants being arbitrary and non-transparent, and without any common design guidelines and targeted budgetary estimates. The consultants were given a free hand to draw up designs and estimates for the packages allotted to them. This resulted in adoption of richer specifications in an arbitrary and inconsistent manner in different packages. We also found adoption of higher rates/ short recovery, and other deficiencies in contract management. Third Party Quality Control failed to provide adequate assurance on the specifications and materials used in the works.

(Chapter 21)

Upgradation of Street Lighting of Roads in Delhi

The project for modernisation of Delhi Street Lighting System was conceived by GNCTD in June 2006, with plans to implement it across Delhi within 2 years. Detailed lighting standards were prepared in November 2006. Although these standards provided only the technical parameters of performance of lamps and luminaries and did not distinguish between indigenous and imported luminaries, PWD stipulated the use of a mix of imported and indigenous luminaries for different categories of roads. Records show the decision on use of imported luminaries being taken with the active involvement of the CM at various stages. No technical note regarding reasons for use of imported luminaries along with cost benefit analysis was found on record. The decision taken by PWD regarding use of imported luminaries was also adopted by MCD and NDMC.

The imported luminaries were procured at a far higher cost than the domestic luminaries, leading to avoidable extra expenditure of Rs. 31.07 crore across the three agencies. Models of various companies of vastly different repute and of different price range were selected at the same level, without any record of techno-economic evaluation of options offered by different bidders. We also found that the procurement price of imported luminaries was far higher than the fair price computed on the basis of actual invoice price.

The awarding of work in NDMC after calling of design based tenders resulted in an extra expenditure of Rs. 6.77 crore, as work was awarded to the bidder with higher unit rates for various items. NDMC also awarded additional

work of 18.445 km, incorrectly terming it as deviations to the original contract. We believe that this may lead to an estimated additional loss of Rs. 6.13 crore.

Restrictive tendering conditions were stipulated and the work was split into three parts in PWD, with requirement of not more than one work to one bidder, reducing the competition between the bidding firms. After once being declared disqualified, one of the firms, Spaceage was irregularly declared qualified on subsequent re-assessment, following his appeal to the CM.

We found avoidable expenditure of Rs. 2.54 crore in contracts awarded by MCD (due to non-compliance with design specifications), as well as suspected post tender alteration of bids in two cases, which had resulted in enhancement of the quoted amounts by Rs. 6.97 crore.

(Chapter 22)

Road Signages

In February 2006, it was decided that the entire city of Delhi should have state of the art road signages with appropriate structural system for the forthcoming CWG-2010. A pilot project was taken up by PWD in May 2008 through authorised converters of the two leading manufacturers of the retro reflective sheets.

We found that the department did not facilitate healthy competition, but merely ensured sharing of signage work between the two major sheet manufacturers, 3M and Avery-Dennison. Instead of calling a single tender for the complete work, the project work was divided among three PWD Zones for separate tendering and execution, with restrictive conditions, leading to only two valid bidding parties, with work automatically getting distributed between them. The anti-competitive bidding conditions led to work of one zone being awarded at least Rs. 1.40 crore above the corresponding cost in the other two zones as well as higher overall costs of procurement in PWD, as compared with NDMC.

Subsequent to the award of work, the designs for the signages were substantially revised, leading to large number of extra and substituted items of dubious utility with additional avoidable expenditure of Rs 14.88 crore.

(Chapter 23)

City Infrastructure Development: Roads and Flyovers

GNCTD undertook construction of 25 roads and bridges for upgradation of city infrastructure and in preparation for CWG-2010. We selected seven of these projects for detailed review.

All the seven projects adopted Contractor's Profit and Overhead Charges (CPOH) of 37.5 per cent for the bridge/ flyover components in contrast to CPOH of 15 per cent stipulated by CPWD. This resulted in increasing the justified cost, worked out by the department after opening of the financial bids, by Rs. 352.47 crore. A higher CPOH leads to a higher cost baseline for potential bidders. The CPOH rate also forms an indirect input into the process of preparation of justified costs, where required, and the assessment of reasonableness of rates for final award of the contract.

There was irregular award of work in two projects where L-1 was determined by considering separate letters quoting a lump-sum amount, while use of correction fluid in tender documents, and large number of cuttings/corrections were seen in another bid (which was accepted).

Two works costing Rs. 62.63 crore were got executed by PWD through deviations of ongoing works, instead of calling for fresh tenders, on grounds of urgency. These works however, were, not completed in time for the games. PWD also awarded work for construction of two arch foot over bridges (FOB) for Rs. 10.35 crore at JLN Stadium using for the first time, a suspension bridge design using imported Macalloy suspension system. One of the FOBs collapsed and the work was subsequently stopped on both the FOBs. Both are still lying incomplete.

(Chapter 24)

Renovation and Restoration of Connaught Place

Although the project for renovation and restoration of Connaught Place (CP) was envisaged in April 2004, it was plagued by undue delays. The original estimated cost of Rs. 76 crore (as of May 2005) went up nearly nine-fold to Rs. 671 crore by July 2007, with a huge increase in scope of work.

The approved DPR for the project was submitted only in February 2008, and it was, therefore, unreasonable to expect that the project could have been completed in time for the Games, especially in view of the constraints of traffic management considering the importance of Connaught Place to Delhi's traffic. NDMC chose not to follow the approach of dividing the project into manageable packages, so organised as to minimise traffic disruption across the whole of CP, and taking up those project components which could have been completed in time. Instead, the project was divided into packages spanning the whole of CP, with all activities getting underway around the same time.

Apart from the pilot project for facade restoration of 'C' block (which was completed in August 2008), the project remained incomplete at the time of the Games. We also found significant deficiencies in contract management, with consequent avoidable expenditure.

(Chapter 25)

Other Infrastructure Development Activities

Secured Communication Services

In September 2008, GNCTD decided to introduce a TETRA network (a professional mobile communication service essentially meant for emergency services and government agencies) in time for CWG-2010. GNCTD awarded the contract for TETRA at Rs.99.81 crore for an 87 month period, covering not only the Games period but also a seven year legacy period. In our view, the decision to extend TETRA for legacy use for seven years was ill-conceived. A proper assessment of the requirements of Delhi Police (the main user) and other public agencies as well as the replacement of existing networks with TETRA (since no communication was permitted by DoT between TETRA and other networks) was not carried out. Post CWG-2010, most of these expensive TETRA sets are, in effect, no more than mobile phones.

Transportation Services

During CWG-2010, low floor buses of DTC were used for ferrying the athletes, technical officials and media persons. For keeping the buses 'new' for CWG-2010, DTC kept about 16 per cent of its low floor fleet idle between March and August 2010; further, 78 per cent of the Blueline fleet was also taken off the roads in the NDMC area for the duration of the Games. This, compounded by large scale diversion of DTC drivers for Games-related duties, led to significant disruption of public transport services.

Modernisation projects like LED destination boards on standard buses, and construction of Time Keeping Booths could not be completed before CWG-2010 as envisaged. The construction of 48 ticketing booths all over the city appears to be an anachronism at a time when the buses are being fitted with GPS/ AVTS.

For getting 1500 Bus Queue Shelters (BQSS) constructed before the Games, DTC and the Transport Department of GNCTD resorted to various methods of execution (including award of 1050 BQSS on Government funding/ BOT mode to DIMTS, a non-Government entity with 50 per cent private

shareholding), which indicated arbitrariness, ad hocism and lack of clarity in implementation of such a large project. So far, only 472 BQs could be completed.

The bus parking constructed at the Ash Pond opposite the Millennium Park is not really a temporary structure. It has certain permanent constructions. Its use has continued well beyond the short requirements of the Games. This was clearly in violation of the Master Plan for Delhi 2021 and the proposed Zonal plan of Delhi, which earmarks the area as a green zone with recreational uses but without permanent construction.

Power

GNCTD planned to commission a new power plant at Bawana on the grounds of increased dependence on own power generation sources. The construction of the 1500 MW Bawana gas-based power plant was, however, delayed, and could not be completed in time for the Games. Delhi Transco Ltd. (DTL) also took up five 220 KVA substations and seven corresponding cabling projects to strengthen the power supply situation in Delhi in time for the Games. Most of these projects were awarded very late (in the second half of 2009) and could not be completed before the Games. There were numerous deficiencies in the contract award process.

(Chapter 26)

Organisation of Commonwealth Youth Games – 2008, Pune

The Commonwealth Youth Games 2008 (CYG-2008), a sub-event of CWG-2010, was held between 12 and 18 October 2008 at the Shiv Chhatrapati Sports Complex Balewadi- Mhalunge, Pune, which was refurbished and upgraded for the event.

We found serious deficiencies with regard to the construction of the 3-star hotel on PPP basis for accommodating the participants. The plot for the hotel was located in a public/ semi-public land use zone, and commercial use was not permitted. The proposal for change of land use was mooted to the Government of Maharashtra (GoM) on the grounds of urgency/ late stage, work already having commenced on the ground, and lack of other alternatives. This was approved by the then Chief Minister in October 2007. The Review Committee, headed by the Chief Secretary, abdicated its responsibility in this regard.

Further, the tendering process for the hotel was severely flawed. Tender conditions were relaxed substantially in various stages, purportedly on grounds of lack of response. Strangely, the issue of change of land use was not raised at all during the tendering process. It is possible that only bidders who were confident of getting post facto clearance from the GoM would have gone ahead with the bidding process. The contract was finally awarded on a single financial bid to Unity Infra Projects with an NPV far below that recommended by the Finance Department.

CYG-2008, Pune was expected to be a learning experience for the staging of CWG- 2010 at Delhi. The deficiencies noticed at Pune, and the resulting recommendations were intended to ensure that these were not repeated in CWG-2010. We, however, noticed that OC lost this opportunity to learn and test its preparedness for Delhi 2010, and consequently repeated its mistakes in key functional areas during CWG-2010, notably technology, ticketing, sponsorship and merchandising, press operations, catering and accommodation.

We also found several deficiencies in the procurement of electronic, sports and other equipment for CYG-2008. Most of the security equipment indented for CYG-2008, Pune was either ordered after the Games, or received after the Games. Many of the city infrastructure projects (taken up largely under JNNURM) could not be completed in time for the Games.

(Chapter 27)

Media and Broadcasting Services

Although Doordarshan was indicated as the Host Broadcaster in the May 2003 bid, it was formally notified by the OC only in March 2007. The Host Broadcaster agreement between the OC and Prasar Bharati (PB) was signed in May 2009.

The award of the broadcasting services contract by PB to SIS Live was flawed on several counts:

- Only one bidder, SIS Live, was qualified on technical grounds, and the contract was awarded on a single financial bid, without any competition. Lack of competition was facilitated by a rigid stand taken by PB at the stage of bidding (especially on the payment schedule), which restricted potential competitors from bidding. However, PB agreed at the pre-bid meeting to finalise the contract terms “mutually” with the selected entity, and subsequently amended numerous clauses of the draft contract to make it one-sided in favour of SIS Live.

- Contrary to the intent of the contract with PB, SIS Live outsourced almost the entire contract on the same day to Zoom Communications, which would have been ineligible for bidding. We found that SIS Live and Zoom were in alliance much before the signing of the contract with PB, and even at the contract drafting stage, the intention of SIS Live to outsource the contract was clearly evident.
- While PB's contract with SIS Live was for Rs. 246 crore, the sub-contract between SIS Live and Zoom was for only Rs. 177.30 crore (which would also factor in Zoom's profit margin). Clearly, there was a substantial loss to PB and Government, although we are unable to quantify this loss (based on available and verifiable records).
- As per the contracted schedule of payment, SIS Live was to receive only 30 per cent payment before 14 October 2010, with the balance only on verification of performance. This was irregularly amended to allow 60 per cent payment in advance of the Games (subject to successful installation and testing of equipment).

PB failed to enforce compliance by SIS Live with even the conditions associated with the relaxed payment schedule viz. short supply of equipment, irregular changes in make/ model of equipment, and non-co-operation by SIS Live with PB's technical inspection team. There were also several deficiencies in the execution of the contract, notably with regard to delayed/ non-receipt of tapes for QBR coverage and non-deployment of stipulated technical personnel by SIS.

We found that the Host Broadcast Management Committee (HBMC) set up by the PB did not achieve the desired results. There was a lack of consensus among members of the HBMC; this ultimately resulted in debatable decisions, which favoured the interests of SIS Live. The Ministry of Information and Broadcasting, as well as an Oversight Committee (chaired by the Minister, I&B and co-chaired by the Minister of Law and Justice) which was constituted to monitor the progress of activities and expedite decisions, chose to largely accept the proposals put forward by PB.

The legacy value of HDTV coverage of CWG-2010 to PB, both in terms of improvement of infrastructure and development of in-house skills, was insignificant. PB participated in production of only three events, as against the initial plan of coverage of 10 out of 17 events in-house. Training was imparted to PB staff only in non-Games venues, and there was no evidence of such training being imparted on the highly specialised OB vans used for Games production. Further, PB failed to take advantage of the Cabinet approved scheme for upgradation of Doordarshan to HDTV. Consequently, the training received by PB personnel from

SIS Live would also become largely redundant, in the absence of HDTV equipment in PB.

(Chapter 28)

Telecommunications Services for CWG-2010

MTNL was appointed on “nomination basis” in October 2009 for providing telecommunications services for CWG-2010, on the premise that it would follow all norms and procedures for public financial accountability. However, we found that the process of awarding the telecommunications services contract was flawed.

MTNL, with OC's agreement, pushed through a vastly more expensive technical solution (IP/ MPLS) for the Broadcast Video Network and Broadcast Audio Network, which had not been tested in the previous Games and was not acceptable to the Rights Holder Broadcasters (RHBs) from different Commonwealth countries. Eventually, in addition to IP/ MPLS, the tested and existing technical solution (“point-to-point dark fibre”) was provided to meet the requirements of RHBs. Even Doordarshan made use of only the dark fibre solution for its video broadcast requirements. This solution would have been vastly cheaper, with less cost to the public exchequer.

The premise of the PSU following public financial accountability norms was jettisoned, as the technical requirements were altered without adequate justification by MTNL to leave only one technically qualified bidder, the HCL/Cisco team; there was, thus, no financial competition. Essentially, MTNL acted as a conduit for placement of a contract, on a back-to-back basis, in a non-transparent manner.

The estimates for telecommunications services provided by MTNL at different points of time were unreliable and lacked adequate support, with the final infrastructure cost of Rs. 270.70 crore (excluding taxes) approved by the Gol being more than eight times the estimates of approximately Rs. 33 crore for Melbourne CWG-2006. The contract awarded by MTNL to the HCL/ Cisco team was for an even higher amount of Rs. 387.19 crore. Clearly, there was a substantial loss to the Gol on account of this decision.

MTNL did not provide realistic and detailed business plans or strategies regarding the post-CWG market potential for the high speed IP/ MPLS solution obtained at considerable cost to the Gol (except for a reference in the tender documents to the requirement of network capacity to handle 1,00,000 customers each in Delhi and Mumbai). This, further, confirms the redundant nature of this expensive technical solution.

(Chapter 29)

Health Services for CWG-2010

In October 2009, the Directorate of Health Services (DHS) in the Department of Health and Family Welfare (DoHFW), GNCTD formulated a Health Action Plan (HAP) for CWG-2010 for providing free medical services to athletes, officials, spectators and others at the Games Village, venues and other locations.

While healthcare for the athletes and the Games Family was ensured, we found that the delayed finalization of the HAP, compounded by further delays during tendering/ award, was used to facilitate deviations from stipulated procurement procedures for ensuring transparency and competition on purported grounds of urgency.

The procurement of medical equipment was marked by serious irregularities. Despite CWG-2010 requirements having been identified well in advance in the HAP, DHS followed multiple procurement processes in an arbitrary manner – including procurement through one-year Rate Contracts (RCs) finalized in June 2010, operating of RCs of other hospitals, and use of “spot quotations” from the open market. We found that the rates for many of these items were exorbitant, by inter se comparison of rates for the same items between multiple modes of tendering. Further, 5 items of medical equipment (estimated at Rs. 5.89 crore) included in the HAP were not ordered at all, while an additional 5 items (which were not included in the HAP) were purchased for Rs. 1.10 crore.

Although the Sports Injury Centre (SIC) at Safdarjung Hospital was inaugurated in September 2010, it was not fully commissioned even in November 2010. Many items of equipment were yet to be procured and/or installed, and training on use of equipment was yet to be fully imparted. There was also a severe shortage of qualified manpower for providing necessary services.

The attempt to strengthen ambulance services in time for CWG-2010 through deployment of 150 ambulances in PPP mode was a failure, since the contract with the selected concessionaire (Fortis Healthcare) was terminated for failure to deliver the ambulances in time. In our opinion, this eventuality arose because of the DoHFW's failure to specify the exact nature of the ambulance vehicle well in advance. Government then acquired just 31 ambulances in June/ August 2010 on direct procurement for the Games at a much higher price. This difference in prices was largely due to higher specifications for the medical equipment than that originally envisaged. It is inexplicable why this was not considered earlier. Further, 21 of these ambulances were Advanced Life Support (ALS) ambulances, which require the services of trained doctors and are generally attached to hospitals. Only 10 ambulances were Basic Life Support (BLS) ambulances, which primarily address the need of Delhi and its citizens for a

general ambulance service for immediate pre-hospital emergency response services.

(Chapter 30)

Integrated Security System (ISS) for CWG-2010

Electronics Corporation of India Ltd. (ECIL), a PSU, was appointed by the GoI in May 2009 on “nomination basis” to provide an Integrated Security System (ISS) for CWG-2010. We found that ECIL prepared a highly inflated cost estimate (approved at Rs. 346 crore) which allowed it to make an exorbitant profit of at least Rs. 126 crore. We recommend that final payments may be released to ECIL only after detailed examination of actual costs and an appropriate certification by ECIL's statutory auditors after allowing a profit margin of upto 20 per cent.

We found that 176 Portable Explosive Detectors (PEDs) worth Rs. 39 crore were wrongly procured by ECIL, and remained unutilised; similarly, 15,090 out of 18,700 RFID tags for accredited vehicles also remained unutilised.

MHA did not have an approved legacy plan for the utilisation/redeployment of the security equipment, without an “a priori” identification of items as legacy, non-legacy and consumables. Subsequent to CWG-2010, ECIL identified legacy and non-legacy equipment worth Rs. 272.65 crore, which had still not been redeployed or utilised.

(Chapter 31)

Preparation of Indian Teams for CWG-2010

In June 2008, MYAS initiated a scheme for “Preparation of Indian Teams for CWG-2010” for imparting state of the art training, with well-equipped infrastructure and other supporting facilities, through the Sports Authority of India (SAI) and its regional centres to a core group of 1286 elite athletes, who would be the medal probables for CWG-2010.

We found that SAI utilised only 30 per cent of the budget of Rs.678 crore allocated for the period 2008-11. Further, there were substantial delays in selection of core probables, as well as in appointment of coaches and other supporting staff. The performance parameters for judging improvement in the performance of the core probables were decided as late as 15 to 20 months after commencement of implementation of the scheme.

A total number of 284 training camps were held for 18 (17 normal disciplines and one para sports). However, many disciplines and sub disciplines had not had training camps during the year.

For supporting training of core probables, SAI awarded 28 contracts/ orders for procurement of imported sports items and equipment at a cost of Rs. 40.12 crore during 2008-11. We found serious deficiencies in the procurement process. All 28 orders were awarded on single tender basis as “preferred items” without adequate justification. In the absence of competitive tendering, we are unable to derive assurance regarding considerations of economy and transparency. Further, this expenditure was largely unfruitful, as many of the items were received after the training camps or during/ after the Games, while some items could not be installed or were received at the wrong SAI regional centres or remained otherwise unutilized.

On the infrastructure front, SAI failed to construct hostels in five regional centres, while hostels constructed in three regional centres could not be utilised due to non-availability of furniture, kitchen and other supporting facilities. Seven out of eight sports science centres, all eight standard modern fitness centres, and renovated/ upgraded halls at various centres could not be utilised before the Games. Thus, out of funds of Rs. 78.63 crore released for infrastructure up-gradation, expenditure of Rs. 74.35 crore was not fruitful in time for the Games. Further, out of the envisaged Rs. 9.20 crore of sports science equipment, only a negligible amount of equipment was in position before the Games.

There were deficiencies in financial management, including non refund of the unutilised amount of Rs. 45.50 crore by SAI and diversion of Rs. 19.00 crore for construction of the administrative block of SAI Hqrs building.

(Chapter 32)

Conclusion

It is acknowledged that India hosted the largest and among one of the most successful Commonwealth Games in Delhi in October, 2010. It is indeed a remarkable commentary on the nation's managerial and sporting capabilities that despite a multitude of adversities leading to the actual conduct of the games, India emerged successful both as hosts and as competitors.

It may be recalled that while submitting a study done by this Department in July, 2009, we had strongly recommended that Government should revisit the model of governance for a smooth and successful delivery of the games. Audit continues to feel that serious cognizance was not taken of the issues pointed out

in that report, as timely remedial action may have mitigated some of the adverse attention that the conduct of the Games attracted.

This report has commented upon the model of governance adopted for CWG-2010, in which authority was dissipated, accountability was defused and unity of command was not provided for or followed. It was also inadvisable to have placed such huge public funds at the disposal of non-government officials, who were not willing to heed to any advice from informed government officials.

The modus operandi observed over the entire gamut of activities leading to the conduct of the Games was: inexplicable delays in decision making, which put pressure on timelines and thereby led to the creation of an artificial or consciously created sense of urgency. Since the target date was immovable, such delays could only be overcome by seeking, and liberally granting, waivers in laid down governmental procedures. In doing so, contracting procedures became a very obvious casualty. Many contracts were then entertained based on single bids, and in fact, some of them were even awarded on nomination basis. Taking liberties with governmental procedures of the aforementioned kind led to elimination of competition. A conclusion from such action which seems obvious is that this could indeed have even been an intended objective! Eliminating competition led to huge avoidable extra burden on the exchequer.

As per established procedure in Government, whenever an outside entity makes a proposal to the Government involving budgetary commitments, the concerned departments are required to conduct an in depth and de novo examination of such proposals. However, such independent examination of proposals, especially regarding revenue generation by the OC and the expenditures likely to be incurred, as also the total financial liabilities to be borne by the Government, were conspicuous in their absence. Appropriate due diligence was conspicuously absent at all levels, while scrutinising and according approvals to expenditure proposals.

A basic canon of financial propriety is that the expenditure should not prima facie be more than what the occasion demands, and officials charged with stewardship of Government funds must exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money. Further, not only should transparency and fair play be exercised, the public at large should perceive that Government monies have been expended in a fair and transparent manner and officials will be held accountable for lapses. Government needs to take appropriate measures to live up to the high expectations in this regard.

(Chapter 33)



Preface

During the meeting of the Commonwealth Games Federation (CGF) General Assembly in November 2003, Delhi won the bid to host the XIX Commonwealth Games 2010. Having won the bid, the host city contract was signed in November 2003 between the CGF, Indian Olympic Association, Government of India (GOI) and the Government of National Capital Territory of Delhi (GNCTD) with the Organising Committee (OC) (which was constituted later), becoming a subsequent signatory.

In pursuance of this contract, the XIX Commonwealth Games were successfully held in Delhi from 3 to 14 October 2010. All sporting events and supporting activities were very smoothly conducted. The country and its management won acclaim for the successful conduct of the games. The country won a record haul of 101 medals which was the highest ever in international events of this nature wherein we had participated earlier. The opening and closing ceremonies were spectacular.

Despite such phenomenal success of our athletes and sportspersons, the events leading to the conduct of the games had attracted severe adverse attention. There were reports of irregularities in the award of contracts, delays in construction of stadia, games village and related infrastructure, procurement of equipments of inferior quality or purchase of routine items at exorbitantly high prices. The Media as also other agencies, were vociferously pointing fingers at Government and the OC on account of both delays in the preparedness and also excessive expenditure. There were not only veiled allegations of serious leakage of Government funds and favouritism in award of contracts, but also direct indictments of officials in positions in the different agencies entrusted with either the hosting of the games or developing stadia and associated infrastructure. Such adverse publicity undermined the tremendous achievements of our sports persons, and indeed, even the successful conduct of the games.

It may be recalled that towards late 2008 and early 2009 serious concerns had been expressed about India's preparedness for successfully hosting this prestigious event, largely because of perceptions about the construction of venues and associated infrastructure lagging behind schedule. The hosting of the Games was a mammoth exercise as the preparations involved atleast a dozen different agencies besides local and parastatal bodies like the DDA, NDMC and MCD. There were claims and counterclaims in different quarters about the state of preparedness.

It was under these circumstances that the C&AG had decided to conduct an independent study to assess the progress of projects and preparedness of different agencies for organizing the Games and to identify the significant risks that needed to be addressed. This study which was not an audit in the conventional sense, was meant to provide an aid to the Administration as benchmarks for monitoring the progress of different works and undertaking mid course corrections. After a study by a core team from our office, carried out between March and May 2009, a brief Report was prepared and submitted to Government in July 2009, 15 months before the games were to be held. The study Report provided detailed evidence of status of completion of projects in different phases as of July 2009, both documentary and pictorial. The report highlighted the fact that there was no scope for further delays and slippages in milestones, given the confirmed deadline of October, 2010 for holding the games. The study Report also suggested that “in view of the complexity and multiplicity of activities and organizations and the progress till date, there is need to rethink the governance model for the games project as well as for similar mega-events in the future”. Copies of the Report were provided to all authorities engaged in the execution of the complex games project.

In view of the concerns expressed by all sections of society with regard to the perceived inadequacies and shortcomings in different projects and associated activities with the staging and hosting of the games, the C&AG decided to conduct an external audit post completion of the games in the shortest possible time, so that the Parliament and the country could have the benefit of an independent and objective assessment of the outcomes emanating from the expenditures incurred. Ordinarily such a mammoth exercise would have taken several months. A multiplicity of agencies were involved and the activities and projects were manifold. However, considering the urgent need to keep all stakeholders apprised of the outcome of the expenditure incurred as also to provide an assurance with regard to the manner of achieving the outcomes, a dedicated team of auditors was put together to comprehensively audit all the agencies, aspects and activities leading to the conduct of the games. This audit was comprehensive in nature, combining both compliance and performance related issues across multiple Ministries and Departments of GOI, GNCTD, Government of Maharashtra, the OC and various other bodies with regard to the role and activities in respect of the Games projects. This Report contains the results of the audit, covering the period from May 2003 when the initial bid was made for hosting the games to December 2010 when most of the Games related projects and activities were completed. The exercise was mammoth, as our audit approach follows a very meticulous and clinical process in which we have to consider all significant details and also provide opportunity to the audited entity to present their responses and comments on the audit findings.

Audit conducted by the organization of the C&AG follows a very structured, systematic and objective architecture, to ensure that a balance and objective audit methodology is brought to bear on the Institution/Sector being audited and covering all nuances of that particular organization/activity. The audit methodology is as follows:

Before actual commencement of the field audit, to ensure a comprehensive coverage and consistency in findings, a detailed set of guidelines/checklists are prepared by the department. An “entry conference” is usually held at an appropriately senior level with the audited entity to elicit the cooperation and assistance required for the conduct of the audit as also share the broad audit approach and objectives. Suggestions and concerns of the entity raised in this Conference are taken into account to ensure a holistic and balanced coverage. Thereafter field audit commences which involves scrutiny of records and documents, physical inspection of sites (including collection of photographic evidences) and, where considered necessary, discussion with selected officials and persons. Audit requisitions are issued, seeking records, information and clarifications. Preliminary audit observations are communicated through audit memos/queries (also termed as “half margins”) to the audited entity at appropriate levels, seeking their responses and comments, which are duly examined and considered. After examination of the preliminary audit observations and responses thereto, draft audit findings are communicated, either through “Statements of Facts (SOFs) or draft Audit Reports” to the head of the audited entity, seeking their written responses. ‘Exit Conferences’ are also held, usually at the level of the head of the audited entity, providing an opportunity to explain their position vis-à-vis the audit observations and furnish additional information/clarifications. It is only after receipt of replies to the SOFs/draft Audit Reports that Audit finalises its findings and prepares the Audit Report for submission to the President for tabling in Parliament.

Whilst it has been oft commented that external audit is a postmortem and conducted quite often well after the event, the issue needs to be viewed in its right perspective. External audit of the kind conducted by the C&AG is, indeed conducted post the event. It is thus distinct from internal audit, which, by definition is concurrent. The efficacy and timeliness of our Report is often dependent on the promptness displayed by the audited entities at different stages – in making available the files and records, giving responses to audit memos and SOFs, as also in the holding of the exit conferences. Invariably, agencies seek additional time to respond at every stage. In the fitness of things and to provide an ample opportunity for them to present their arguments, reasonable extension of time is generally provided.

In the conduct of the extant audit of CWG 2010, the audit teams did a commendable job in completing the field audit, involving scrutiny of voluminous documents within a challenging time schedule of 90 days assigned to them. However, the preparation and finalization of the Report was totally dependent on the time taken by the different entities to respond to the requests for files, documents and records, and the time taken to make available complete and detailed responses to Audit at the different stages when the audit findings were shared with the audited entities. In the preparation of these audit findings, all agencies audited have been given adequate opportunity to provide clarification or state their side of the facts. Requests for additional time were also liberally granted to ensure that no authority or individual feels wronged that he did not have an adequate opportunity to represent his facts. Such granting of time could have led the delay of a few weeks in the presentation of this Report, but we believe that a fair opportunity must be given to all those on whose some observations are likely to be made. Needless to state, the final findings and its onus is entirely that of this Department. Audit is also constrained by the fact that its Report can be brought into the public domain, only after being tabled in both Houses of Parliament.

It is in the nature and context of the aforesaid issues that this Audit Report has been prepared. It is hoped that all stakeholders will perceive its balanced reporting and comprehensive coverage of the mammoth exercise leading to the conduct and staging of the CWG-2010. Whilst the Report is fairly comprehensive, it focuses on issues relating to the overall perspective of the organization and management of the Games Project. Other issues and concerns which focus on agency specific aspects would be reported separately through other Audit and Inspection Reports, depending upon their materiality and significance.

Some of the projects, works and contracts are yet to be completed. Consequently final bills are yet to be received and payments made. These payments are likely to have a significant impact on the final cost of the Games. Audit would cover the same in subsequent audits.

This Audit Report for the year ending March 2011 has been prepared for submission to the President under Article 151 of the Constitution.



1.1 Commonwealth Games

The Commonwealth Games (CWG) is a multi-sport event held every four years among the Commonwealth Countries. The Members of the Commonwealth Games Federation (CGF), which is responsible for direction and control of the CWG, are the 71 Commonwealth Games Associations (CGA) from 53 countries.

1.2 Commonwealth Games 2010

The XIX Commonwealth Games (CWG-2010) were successfully hosted in Delhi from 3 to 14 October 2010. These Games represented the largest ever multi-sport event held in

India, surpassing the IX Asian Games (held in Delhi in November- December 1982) and the I Asian Games (held in Delhi in March 1951).



The official Games mascot "Shera"



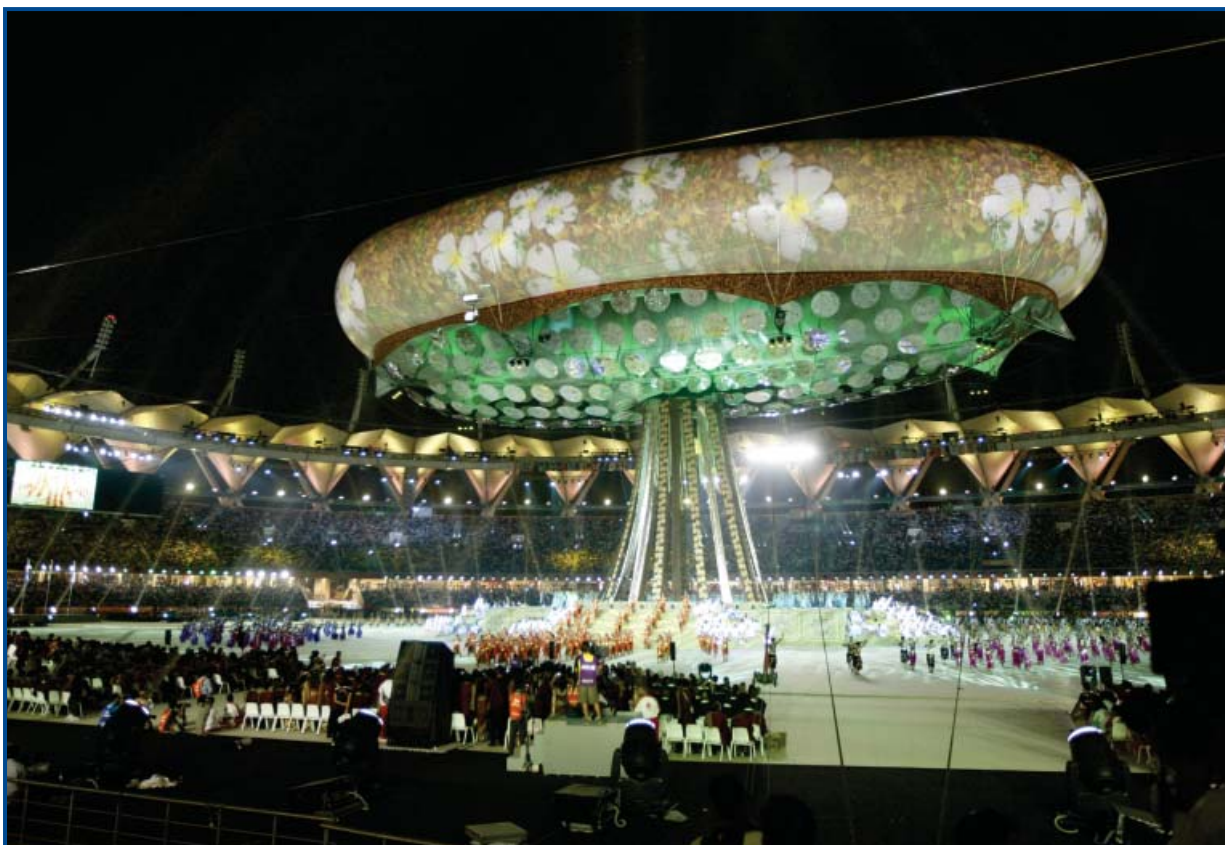
The Games logo

Chapter 1 - Introduction

The hosting of CWG-2010 was the culmination of the bid in May 2003 by the Indian Olympic Association (IOA), with the support of the Government of India (GoI) and the Government of the National Capital Territory of Delhi (GNCTD), for hosting the XIX Commonwealth Games 2010. Delhi won the right to host the Games with 46 votes against 22 cast in favour of the other bidding city Hamilton, Canada, at the Commonwealth Games Federation (CGF) General Assembly in November 2003. A Host City Contract (HCC) was signed in November 2003 between the

Commonwealth Games Federation (CGF), IOA, GoI, GNCTD, and the Organising Committee (yet to be formed).

The organisation of the Games was to be delegated by the IOA to the Organising Committee. However, all the Indian parties were jointly and severally responsible for all commitments, including financial liabilities without limitation, relating to the organisation and staging of the Games. In particular, GoI undertook to bear the financial liability for hosting of the Games, by underwriting any shortfall between revenues and expenditure.



1.3 Commonwealth Youth Games – 2008, Pune

The Commonwealth Youth Games are a small-scale version of the Commonwealth Games, designed for children and young people. The III Commonwealth Youth

Games took place in Pune, Maharashtra, from 12 to 18 October 2008, and were viewed, in part, as a test event for the XIX Commonwealth Games.

Highlights of XIX Commonwealth Games 2010

- 4336 athletes and 2115 officials representing 71 CGAs participated in CWG-2010.
- Competitions were held in 17 sports disciplines viz. archery, athletics, aquatics, badminton, boxing, cycling, gymnastics, hockey, lawn bowls, netball, rugby 7s, shooting, squash, table tennis, tennis, weightlifting and wrestling.
- In addition, 15 events were contested across four para sports viz. athletics, powerlifting, swimming and table tennis for elite athletes with disabilities under the Inclusive Sports Program.
- The events in 17 disciplines were held in competition venues in 12 stadiums and training/practice venues in 22 stadiums/ complexes. Details are given in **Annexe 1.1**.
- 108 Commonwealth Games records and two world records were set at the Games.
- Triple jumper from Jamaica, Trecia-Kaye Smith, was conferred the prestigious David Dixon award.
- With five gold medals in swimming, Alicia Coutts (Australia) was the most successful athlete. Gagan Narang (India), who won four gold medals in shooting, was the most successful male athlete.
- Australia was the most successful CGA at CWG-2010, with 74 gold, 55 silver and 48 bronze medals.
- India gave its best ever performance in Commonwealth Games by securing second position in the medal tally with 38 gold, 27 silver and 36 bronze medals. It also won all the medals in the women's discus throw event.

Major assets created/upgraded

- Creation of world class sporting infrastructure through renovation/ upgradation of sporting venues;
- Construction of several flyovers and roads and an elevated corridor;
- Upgraded metro connectivity and airport infrastructure;
- Induction of additional low-floor buses (AC and non-AC), and construction of new/upgraded bus queue shelters
- Streetlighting; and
- Restoration of heritage monuments (Safdarjung tomb, Purana Qila complex, Humayun's tomb complex, group of monuments at Hazrat Nizamuddin complex and Lodi Garden etc)

1.4 Organisation of CWG-2010 – a complex, long-term and multi-dimensional project

The organisation of the Games (and, indeed, any other multi-sport international events) constitutes a complex, long-gestation, multi-dimensional project with numerous participants/ activities.

Figure 1.1 - Organisation of CWG 2010



Governance and Management for CWG-2010 involved:

- Putting in place adequately empowered governance structures;
- Identification of activities, and delineation of responsibilities of different agencies;
- Funding and budgeting arrangements;
- Setting up of the “Organising Committee” (OC) for conducting the Games;

- Arrangements for monitoring, oversight and co-ordination; and
- Planning for legacy.

Development of sporting venues involved:

- Finalisation of 17 sporting disciplines (15 mandatory disciplines – as per CGF guidelines - and 2 optional disciplines – tennis and archery);
- Identification of stadiums as competition venues and training venues;



- Finalising plans for construction of new venues and renovation/ upgradation of existing venues;
- Venue building, testing and hand-over to the Organising Committee (OC) in time for the Games.

City Improvements involved:

- Transport improvements – roads and flyover projects to improve connectivity, road signages, traffic management, purchase of buses, construction of bus depots and bus queue shelters etc;
- Civic amenities – street lighting, public toilets, street “furniture”, streetscaping and beautification, restoration of heritage structures;
- Tourist accommodation and facilitation; and
- Power supply and other infrastructure arrangements.

Conduct of CWG-2010 involved:

- Games Planning and overlays;
- Sports and technology arrangements;
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- Catering arrangements for athletes, officials and others;
- Workforce and volunteers;
- Games branding and image and look; and
- Revenue generation to offset the cost of organising CWG-2010.

Other services included:

- Security and law and order arrangements;
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- Broadcasting and media coverage for the Games.



The organisation of CWG-2010 was a mammoth exercise. Notwithstanding the issues and concerns raised in this Audit Report, the Games were successfully conducted and received high praise nationally and internationally. Many of the objectives of hosting CWG-2010 – in terms of building state of the art sporting infrastructure as a lasting legacy; and large scale improvement of city infrastructure – were largely achieved.

We acknowledge the tremendous efforts put in by various agencies (both Government and non-Government) in working to very tight deadlines and under difficult circumstances to make CWG-2010 a grand success.



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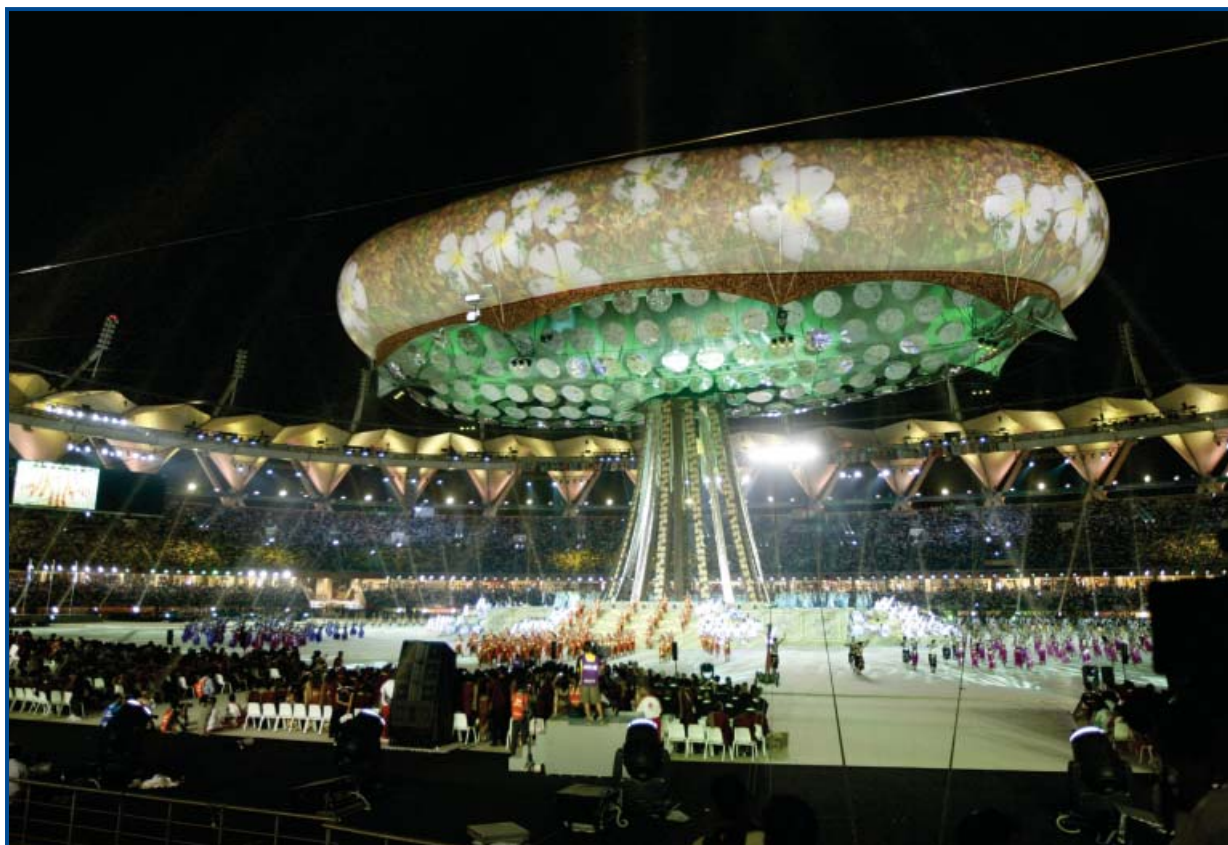
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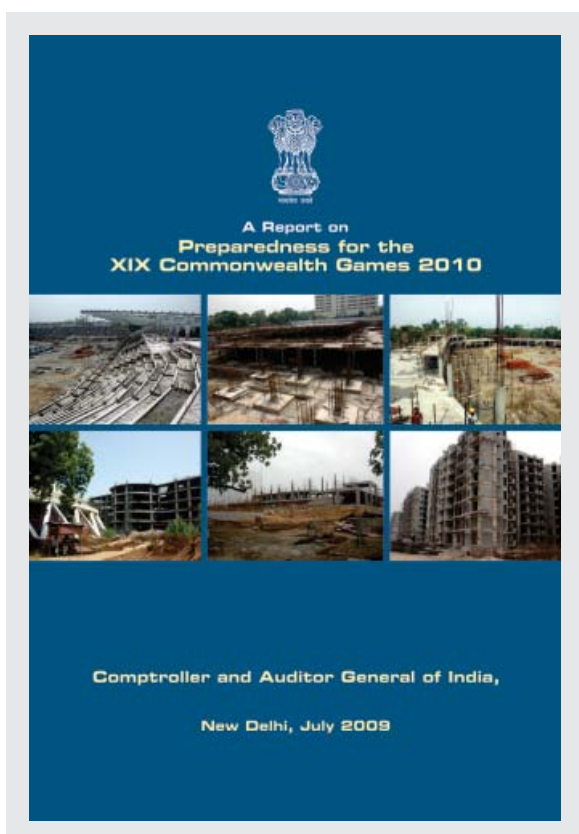


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We acknowledge the tremendous efforts put in by various agencies (both Government and non-Government) in working to very tight deadlines and under difficult circumstances to make CWG-2010 a grand success.

Study Report on 'Preparedness for the XIX Commonwealth Games 2010'

In July 2009, the Comptroller and Auditor General of India presented a Study Report to the Government of India on 'Preparedness for the XIX Commonwealth Games 2010'. The objective of the Study Report was to assess the progress of projects and preparedness of different agencies for organising the Games, and to identify significant risks that needed to be addressed.



The Study Report, which was the first of its kind produced by us, was intended to provide an aid to the Executive and the organisers in monitoring progress and in making mid-course corrections. It was

prepared to serve as a checklist and a ready reckoner to benchmark further progress towards preparing the infrastructure and in staging the Games.

For this Report, we conducted our field work between March and May 2009, and collected photographic evidence to record the status of construction as of 15 May and 1-2 July, 2009. Progress of works between May and July 2009 was also appropriately incorporated, based on available and verifiable information.

The main findings and recommendations of the Study Report were as follows:

- The scope for further delays and slippages in milestones no longer existed, given the immovable deadline of October 2010. In view of the complexity and multiplicity of activities and organisations involved and the progress till date, there was a need to rethink the governance model for the Games Project.
- While we witnessed renewed vigour and redoubled efforts by the agencies towards the close of our engagement, much time had been lost and it was imperative to move forward with the new-found sense of urgency, tempered by the realisation that crashing of timelines and bunching of decisions carried with it the heightened risk to transparency and accountability.

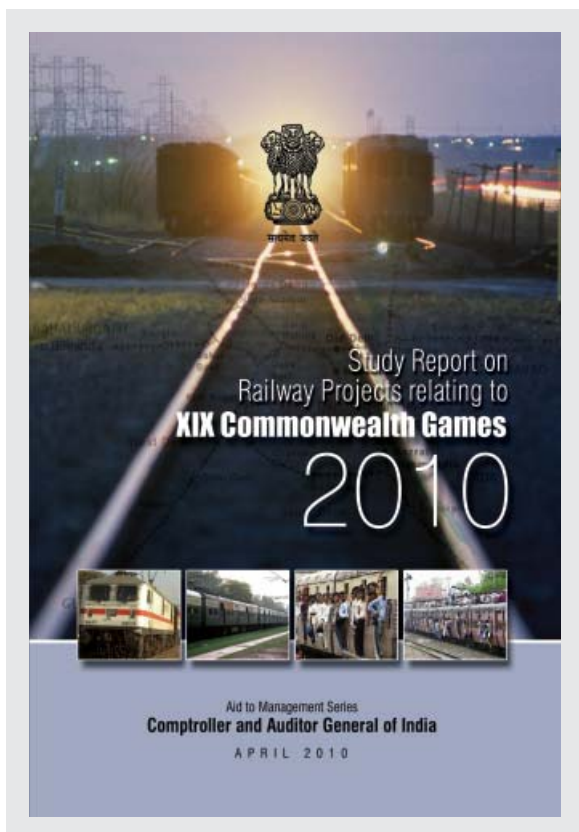
Chapter 2 - Study Report on 'Preparedness for the XIX Commonwealth Games 2010'

- The OC should finalise the pending basic planning documents and operational plans immediately. Further, it should expedite approval of final venue designs and detailed specifications. Freezing all specifications (howsoever minor) in all respects for all projects and works should no longer be delayed.
- There was considerable scope for improvement in the documentation and filing systems within the OC.
- Attention should be focused on the games venues identified by us as medium risk and high risk. Even the revised deadlines for completion would be challenging, considering the poor progress of work till date.
- The Games Village Project had run into several hurdles and required close monitoring and oversight to ensure successful and timely completion. Further, the bunching of the latest schedules of activities from June 2010 onwards would, in our opinion, put substantial pressure on the administrative and monitoring resources of DDA to ensure timely completion, without compromises on cost or quality.
- Many of the bridge and flyover projects assessed by us as critical on account of their location were at high/ medium risk, due to slow progress; three such projects had been delinked from the Games Project. Failure to address these risks in time would lead to traffic overload on roads being managed through sub-optimal solutions like reduction, diversion and restriction of non-Games traffic;
- Although the Games project was envisaged as a revenue neutral project, given the state of documentation supporting the revenue generation estimates, we were unable to derive an assurance that the organisation of the Games would be revenue neutral (especially regarding the increased estimates of revenue).
- Considerable work remained to be done in key outsourcing arrangements for HDTV production and broadcasting and related areas. Also, OC had not developed a comprehensive legacy plan for the overall legacy and long-term impact of the Games.

The Executive Summary of the Study Report is appended as **Annexe-2.1**.

We found that the draft audit report on preparedness for the Games was reviewed by the Committee of Secretaries (CoS) in July 2009. The main emphasis at this meeting was in responding to the audit findings, rather than using them as a benchmark for monitoring progress and making mid-course corrections. Ministries and Departments were asked to provide necessary documents to audit to enable to them to “share the confidence that the Ministry/ Departments concerned have on completion of works entrusted to them in a time bound manner.” Further, it was indicated that the OC may take the assistance of marketing agencies to give a convincing reply in the Exit Conference with regard to the audit concerns in respect of revenue projections.

Many of the issues and recommendations highlighted by us in our Study Report were not adequately addressed by the concerned agencies in a timely fashion, as detailed subsequently.



The CAG had also prepared a Study Report on the status of Railway Projects relating to

CWG in April 2010, which focused on the extent of completion of the Railway Projects identified for completion before the commencement of the Games and highlighted areas of risk that needed to be addressed by the Railway Administration.

Our initial review of Railway projects in January–February 2010 revealed substantial delays at every stage of the planning process, approvals for the projects, preparation of estimates, provision of designs and drawings, execution of works and monitoring. Our subsequent verification of the status of the Railway projects in April 2010 revealed satisfactory progress both in construction of rail over/under bridges and development of the facilities at the railway stations. We were especially heartened to see the progress in infrastructure works and provision of passenger amenities at New Delhi Railway Station, considering that about 290 trains pass through this station every day with approximately five lakh passengers commuting on a daily basis.

All the major activities relating to makeover of New Delhi Railway Station were completed before the Games and within a tight budget of Rs. 44.68 crore.



New Delhi Railway Station in time for the Games



Audit Approach

3.1 Audit Arrangements

3.1.1 Financial and Transaction/ Compliance Audit

Agencies, other than the Organising Committee, fall within the normal audit jurisdiction of the Comptroller and Auditor General of India (CAG). The scope, extent and frequency of audits of these agencies is decided through risk assessments, based on expenditure incurred, criticality/complexity of activities, assessment of internal controls, and previous audit findings. An annual audit plan is formulated to conduct audit on the basis of such risk assessment.

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the head of unit, for their responses within one month. The audit findings are either then settled, or further action for compliance is advised. Only important audit findings, where large government expenditure has been incurred, are separately processed for inclusion in the CAG's Audit Reports, which are submitted to the President of India under Article 151 of the Constitution of India.

Notable findings presented in the CAG's Audit Reports included shortcomings in the bail-out package provided by DDA to the developer of the residential complex at the Games Village (reported through paragraph 9.1 of Audit Report No. 23 – Union Government (Civil) Autonomous Bodies – of 2009-10).

3.1.2 Audit of the Organising Committee (OC)

The constitution of the OC in February 2005 stipulated audit of its financial statements by Chartered Accountants appointed by the OC, and audit of its financial statements upto 2007-08 was carried out as such.

Over the period of three financial years from 2004-05 to 2006-07, the GoI released loans totalling Rs. 127.51 crore¹, against which expenditure of Rs. 123.53 crore was incurred by the OC (largely on Games Hosting License Fee, expenditure on the closing ceremony component of Melbourne CWG-2006 and other items). From 2007-08 onwards, the volume of loans given to the OC increased substantially.

In May 2007, the Ministry of Youth Affairs and Sports (MYAS) requested the CAG for a “concurrent audit” of the Organising Committee from April 2008. Such concurrent audit is an internal audit function and, thus, the responsibility of the Executive. Concurrent audit is not the mandate of the CAG. Consequently, in July 2007, we requested MYAS for entrustment² of the external audit of the OC through the Ministry of Finance³. This was entrusted to the CAG in April 2008. Audit of the

¹ In addition, GNCTD provided grants of Rs. 29.54 crore.

² Under Section 20 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971

³ As per the approved procedure for entrustment of audit of autonomous bodies and authorities circulated by Ministry of Finance on 12 January 2008 to all Ministries/Departments of GoI.

Chapter 3 - Audit Approach

transactions⁴ of the OC for the years 2005-07 was carried out in November/ December 2008. Following this audit, an Inspection Report was issued in March 2009 to the OC and the Ministry of Youth Affairs and Sports. The audit of transactions for 2007-08 and 2008-09 was carried out in December 2008 and March/ April 2010, and the Inspection Reports issued in May 2009 and May 2010 respectively.

Audits of the financial statements of the OC for 2008-09 and 2009-10 were conducted independently and Separate Audit Reports (SARs) issued in July 2010 and April 2011 respectively.

3.1.3 Study Reports on Preparedness for CWG-2010.

In addition to the transaction and financial audits mentioned above, we also presented, in July 2009, a Study Report on Games preparedness, which also covered the activities of the OC, as well as a Study Report in April 2010 on preparedness of the Indian Railways for activities related to CWG-2010; the main findings of these Study Reports are summarised in Chapter 2 of this Report. These Study Reports were intended as aids to management for monitoring progress on a concurrent basis, to be followed by *post facto* audits of expenditure.

3.2 Audit Objectives

This audit of the XIX Commonwealth Games was comprehensive in nature, covering compliance and performance issues related to the preparation of the infrastructure and organising of the Games, and builds on the findings and recommendations of our

earlier Study Report of July 2009 on preparedness for CWG-2010.

The main objectives of our audit were to assess the following:

- Adequacy and effectiveness of the high-level governance structures for overall stewardship, planning, co-ordination, and monitoring of the Games Project and its different components, particularly in view of the multiplicity of agencies involved;
- Effectiveness and efficiency of agencies in planning, executing and delivering the Games and associated infrastructure projects and in organising the Games;
- Propriety, economy, transparency and probity (including compliance with relevant rules and regulations and accepted best practices) in procurement of goods and services by different agencies;
- Robustness and prudence of budgetary and financial management for the Games Project; and
- Adequacy and effectiveness of internal controls and oversight mechanisms for ensuring successful delivery of the Games within pre-determined time and cost budgets and to stipulated quality standards.

3.3 Audit Scope and Coverage

The scope of our audit covered the period from May 2003 (submission of the bid for hosting the XIX Commonwealth Games) to December 2010. The main activities and agencies covered by us in this audit are summarised in Table 3.1.

⁴Under Section 14 of the CAG's DPC Act

Table 3.1 – Agencies Covered in Audit

Area	Main Agencies Covered
Overall Planning and Management	Ministries/ Departments of the GoI and GNCTD, and inter-Ministerial/ Departmental Committees; OC
Venue Development	Venue owners (Sports Authority of India, GNCTD, MCD, NDMC, DDA, DU, JMI, AITA, DPS RK Puram, and CRPF) and other implementing agencies (CPWD)
Games Village	DDA
City Infrastructure Projects	PWD (GNCTD), NDMC, MCD, DJB, DTC, DTTDC, PPCL, DTL
Organisation of the Games	OC
Organisation of CW Youth Games, 2008 Pune	Agencies of the Government of Maharashtra and Pune Municipal Corporation/ Pimpri Chinchwad Municipal Corporation
Preparation of Indian Teams	MYAS and SAI
Media and Broadcasting	Ministry of Information and Broadcasting and Prasar Bharati
Others	Ministry of Home Affairs, Delhi Police, ECIL, Ministry of Health and Family Welfare, Directorate of Health Services, GNCTD, MTNL and TCIL

This report focuses on issues, which would be of interest from the overall perspective of the organisation and management of the Games Project. Other issues and concerns, which focus on agency-specific aspects, would be reported separately, through other CAG's Audit Reports and Inspection Reports, depending on their materiality and significance.

3.4 Audit Methodology

We conducted our field audit between August and December 2010 (with a suspension of the audit from mid-September to mid-October 2010 to avoid inconvenience to the agencies during and around the Games period). We held an

entry conference with the Ministry of Youth Affairs and Sports (MYAS) and representatives of other agencies (except the OC) on 1 November 2010.

Our audit methodology covered scrutiny of records and documents of different agencies, interviews with concerned officials and persons, and physical inspection of sites, including collection of photographic evidence. Audit requisitions were issued, seeking records, information and clarifications (where necessary). Preliminary audit observations were communicated to the agencies at appropriate levels, seeking their responses.

Draft agency-specific audit findings were communicated through “Statements of Facts” (SOFs) in January- February 2011 to the concerned agencies for their responses. Exit Conferences were also held with the concerned agencies to discuss the main audit findings. The responses of these agencies at various levels have been examined and considered, as appropriate, in this report.

Details of the audit processes/ methodologies followed are indicated in **Annexe – 3.1.**

3.5 Scope Limitation

Our findings on the functioning/activities of the Organizing committee should be read in the context of the following:

- Given the state of documentation (refer para 7.2.3), we could not find evidence that documents produced for audit were complete and authentic in all cases.
- We could not derive any assurance regarding completeness of the number of contracts/agreements/work orders etc. entered into by OC.
- Till March 2011, OC could not provide information on contract wise payments made to vendors, limiting our scrutiny to

the contracted amount rather than the actual payments.

- We followed the formal reporting channels in the OC to obtain records and communicate findings. However, we noticed that informal reporting lines existed to the offices of Shri Suresh Kalmadi, ex-Chairman, Shri Lalit Bhanot, Secretary General and Shri V.K. Verma, DG-OC. We do not have access to the documents/ files/ records generated /maintained through these informal reporting channels and their consequential impact on the contracting and decision making.
- On certain issues, in addition to the official reply, we received several other replies from individuals associated with the OC. We have not treated their replies as the official view of the OC.

Final payments in respect of most of the venues have still not been made, despite lapse of considerable time since the conclusion of the Games. These are likely to have significant impact on the overall cost of the Games project. These would be covered in subsequent audits.

We acknowledge the co-operation and assistance extended by the Ministries/ Departments, Organizing Committee and other agencies of GoI and GNCTD during the conduct of this audit.

Governance and Monitoring Arrangements

Prime Ministerial approval for the IOA to bid, in May 2003, for CWG-2010 was processed by MYAS, without even obtaining the IOA bid document. In September 2003, Cabinet approval was obtained for Gol to underwrite the shortfall between revenue and expenditure (a deficit guarantee) without any cap. Although MoF did not support the proposal for such underwriting without a cap on Gol liability, MYAS felt that the shortfall was an unlikely event (based on the projections of revenue, expenditure, and surplus by the IOA), and it was not possible to put a cap on Gol's liability. By contrast, the competing bid from Hamilton, Canada for CWG-2010 involved a deficit guarantee only from the Hamilton City Council, and the Governments of Canada and Ontario Province did not provide any such guarantee, nor did they agree to be parties to the Host City Contract.

Thus, the commitment of Gol, in conjunction with GNCTD, to underwrite any shortfall between revenue and expenditure was critical to the success of the IOA bid for CWG-2010. In the case of India, thus, the Games became the property of the nation, rather than merely that of the IOA. This was inadequately reflected in the subsequent constitution of the Organising Committee (OC).

The unique challenge of managing and monitoring the activities of a multiplicity of agencies for delivering the Games Project was best met by entrusting its stewardship to a single point of authority and accountability. The authority should have been accorded adequate mandate to ensure all deliverables in time, to cost, and to specified quality standards. Further, in view of the Government guarantee for meeting the cost of the Games, it was essential for such stewardship to be fully under Government control. However, this model of management or financial control was not implemented for the Games Project.

The bid document of May 2003 envisaged the OC as a Government-owned registered society, with the Chairman of the OC Executive Board (EB) being a government appointee, and the IOA President being the EB Vice-Chairman. However, the OC was ultimately set up as a non-Government registered society, with the IOA President, Shri Suresh Kalmadi as the Chairman of the OC EB. This change was orchestrated through a chronology of events, commencing with a document titled as an "updated bid" with the dateline of December 2003. This had no legal sanctity or relevance, since the Games had already been bid and awarded to Delhi in November 2003. This document indicated the OC as a non-Government society and also removed references to the IOA President as EB Vice-

Chairman. These changes were objected to, and highlighted, by the erstwhile Minister, YAS, late Shri Sunil Dutt in November 2004 in correspondence with Shri Arjun Singh (Chairman, GoM) and the Prime Minister. These objections were ignored, and Shri Kalmadi's views prevailed. In our view, the decision to appoint Shri Kalmadi as the OC Chairman, based on a PMO recommendation, facilitated the conversion of the originally envisaged Government-owned OC into a body outside Governmental control, without commensurate accountability to Government and concomitant controls to ensure propriety and transparency. This was despite full financial guarantee and funding from Government. The late Shri SK Arora, Secretary, MYAS had, in 2007, highlighted the lack of effective authority with Gol representatives on the OC EB, and concluded that all decision-making was concentrated with the Chairman. He suggested multiple options – allowing OC to retain its flexibility and financial autonomy, but without direct financing by Gol; empowering the EB and providing Gol with control over high-value financial commitments; or broadbasing the OC's EB on the pattern of the 1982 Asian Games with representation from Gol and GNCTD at ministerial level. Shri Mani Shankar Aiyar, the erstwhile Minister, YAS, also highlighted the Ministry's ineffective position in exercising control over the OC to the PMO and GoM in 2007. This was, however, met with strong resistance from the Chairman, OC and did not yield the desired results.

The absence of a single point of authority and accountability for ensuring the successful conduct of CWG-2010 and the lack of a clear governance structure led to ad hoc creation of a multiplicity of co-ordination committees that were created, disbanded, and reconstituted at different points of time. This approach was not methodical, consistent and effective, and also led to complete diffusion of accountability. This was unlike the structure for the Melbourne CWG-2006, where the Victorian Government oversaw the planning and delivery of the Games through a specially formed Cabinet Committee. The Minister for Commonwealth Games was specifically empowered and responsible under the Commonwealth Games Arrangements Act 2001.

There were changes in the governance structure of the OC from October 2009 onwards, with the appointment of a CEO for the OC, deputation of senior Government officers to the OC, and the constitution of a Finance Sub-Committee of OC for scrutinising proposals before submission to the OC EB. This finally culminated in Gol's appointment of 10 senior officers in August 2010 to co-ordinate, monitor and take immediate decisions for each competition venue. However, these actions were largely in the nature of emergency fire-fighting measures. Early action on these lines, with a single point of authority and accountability, could have made the Games delivery process less painful and more streamlined and accountable.

4.1 Award of CWG-2010 to Delhi

The chronology of events leading upto to the award of the XIX Commonwealth Games, 2010 to Delhi is summarised below:

Table 4.1 - Chronology of events leading to award of XIX CWG to Delhi

June-July 2002	Gol conveyed its no objection to IOA making a bid presentation at Manchester to bid for the Games and also subsequently (February 2003) reiterated its support for the proposal, in connection with a preliminary presentation to the CGF Executive Board
May 2003	IOA submitted a formal bid for the Games to the CGF
August 2003	Visit of CGF Evaluation Commission to Delhi
September 2003	Guarantees given by Gol, Lt. Governor, Delhi and Chief Minister, GNCTD to bear all costs and underwrite any shortfall between revenues and expenses
November 2003	CGF General Assembly voted for allotment of XIX CWG to Delhi; Host City Contract (HCC) signed

4.1.1 Approval to IOA for bidding, without obtaining or examining the IOA bid

In May 2003, approval of the Prime Minister was sought (and granted) on a Cabinet note proposed by MYAS, allowing IOA to bid for the Games and underwriting Government's support for the bid.

However, while submitting this Cabinet note, MYAS did not even obtain the actual bid of the IOA to the CGF. The Cabinet note merely reproduced IOA estimates of Rs. 490 crore of revenue and expenditure of Rs. 295.50 crore, without an examination of the underlying IOA bid. In fact, these figures do not tally at all with those indicated in the IOA bid. This bid indicated:

- revenues of Rs. 840 crore, offset by operating expenses of Rs. 635 crore, leaving a projected surplus of Rs. 205 crore;

- grants of Rs. 518 crore and revenue from sale of flats of Rs. 477 crore;
- capital and repair/ renovation expenditure on stadia of Rs. 1,050 crore;
- city beautification and additional services of Rs. 150 crore;

The comments of the Ministry of Finance on the draft Cabinet note were focused on the relatively miniscule expenditure of Rs. 1.61 crore on the bidding process, rather than on the larger (and more serious) financial and other implications of the bid on Gol. In fact, the IOA bid specified that “for conducting the Games, the Central Government shall provide the necessary grants”, although it expected the Games to generate a surplus.

In short, Prime Ministerial approval in May 2003 for the IOA to bid for CWG-2010 was processed by MYAS without obtaining, let alone examining, the IOA bid document.

4.1.2 Visit of CGF Evaluation Commission in August 2003

During its visit to Delhi in August 2003, the CGF Evaluation Commission for CWG-2010 sought certain additional information and clarifications on the IOA bid. Key among these clarifications were commitments from the Government, in particular:

- Agreeing to become parties to the HCC;
- Underwriting any shortfall between revenue and expenditure of the Organising Committee (OC) – in effect, the cost of the Games; and
- Providing all necessary Government and municipal services at Government/ municipal cost.

4.1.3 Cabinet Note of September 2003

In September 2003, MYAS moved a Cabinet note seeking approval to the above commitments, based on a letter of August 2003 jointly signed by Shri Suresh Kalmadi and Shri Randhir Singh (as IOA President and General Secretary respectively). This letter, supported by an assessment of commercial revenues by SMAM¹, indicated IOA's "confidence" that the OC would be able to raise revenue resources of US\$ 100 million. **However, the letter did not indicate a specific undertaking from IOA that it**

¹ Subsequently appointed as the OC's consultant for sponsorship and merchandising/ licensing rights

would be able to raise resources on its own amounting to Rs. 480 crore, which was desired by Secretary, MYAS.

The Cabinet note, however, referred to IOA's reiteration of "commitment" for revenue generation, and stated that the projections of IOA showed an approximate surplus of Rs. 50-60 crore, thus hinting that there was no substantial risk to GoI in agreeing to underwrite the shortfall between revenue and expenditure of hosting the Games.

Another annexed letter from Shri Randhir Singh, Secretary General, IOA stated that:

- It was the requirement of the CGF that the Government of the host country must give an undertaking to underwrite the shortfall, if any, in the capital and revenue expenditure of the Games.
- It was understood that the Canadian Government had furnished a similar guarantee to the CGF.

We found no evidence of a CGF requirement mandatorily stipulating guarantee by the Government of the host country (not just the city). Further, no such guarantee was given by the Government of Canada, as brought out in the CGF Evaluation Committee Report (described subsequently in para 4.1.4).

On the draft Cabinet note, MoF did not support the proposal to underwrite the shortfall between revenue and expenditure, and suggested that in case such commitment was necessary, the liability of GoI should be capped. However, MoF did not challenge the estimates of revenue/ surplus.

MYAS responded that in view of the projections of revenue and surplus, the shortfall was an unlikely event. Hence, it was not possible to put a cap on the liability of GoI, although the likely liability on account of infrastructure development was estimated at Rs 218.50 crore.

Consequently, the Cabinet approved the proposal for underwriting any shortfall between revenue and expenditure, without any cap.

Subsequently, in September 2003, GoI, in conjunction with the Lt. Governor (LG) and CM, GNCTD, gave formal undertakings to bear all the costs involved in upgrading and constructing all infrastructure, security, transport etc. required for staging the games and also underwriting any shortfall between revenue and expenditure of the OC.

4.1.4 Report of CGF Evaluation Commission of October 2003

The CGF Evaluation Commission for CWG-2010 analysed the bids of Hamilton and Delhi for the 2010 Games. Among other things, it noted the following:

- The Governments of Canada and Ontario, the City of Hamilton and McMaster University pledged specific, significant contributions to the cost of staging the Games. However, the Government of Canada would not provide deficit guarantee, and would limit its contribution to 35 per cent of the total event costs (not exceeding 50 per cent of the total public sector contribution). In fact, none of the Governments of Canada and Ontario, the Canadian CGA or McMaster University would assume responsibility

for any deficit of the OC. The Governments of Canada and Ontario would not be parties to the Host City Contract. Only Hamilton City Council would provide deficit underwriting, subject to a number of conditions. Nevertheless, Hamilton's bid was considered to be a "conforming bid".

- By contrast, the overriding undertaking that GoI and GNCTD would meet the costs of the Games and would underwrite any operating or capital budget shortfall (i.e. including both operating expenses and venue upgradation) was noted.
- **The Report also noted that the Delhi OC would be a non-profit Government-owned registered society, chaired by a Government nominee with the IOA President as Vice-Chairman.** The constitution of the EB was as indicated in the May 2003 bid of IOA.

Evidently, IOA could not have won the bid without GoI, in conjunction with LG, Delhi and CM, GNCTD, undertaking to bear all the costs associated with the Games. In the case of India, thus, the Games became the property of the nation, rather than merely that of the IOA.

4.1.5 Main Features of Host City Contract (HCC)

The HCC was signed on 13 November 2003 between the CGF, IOA, GoI, GNCTD and the OC (yet to be formed²). The main features of the HCC are summarized below:

- The OC, IOA, GoI and GNCTD would be jointly and severally responsible for all commitments, including, without limitation, financial commitments relating to the organization and staging of the Games in accordance with the Games documents.
- The Games would be organized in accordance with the provisions of the CGF Constitution, protocols, regulations and code of conduct, and the OC would be constituted within 6 months with status and powers in accordance with the CGF Protocols.
- The CGF would be represented on the OC Executive Board³; it would also establish a Co-ordination Commission (CoCOM) to liaise with, monitor and advise the IOA and OC on all matters relating to the organization of the Games.
- The IOA and OC would submit various planning documents and strategies for CGF's written approval within stipulated timeframes, as also periodic reports on the progress of preparations.
- Brief details of venues and services/ activities (viz. ticketing, hospitality, accommodation, transport, security, ceremonies etc.) to be provided by the

² The OC, which was formed only in February 2005, signed the HCC in March 2005.

³ Termed as the Board of Directors in the HCC.

OC were stipulated, as also commercial rights, licensing, sponsorship, intellectual property, marketing and broadcasting rights.

- The host fees payable to the CGF, as well as courtesy facilities for the Games Family, officials and aides, were also stipulated.

Under the HCC, OC was required to comply with 34 major obligations within prescribed timelines. However, fulfilment of these obligations suffered delays, ranging from 1 to 56 months. Further, most of the CGF approvals for compliance with the obligations were obtained verbally.

4.2 Weak Governance Structure

4.2.1 Multiplicity of Agencies

Given the multi-dimensional nature of the Games Project and multiplicity of delivering agencies, the functional environment posed numerous challenges. The numerous agencies responsible for the various activities leading to the Games Project could be categorised into:

- Ministries/ Departments of GoI & GNCTD;
- Municipal bodies;
- Venue owners;
- Implementing agencies for the venues, Games village, and city infrastructure projects;
- OC;
- Regulatory agencies and other agencies according clearances; and
- Agencies handling support functions.

This unique challenge was best met by entrusting the stewardship of the Games Project to a single point of authority and accountability. The authority would be accorded adequate mandate to ensure all deliverables in time, to cost and to specified quality standards. Further, in view of the Government guarantee for meeting the cost of the Games, it was essential for such stewardship to be fully under Government control.

The organizational arrangement as seen in the case of the XVIII CWG in 2006 at Melbourne clearly shows a hierarchical structure of command/control with specifically assigned responsibilities. Considering that a large contingent of Indian officials from GoI/GNCTD/IOA/OC etc. visited Melbourne, that model could have been studied and its relevant aspects adopted.

Melbourne CWG 2006 Organisational arrangement

For the Melbourne CWG 2006, the Victorian Government oversaw the planning and delivery of the games through a specially formed cabinet subcommittee which included representation from key portfolios and was chaired by the Premier. The Victorian Government was the underwriter of the event.

The Minister for Commonwealth Games, Mr. Justin Madin, MLC was responsible for the Commonwealth Games Arrangements Act 2001. Under the Act, he had wide ranging planning powers for the various projects necessary for the delivery of the Games infrastructure. This included making venue and project orders for the timely completion of the Games infrastructure and for crowd management in the public domain during the Games.

The Office for Commonwealth Games Co-ordination (OCGC) within the Department for Victorian Communities was established in 2002 to manage the Government's interest in the Games and to ensure effective coordination of the Games across and within the Government.

The following box illustrates the complexity of the delivery structure for the Games:

Table 4.2 - Profile of Major Agencies Involved in CWG - 2010

	Govt Ministries/ Departments/ Agencies	Delhi Government	Municipal Bodies	Others
Monitoring and Oversight	Cabinet Secretariat PMO MYAS MHA MoUD MoF Mo I&B MoT DoT MoH&FW	LG CM, GNCTD		OC CGF
Venue Owners	SAI; DDA; DU (including constituent colleges); JMIU; CRPF	PWD	NDMC	AITA; DPS RK Puram
Implementing Agencies	DDA; CPWD; EIL; RITES; MTNL; ECIL; TCIL; BECIL	PWD; DTC; DTTDC; DHS; DJB; PPCL; DTL;	NDMC; MCD	OC
Support Services	Delhi Police; Prasar Bharati; PIB; MTNL; ITDC; Safdarjung, AIIMS and GB Pant Hospital; ASI	DTC; DTTDC; DHS; DJB		
Regulatory Agencies and other Agencies according clearances	DUAC; ASI; MoEF; L&DO; DDA	Forest Deptt; UTTIPEC; DFS; DPCC	NDMC; MCD	

Note: Agencies with multiple roles (e.g. owner/ implementing agency/ regulatory agency) are shown multiple times Committees (not being full-fledged agencies/ institutions) are not depicted here.

4.2.2 Group of Ministers (GoM)

In September 2004, the Prime Minister approved the constitution of a core Group of Ministers (GoM) headed by late Shri Arjun Singh, the then Minister, HRD for co-ordinating the work related to the organisation of the Games. The first meeting of the GoM was held in September 2004. A total of 14 meetings were held between September 2004 and April 2008. This GoM was reconstituted twice in July 2007 and April 2008.

The GoM could not provide the much needed focus and impetus:

- During 2004-06, the GoM took conclusive decisions only on setting up of the Apex Committee, CoS, authorities for financial approvals, engagement of EKS at OC's recommendation, and PPP model for the Games Village.
- During 2007, decisions were taken only on finalisation of sporting disciplines and competition/ training venues.
- During April 2008, no major decisions were taken.

GoM did not meet between May and November 2008. The interim GoM, which was constituted by the Cabinet in December 2008 under the chairmanship of Shri Jaipal Reddy, the then Minister, UD, met thrice between December 2008 and June 2009; its main decision was the engagement of Shri Bharat Bala as creative head for the opening and closing ceremonies.

The new GoM met 34 times between June 2009 and October 2010, and was in position at the time of the hosting of the Games.

4.2.3 Role of MYAS

As decided by the GoM in October 2004, the Ministry of Youth Affairs and Sports was entrusted with the overall responsibility of reviewing and monitoring various arrangements and organisation of the Games; it was also responsible for formulating Games-related funding proposals of OC and the venue owners as well as for releasing GoI funds to these agencies. However, we observed that MYAS could not establish a stable, long-term mechanism for discharging this onerous responsibility.

Frequent changes in incumbency in MYAS

Preparations for an event of this magnitude required a high degree of continuity of functionaries, for consistency as well as accountability.

However, there were numerous changes in the functionaries at various levels in the MYAS associated with the Games from May 2003 till date; there were five Ministers, YAS; five Ministers of State, YAS; seven Secretaries, YAS, and three Joint Secretaries (Sports/ ISD), as indicated below. This, further, contributed to the lack of effective and consistent monitoring by the MYAS.

Table 4.3 - Changes in Incumbency at MYAS

Minister, YAS	
Shri Vikram Verma	26.08.2002 to 21.05.2004
Shri Sunil Dutt	22.05.2004 to 25.05.2005
Shri Mani Shankar Aiyar	30.01.2006 to 06.04.2008
Dr. M.S. Gill	07.04.2008 to 19.01.2011
Minister of State, YAS	
Shri Vijay Goel	24.05.2003 to 21.05.2004
Shri Prithviraj Chavan	26.05.2005 to 17.11.2005
Shri Oscar Fernandes	18.11.2005 to 29.01.2006
Shri Arun Yadav	01.06.2009 to 16.06.2009
Shri Pratik Prakashbapu Patil	17.06.2009 to 19.01.2011
Secretary	
Sh. Rajeev Srivastava	1.4.2003 to 31.5.2004
Smt. Meenaxi Anand Chaudhry	1.6.2004 to 8.11.2005
Dr. S.Y. Qureshi	9.11.2005 to 29.6.2006
Sh. Madhukar Gupta	4.7.2006 to 19.3.2007
Sh. S.K. Arora	4.4.2007 to 19.5.2008
Ministry bifurcated in the year 2008	
Deptt. of Sports	
Sh. Sudhir Nath	20.5.2008 to 17.3.2009
Smt. Sindhushree Khullar	19.3.2009 till date
Deptt. of Youth Affairs	
Smt. Jayati Chandra	17.4.2009 to 30.9.2009
Smt. Sindhushree Khullar	1.10.2009 to 2.11.2009 (additional charge)
Sh. A.K. Upadhyay	3.11.2009 till date
Joint Secretary (Sports)	
Sh. R.K. Mishra	From 2003 to Sept. 2004
Sh. S. Krishnan	Oct. 2004 to Feb. 2007
Sh. Injeti Srinivas	Feb. 2007 till date
Joint Secretary (ISD)	
Sh. Rahul Bhatnagar	27.11.2006 till date
Joint Secretary & Financial Adviser	
Sh. S.K. Mittal	14.03.2007 till date

4.2.4 Apex Committee

The Apex Committee under the chairmanship of Minister, YAS was decided upon in October 2004 by the GoM. It was constituted in March 2005, reconstituted in May 2006 and November 2006, and functioned only from June 2006 (i.e. 19 months after the decision to constitute this committee) till April 2007, when it was discontinued.

In his letter of 14 November 2004 to the Prime Minister after the first GoM meeting, the erstwhile Minister, YAS, late Shri Sunil Dutt, appeared to have mistaken the “Apex Committee” for the Organising Committee.

This Committee was to have overriding power and responsibility for overseeing and co-ordinating the Games. However, this mandate was highly circumscribed by the GoM itself, which stipulated that:

- The minutes of all other Committees should be submitted to the Apex Committee periodically for its information.
- The Chairman of the Apex Committee could also call for such information which he deemed fit and could give such guidance that may be required.
- The Chairman of the Apex Committee may be kept informed by all other Committees, whenever any major decision was taken.

With such terms of reference, it is no wonder that the Apex Committee turned out to be a complete non-starter, as the responsibility placed on it by the GoM could not be fulfilled in any way.

The erstwhile Minister, YAS, Shri Mani Shankar Aiyar, went on record at the GoM meeting of March 2008 that the Apex Committee was dormant for 1½ years due to “resistance from the OC.”

In correspondence with the PM, Shri Aiyar indicated that it was his personal decision to not operationalise the Apex Committee after “Kalmadi's vociferous opposition to the Apex Committee at the meeting in August 2006 convened at your level.”

In July/ August 2006, the Apex Committee decided to constitute five sub-groups dealing with:

- Corporate Sector Participation;
- CWG Legacy;
- Economics and Provisioning of Infrastructure;
- Public Participation/ Medal Tally; and
- Organisation of Games.

These sub-groups were to submit their reports to the Chairman of the Apex committee, but were discontinued on disbanding of the Apex Committee itself in April 2007.

Given the overlapping nature of responsibilities, and without a clear hierarchical reporting relationship between the Apex Committee and the OC, it should have been anticipated, even in October 2004, that there would be conflicts between these two Committees, if both were allowed to function concurrently. The failure of the Apex Committee was, thus, inevitable.

4.3 The Organising Committee (OC) and Role of MYAS vis-a-vis OC

4.3.1 Formation of OC

The HCC stipulated the formation of an Organising Committee within six months. However, the Organising Committee Commonwealth Games 2010 Delhi was registered as a Society only on 10 February 2005 under the Societies Registration Act, 1860.

“Updated” bid document with December 2003 timeline

At the time of bidding for the Games, OC was envisaged as a *Government owned registered society*. However, we found a document titled as the 'updated' bid with the dateline of December 2003. This document, which, in our opinion, has no legal sanctity or relevance (since the Host City Contract had already been signed in November 2003), was sent to the MYAS only in September 2004. We are unsure as to when it was produced since we found multiple versions of it made available to us by different sources, all

bearing the same dateline – December 2003⁴. Describing this document as an “updated bid document” was a misrepresentation by the IOA.

There was no official endorsement by Gol of the modified constitution and structure of OC envisaged in the 'updated' bid; however, OC was registered in February 2005 in the form and structure laid out in this document.

The bid document submitted to the CGF (May 2003) and the document titled as the “updated” bid (December 2003) are similar, except for the organizational structure of the OC and certain expenditure figures under one head (Games Operating Expenditure). Other differences included changes in certain venues, location of the Games Village⁵, and an increase in some heads (e.g. license fee payable to CGF, payments to CGAs, Games Technical Conduct etc.) balanced largely by a reduction in one head (participants and team officials)⁶. A comparison of the constitution of OC and its Executive Board in the bid document and the “updated” bid document reveals the following position:

⁴ Multiple versions of the so-called “updated bid” have been provided to us by MYAS and OC, all with the dateline of December 2003. We are unable to determine authentically as to when this “updated bid” was actually produced, as such, till September 2004, when this document was transmitted to the MYAS.

⁵ One of the versions of the “updated bid” indicated that the Games Village would be on a 118 acre plot on the banks of the Yamuna; the original bid, merely, stated that the Athletes Games Village would be created on a 100 acre site in a prime Delhi area; the associated maps indicated a location on the New Delhi side of the River Yamuna, rather than on the East Delhi side.

⁶ The reworking of the figures under the head “Games Operating Expenditure” had numerous discrepancies. Expenditure under certain heads were reduced to one-tenth or increased ten-fold, without any alteration in the underlying supporting figures.

	Bid Document (May 2003)	Document entitled as "Updated" Bid (December 2003)
Nature of OC	The OC would be a non-profit, Government-owned registered society.	The OC would be a non-profit, non-Government registered society.
Constitution of the Executive Board	Chairman, Executive Board would be a Government Appointee, and the Vice-Chairman would be the IOA President.	The chart depicting the EB of OC simply showed the positions of Chairman and Vice Chairman; references to Government Appointee and IOA President as Vice-Chairman were deleted.

In a separate response, Shri Kalmadi (Ex-Chairman, OC) indicated that it was necessary to amend the final bid to bring it in conformity with the Games Protocols. Further, the Government had at no time objected to this amendment, as the Olympic movement contemplates that such organizations remain free from government interference. We do not agree with Shri Kalmadi's response; once Government of India decided to provide unconditional and unlimited financial guarantees, it was duty bound to take necessary steps to safeguard the public interest.

Appointment of Shri Suresh Kalmadi, President, IOA as Chairman, OC Executive Board

In our opinion, the primary objective of the document, titled as the "updated" bid, was to orchestrate the appointment of the President, IOA (Shri Suresh Kalmadi) as the Chairman of the OC Executive Board, since, as per the May 2003 bid document, the President, IOA would only be the Vice-Chairman. A chronology of related events, concluding in PMO's communication of 6 December 2004 (which was finally accepted by the GoM in January 2005) that Shri Kalmadi be appointed as the Chairman of the OC, is given in Table 4.4:

Table 4.4 - Chronology of Events related to formation of OC

Dateline	Events
August - September 2004	Correspondence was exchanged between Shri Kalmadi and Shri Michael Hooper, CEO, CGF, referring to recent discussions at Athens, whereby Shri Hooper indicated that the structure of the EB of the OC, its Chairman and members as proposed by Shri Kalmadi was acceptable to them.
6 September 2004	Shri RK Sacheti, Director, IOA wrote to MYAS, enclosing the "updated bid", giving the new structure of the OC, and stating that CGF had informed them that, except the CGF nominees, all members' appointment had to be approved by the IOA General Assembly.

Dateline	Events
13 September 2004	GoM constituted, headed by late Shri Arjun Singh
23 October 2004	<p>Shri Suresh Kalmadi wrote to the PM indicating that</p> <ul style="list-style-type: none"> ■ MYAS had not put the correct perspective of the role of IOA in the Games. ■ The Games were allotted to the IOA, and IOA had the responsibility to ensure successful conduct of the Games ■ OC was to be formed by the IOA and approved by the General Assembly of IOA. <p>Shri Kalmadi also referred to the “updated bid”⁷ in this letter.</p>
25 October 2004	1st meeting of GoM chaired by PM ⁸ .
26 October 2004	Shri Kalmadi wrote to the PM, suggesting that he should be the Chairman, OC, while the Minister, YAS should be Chairman of the “Steering Committee”.
28 October 2004	PM acknowledged Shri Kalmadi's letter, stating that the Sports and HRD Ministers had been asked to examine the issues.
1 November 2004	IOA, at its AGM, passed a resolution, “constituting” the Organising Committee under the IOA and electing Shri Kalmadi as Chairman of the OC and EB ⁹ .
11 November 2004	Shri Sunil Dutt wrote to Shri Arjun Singh, specifically referring to the “updated bid” document received in MYAS in September 2004. He stated that it made significant changes with major structural and financial implications, without consultation/ approval of the MYAS for making these changes. Specifically, Shri Dutt highlighted the change in constitution of the OC from a non-profit Government owned registered society to a non-profit, non-Government registered society as well as the deletion of word “Government appointee” as chairperson of the Executive Board of the OC. Shri Dutt stated that the provisions in the original bid must have been incorporated because organizing the CWG involved large financial commitments on the part of the Gol.
14 November 2004	Shri Sunil Dutt wrote to the PM, specifically highlighting his surprise at the resolution passed by IOA appointing the President, IOA as Chairman of the OC. This was at variance with the decisions taken in the GoM meeting (of 25 October 2004). He also stated that the minutes of this GoM meeting, as issued by the Cabinet Secretariat and received in his office on 10 November 2004, did not reflect the decisions taken in the meeting regarding various aspects of the composition of the OC.

⁷ Which removed the reference to the Chairman of OC as a Government nominee.

⁸ Referred to by late Shri Sunil Dutt in his letter of 11 November 2004.

⁹ This was a very surprising development, as the PM's decision, deciding that Shri Kalmadi would be the Chairman, was communicated only on 6 December 2004.

Dateline	Events
	<p>Interestingly, we found substantial differences between the draft minutes of the GoM meeting prepared by MYAS, and those finalised by the Cabinet Secretariat and forwarded to the PM:</p> <ul style="list-style-type: none"> ■ The reference to an OC (as well as the OC EB) under the chairmanship of Minister, YAS for creation and development of infrastructure facilities for CWG-2010 was replaced by a reference to an “Apex Committee” chaired by Minister, YAS for “monitoring and reviewing of activities”. ■ The reference to the Empowered Committee on infrastructure (chaired by the LG) functioning under the OC was replaced by an Empowered Committee to “monitor” construction.
6 December 2004	A communication from the PMO stated that institutional arrangements had been evolved for the conduct of the CWG-2010. In this, Shri Suresh Kalmadi, President, IOA was indicated as the Chairman of the Organising Committee and the Executive Board. It also communicated the Prime Minister's direction that these institutional arrangements be considered in the next GoM meeting.
14 January 2005	The second GoM Meeting did not take a view regarding governance structure.
29 January 2005	The GoM, at its third meeting, endorsed the views of the PMO and decided that the OC would be headed by Shri Kalmadi.
10 February 2005	OC was registered as a society under the Societies Registration Act, 1860. The Rules and Regulations of the OC indicated Shri Kalmadi by name (and not merely as President, IOA) as the Chairman of the OC

Even, Shri MS Gill, the erstwhile Minister, YAS, in his letter to the PM (September 2009) stated that *“the original signed document had a Government chairman, but later somehow that was changed”*.

In our opinion, the decision of the PMO for appointing Shri Suresh Kalmadi as the Chairman of the OC facilitated the conversion of the originally envisaged Government-owned OC into a body effectively outside Governmental control.

Incidentally, it may be noted that the Melbourne 2006 Commonwealth Games Corporation (M2006), previously created under Federal Company Law in 1999, was incorporated as a Statutory Authority in 2003 to manage the provision of the Games and its Board reported to the Minister under the Commonwealth Games Arrangement Act.

4.3.2 Members of OC

The bid document (May 2003) referred only to a 15-member Executive Board, supported by “Executive Management” and “Special Projects & Relations”. There was no mention whatsoever of any other

“membership” or “general body” of the OC¹⁰.

However, the Rules and Regulations of the OC, constituted as a society, stipulated a membership of not more than 500 persons “who shall be invited to become members by the Chairman.” According to these Rules, the members were to “promote the purpose of the Society (viz. the OC) to the best of their ability”.

Shri Kalmadi, Chairman, OC, recommended the appointment of 484 members, comprising the OC General Body, which was approved by Shri Arjun Singh (Chairman, GoM) in May 2005 and communicated to the then Minister, YAS. The strength of the membership was subsequently reduced to 454 in March 2004, at the behest of the new GoM.

The General Body, which consisted of personalities from different walks of life, was to meet at least once a year, to approve the accounts/ budget and accept the report of the Executive Board and the (private) auditors.

As many as 23 sub-committees of the OC were constituted from amongst the “members” of the OC, for providing “advice” on various functional areas. While the dates of constitution of these sub-committees could not be ascertained, the Terms of Reference for these sub-committees are dated as of 2009. 21 of these sub-committees reportedly held a total of 162 meetings (ranging from 2 to 17). The OC could not produce records or

¹⁰ Incidentally, Shri HJ Dora, erstwhile Vigilance Commissioner and President, Weightlifting Federation Member of India was a founding member of the OC. In response to our enquiry, the Central Vigilance Commission indicated that no information was available regarding obtaining of prior approval of the Government by Shri Dora before accepting membership of the OC.

documentation of the action taken, if any, on the recommendations/ advice offered by these sub-committees.

The constitution of an unwieldy 400-plus general body of members of the OC, which was not envisaged in the bid document or the HCC, did not result in any significant benefit or value addition to the Games Project.

Even the erstwhile Minister, YAS, Shri MS Gill, indicated in September 2009 that these 23 sub-committees had rarely met or performed in delivering the Games to the quality expected.

4.3.3 Executive Board of OC

As finally constituted, the 15-member EB had only 2 nominees each of the GoI and GNCTD; of these, only 2/ 3¹¹ members were Governmental functionaries. Apart from the Chairman (Shri Kalmadi), the Secretary General, IOA (Shri Randhir Singh), was to be the EB Vice-chairman, with the IOA Treasurer (Shri AK Mattoo) and the Secretary General, Athletics Federation of India (Shri Lalit K Bhanot), as well as four members from amongst the National Sports Federations (to be nominated by the Chairman). The CGF CEO and two CGF nominees completed the EB.

The day to day financial and administrative decisions were taken by the Executive Management Committee (EMC) comprising Shri Suresh Kalmadi, Shri Randhir Singh, Shri Lalit K Bhanot, Secretary General and Shri A.K. Mattoo, Treasurer. The functioning of the OC was overseen by the OC Secretariat,

¹¹ At different points of time.

headed by Director General (DGO). The various activities to be undertaken by the OC for staging the Games were to be looked after by 34 Functional Areas (FAs) each headed by a Functional area head.

The OC thus functioned, in effect, as a parallel, non-Governmental organization, without commensurate accountability to Government and concomitant controls to ensure propriety and transparency (despite full financial guarantee and funding from Government).

In a separate response, Shri Kalmadi stated that the decisions of the EB were taken on a unanimous basis. While the constitution of the OC contemplated decisions being taken by majority, in practice, this was not followed. Therefore, effectively each Government nominee had a veto power over decisions of the EB, none of which recorded any matter being put to vote. Further, Shri Kalmadi also drew reference to the constitution of the Finance Sub Committee and the OC Finance Committee.

Strangely, apart from late Shri SK Arora, erstwhile Secretary, MYAS's letter of July 2007 (discussed subsequently) regarding lack of authority for GoI representatives on the OC EB, the records of the EB meetings indicate that the EB decisions were unanimous and GoI representatives were present. Further, there were no instances of dissent notes or matters being put to vote on account of lack of unanimity.

Our comments on the ineffectiveness of the Finance Sub-Committee and the OC Finance Committee are brought out in Chapter-7.

4.3.4 Concerns expressed regarding OC Governance Structure

From July 2007 onwards, concerns of MYAS resurfaced at the GoM and PMO levels, regarding the lack of Government control over the functioning of the OC and the absence of a systematic arrangement to ensure reasonableness of expenditure and greater public accountability. This was of critical importance, in view of the OC being an asset-less organisation funded entirely by the GoI through an unsecured loan.

In July 2007, the late Shri SK Arora, Secretary, MYAS wrote to the PMO, with a copy to the Cabinet Secretary, regarding the role and responsibilities of the GoI nominees on the Executive Board of the OC. Apart from Secretary, MYAS, Secretary, UD was nominated on the EB, in line with the PM's desire in June 2005 that GoI representation on the EB should be raised. Shri Arora indicated that experience had shown that the Executive Board had a very limited management or decision-making authority and the GoI representatives had neither any executive authority nor any means of ensuring that the Government's view point was acknowledged and complied with, and concluded that all decision making was concentrated with the Chairman.

Shri Arora also highlighted the differences between the composition of the OC with that followed for the Special Organising Committee for the 1982 Asian Games, essentially in terms of the overriding powers of the Chairman in the CWG OC, the

lack of Governmental control, and the broadbased organisational structure for the 1982 Asian Games.

Shri Arora flagged the need for balancing OC's need for operational flexibility with transparency and public financial accountability, and indicated that in the present legal framework of the OC, it was unlikely that the Government representatives would be able to discharge their responsibility of ensuring transparency and public financial accountability in the management of the OC.

Subsequent events justified Shri Arora's apprehensions regarding lack of Governmental control for ensuring transparency and public financial accountability.

Shri Arora suggested three options:

- OC could retain its operational flexibility and financial autonomy, and the role of Government nominees could be restricted to a largely advisory role on the EB. However, in such a situation, GoI should revise its decision to give “bridge finance” to the OC, and discontinue direct financing by GoI, as well as take a view on the overall ceiling on the commitment to meet any revenue deficit.
- OC should be given a clear signal to vest decision-making in the EB. Government could consider retaining some authority for approving decisions with financial commitments above a certain limit.
- OC could be directed to broadbase its EB, as in the case of the 1982 Asian Games, with representation from GoI and GNCTD at Ministerial level.

Concerns expressed by erstwhile Minister, YAS, Shri Mani Shankar Aiyar highlighting lack of control by MYAS over OC

Extracts from letters addressed by Shri Mani Shankar Aiyar, erstwhile Minister, YAS to the PMO and PM (October 2007), and the Finance Minister (December 2007) indicate the lack of control by the Ministry of Youth Affairs and Sports over the functioning of the OC:

- Lack of decision on “institutional arrangements to give adequate and effective representation to the GoI in the EB and important committees of the OC to ensure public financial accountability and reasonableness of expenditure to minimize financial commitments of Government emanating from its guarantee to fully meet the revenue deficit of the OC budget”.
- The role of MYAS seeming to be to “funnel funds to the OC”, (described as an “asset-less organization”) and the Chairman's insistence that “funds should be released to him as per the annual phasing approved by the Cabinet with no further questions asked.”
- The advice by the MoF to release the balance funds in monthly installments during 2007-08 on the basis of information given directly by the Chairman, OC, which did not “enlighten us on the basis of these monthly releases”.

- Shri Aiyar's remarks that “following the GFRs and other financial prudence norms is leading to acrimony and making our position rather invidious” and also requesting the MoF to consider the possibility of relieving MYAS of the responsibility of releasing the balance of the loan amount and consider directly releasing the rest of the loan to the OC.
- The failure of MYAS to establish a genuinely co-operative working relationship with the OC, and the “abuse and scorn heaped at the Ministry in public statements by the Chairman, who stoops so low as to describe us as cartoons sitting in one room in Shastri Bhavan”, and the Chairman “increasingly resorting to establishing sub-committees of the EB which exclude the Government nominees, take decisions endorsed by the Chairman alone and without referring even the minutes to the Ministry” and seeing the “Ministry as a milch cow to extract as much money as he can and a rubber stamp to endorse every spending decision he takes, however outrageous.”
- The suggestion of the then Secretary, MYAS (late Shri SK Arora) that “since the Chairman of the OC believes his proposal to be bankable, it might be best for him to raise the required finances in the open market rather than have Government fund his demands and then be held responsible before Parliament”, and the lack of response from the Cabinet Secretariat and the PMO on this proposal.

Shri Aiyar also urged the imperative need for recasting the OC and its EB to be chaired by a Minister of State for International Sporting Events (i.e. fully under Governmental control). However, we noted that Shri Aiyar's interventions did not yield the desired results.

Such attempts were met with strong resistance from the Chairman, OC, who wrote to Shri Arjun Singh, Chairman GoM stating that *“...any attempt to fiddle around with the structures of OC would not only stop the internal motion but would be perceived as retrograde step by the CGF, IFs (International Federations) and the CGAs...would diminish the brand value of the Games globally and prove to be fatal for the conduct of Games.”*

Recommendations in our Study Report of July 2009

In our Study Report of July 2009 on “Preparedness for CWG-2010”, we had highlighted the need to rethink the governance model for the Games Project. We also found significant scope for improvement of coordination among agencies and for better clarity of their roles. We also observed that it was vital for the MYAS and the OC to assume effective leadership without further loss of time.

Subsequently, in September 2009, Mr. Mike Fennell, President CGF, wrote to the OC EB members and stated that “unless there is significant change in the management, culture and operation of the OC, these games will fail from an operational perspective.” Mr. Fennell also met the PM and, reportedly, expressed his doubts about the ability of the OC and its management for staging the Games.

4.3.5 Sphere of Influence of OC

As per the HCC, the IOA and the OC jointly and severally undertook to organise the Games. This was further expanded by the Rules and Regulations of the OC, which enabled it to **“advise all offices, institutions, governments and other bodies of associations that may be associated with the holding”** of the Games, and also **“to decide on all matters connected with the preparations and holding”** of the Games.

Thus, in addition to the organisation of the Games proper, **the OC was in a position to take or influence decisions of a central nature (e.g. approval of venue briefs, designs and specifications) to be implemented by other agencies, as well as determining specifications of common items (e.g. track/ turf, seating, sports equipment, certain items of overlays) which were to be ordered by implementing agencies.** Many of these decisions were taken/ driven by the OC in a highly non-transparent, inequitable and arbitrary manner.

These OC-driven decisions had serious financial implications, but were not reflected in the expenditure of the OC, which was only restricted to activities directly associated with staging the Games. This also had the effect of implicitly shifting responsibility for such questionable decisions from the OC to other agencies.

4.3.6 Changes in OC's Governance Structure from October 2009

In his letter to the PM dated 26 September 2009, Shri M S Gill, the then Minister, YAS referred to a letter from Mr Mike Fennell, President CGF, **raising doubts about the ability and the capability of the OC to deliver the Games to the quality expected,** and stated that, after due consultation, a line of action to strengthen the management inside the OC was being implemented.

4.3.6.1 Appointment of CEO, OC

Shri Jarnail Singh, a retired IAS officer was appointed as CEO by the OC in October 2009. His efficacy was totally blunted as we found several instances where queries raised by him were ignored and proposals were approved by the Chairman and EMC despite his expressed reservations.

4.3.6.2 Finance Sub-Committee

A Finance Sub-Committee (FSC) was constituted by the MYAS in November 2009, comprising entirely of Government nominees on the EB i.e. Secretary, Sports, Secretary, Urban Development, Addl Secretary, Ministry of Finance and CEO as convenor member. Initially, its mandate was to vet all proposals meant for the EB. Later in December 2009, this was expanded to

cover all proposals going to the EMC as well. The FSC functioned from November 2009 till July 2010, when Fast Track Committees were set up by the GoM to examine all proposals above Rs 25 lakh for direct approval by the Chairman and subsequent ratification by the EB.

In our view, MYAS constituted this Committee too late in time (less than a year from the Games) to have adequate and effective impact. We observed that the Committee discussed the proposals in detail, raised issues, but finally recommended all proposals for approval by EB. In many situations, the Committee members expressed their helplessness, as the proposals were presented as fait accompli and re-tendering was not appropriate or possible given the paucity of time. No proposals were rejected because any further delay would have adversely impacted the organisation of the Games. They were also not in a position to make comprehensive changes to the tendering process. Pointing out deficiencies/ inadequacies in proposals at the eleventh hour would not have facilitated executive decision making.

Many decisions (e.g. cancellation of the first catering bid) went to the Chairman, who did not allow it to go to the EB (and by implication, the Finance Sub Committee). When the catering contract finally went to the FSC, **it was April 2010, by which time no other options were available.**

The effectiveness of such committees was further reduced by (a) situations where proposals did not go beyond the Chairman to the EB (b) Chairman made subsequent decisions, which went against the EB/ FSC decisions/ recommendations e.g. counters for ticketing. For example, on catering,

despite the CEO's recommendation, the Chairman, at his level, decided to go for re-tendering, instead of sending the proposal to EB.

If a Finance Sub Committee was needed for effective government oversight and control, it should have been appointed much earlier (by around mid-2008). By end-2009, it was too late. At this time, the only mechanism that could have worked was effective takeover of the OC's functions by designated officials with full executive powers.

4.3.6.3 Fast Track Committees

The approval for expenditure for the Opening and Closing Ceremonies was already on a fast track mechanism in January 2010. Subsequently, from 1 August 2010 onwards, all financial proposals of the OC were taken up for approval by the Fast Track Committees (which put up cases directly for the Chairman's approval and post facto approval by the EB) that replaced the process through the Finance Sub-Committee as per the decision taken in the 25th meeting of the new GoM on 26 July 2010.

4.4 Co-ordination Committees

Planning, monitoring and oversight of the CWG-2010 Project, as well as co-ordination of activities across organisations/ agencies, was conducted through a host of co-ordination committees at various levels.

The following table depicts the multiplicity of committees created at different points of times for the Games Project:

Table 4.5 - Main Co-ordination Committees

Note: **Committee highlighted in Red** - Closed before hosting of the Games in October 2010

Committee	Function	Period of Functioning
GoI		
Committee of Secretaries (CoS)	Implementation of decisions of GoM regarding Games Project	May 2006 till date; held 112 meetings
Co-ordination Committee (MYAS)	Co-ordination with CM, GNCTD, Chairman, OC and Others	April 2008 to June 2009; held 5 meetings (discontinued from January 2010)
Infrastructure Monitoring Committee of MYAS (created by MYAS Co-ordination Committee)	Monitoring the progress of infrastructure works	June 2009 to May 2010; held 11 meetings
Venue Co-ordination Committee	Discuss issues for co-ordinated and speedy completion of works	June-July 2010; held 7 meetings
Stadium Committees	Venue-specific committees	November 2008 to June 2010
Reconstituted Stadium Committees	Venue-specific committees	June to July/ August 2010
Finance Sub-Committee of GoM	Supervise and deal with all financial matters	May to September 2005 (decided in January 2005)
Empowered Finance Sub-Committee of GoM	Supervise and deal with all financial matters (with Planning Commission representative)	November 2005 to January 2006 (decided in September 2005)
Empowered Security Committee	Oversee and approve and security arrangements	July 2006 onwards
Oversight Committee	Monitoring all aspects of CWG concerning Prasar Bharati and Press Information Bureau	September 2009 onwards

Committee	Function	Period of Functioning
Government of National Capital Territory of Delhi		
Empowered Committee under LG	Monitor construction of required infrastructure within specified time; representatives of central ministries/ state Government /agencies	Decided in October 2004; Never constituted
Chief Minister's Sub Committee	To look after all issues that come under the jurisdiction of GNCTD as per constitution	Decided in January 2005; Never constituted
Empowered Committee under CS	Facilitation of clearances by various agencies of CWG related projects	From September 2006 onwards
Steering Committee	To approve venue-wise plans for installation of CCTV cameras and access control equipment; covered all venues, including ex-Delhi venues, irrespective of ownership	From February 2009 onwards
Organising Committee		
Finance Sub-Committee for OC	Scrutinise all decisions placed before OC EB; review functional area-wise expenditure between two EB meetings	November 2009 to July 2010; From July 2010, Fast Track Committee (internal to OC) was initiated
(Other committees/ sub-committees of OC did not have external representation)		

A detailed chart of the interplay of different agencies and committees involved with the delivery of CWG-2010 is enclosed as a pull-out chart.

The above multiplicity of committees, many of which were created, disbanded and/or reconstituted at different points of time during 2005-10, reflected an ad hoc approach and was not conducive to a focused, streamlined, governance mechanism with stewardship for the Games Project as a whole. This also led to complete diffusion of accountability.

In addition, other major audit findings in respect of the co-ordination committees are summarised below:

4.4.1 Committee of Secretaries (CoS)

The GoM decided to constitute a CoS in January 2005, with responsibility for implementation of the decisions of the GoM. However, the CoS had its first meeting only in May 2006.

Further, while the CoS held 112 meetings, it became, in effect, a forum for monitoring and co-ordination, rather than implementing GoM decisions.

4.4.2 Committees Constituted by MYAS

- A Coordination Committee (which included Minister, YAS, Chairman, OC, and CM, Delhi) came into existence in April 2008, but was discontinued in June 2009, after holding five meetings.
- The Infrastructure Monitoring Committee, which was constituted in June 2009 pursuant to a decision of the Co-ordination Committee, was headed by Secretary, Sports and was responsible for apprising the Co-ordination Committee of the important developments relating to commissioning of different venues. This committee ceased to function after May 2010, and was rendered redundant by the CoS decision of June 2010 for constitution of the Venue Co-ordination Committee.
- The Venue Co-ordination Committee functioned for two months during June – July 2010. This committee, which consisted of Secretary, Sports and Chairman of all the Stadium Committees, came up pursuant to the CoS decision of June 2010, but was never formally constituted. In its last meeting on 29 July 2010, it was decided to hand over all the stadia to the OC.

- Stadium Committees had been constituted for each stadium in November 2008, but were reconstituted in June 2010, pursuant to the May 2010 decision of the CoS to empower them with decision making powers. There were eight stadium committees, which functioned till July 2010 (except for the SAI Stadium Committee, which functioned till 31 August 2010).
- In August 2010, Gol appointed ten senior officers (one for each competition venue) to coordinate, monitor and take immediate decisions for each competition venue, and the Stadium Committees ceased to meet thereafter. Possibly this team of officers under the direct supervision of the Cabinet Secretary was the only effective step which finally enabled the conduct of the Games and saved the country enormous embarrassment.

Clearly, the succession of committees formed and abruptly shelved from time to time under the aegis of MYAS could not ensure the handover of the stadiums even by July 2010, forcing the Gol to take emergent firefighting measures in August 2010. This was the decisive step which ultimately facilitated the conduct of the Games. The efforts of MYAS towards establishing a mechanism for proper monitoring and review of various arrangements towards delivery of the games were ineffective.

It must be noted that the MYAS was handicapped by its inability to exercise oversight and control over the functioning of the OC. While, in theory, this should not have been allowed to hamper the construction of the stadiums, the role of the OC in approving venue designs and specifications at various points of time and the delays therein constituted a major impediment to appropriate oversight arrangements even for venue development.

4.5 Web-based Project Monitoring System (PMS)

In August 2006, the Prime Minister had desired the establishment of a system for providing monthly status reports on progress on Games-related activities. However, MYAS acted only in April 2007, by appointing STPI¹² as the project manager, who, in turn, appointed TCS in May 2007 for development of the Project Monitoring System (PMS). The information made available to us indicates PMS generated reports for the period only from October 2008 onwards (till July 2010).

Our audit scrutiny revealed the following:

- The PMS did not cover activities of the OC, which further confirms that the OC effectively remained out of the GoI's monitoring and control efforts.
- The very purpose of the PMS in monitoring progress of different activities was vitiated, as the timelines against which such progress was measured were changed numerous times, rendering the reports completely ineffective. Further, there were no mechanisms for verifying the authenticity of revision of timelines. Detailed instances of the reduction in the percentage of planned work between October 2008 and July 2010, which served to depict a “misleading” picture of progress, are indicated in Annexe - 4.1.

In our Study Report of July 2009, we had highlighted instances of four venues, where the planned project progress was revised downwards from May 2009 to June 2009, so as to depict better progress. Instances of such “downward revisions” continued to occur till April 2010.

- The procedure for ensuring the reliability of data, e.g. audit trail, data validation procedures etc. were absent. In fact, Secretary, Sports, had also commented adversely in March 2010 on the discrepancies between the data submitted by officials in the CPWD, DDA and other agencies to the OC consultant for the PMS and the corresponding data submitted to their own higher authorities.
- The PMS did not have facilities for capturing follow-up action on issues/ deficiencies flagged in their monthly reports (as recommended in our Study Report of July 2009). This, further, contributed to the inadequate follow-up action by the MYAS in controlling delays in progress of various Games related activities.

4.6 Role of LG, Delhi and GNCTD

4.6.1 Overview

The GoM in its third meeting, in January 2005, decided that LG would have overall responsibility regarding the Games with specific reference to security, law and order and matters under DDA. CM, GNCTD would look after all issues under the jurisdiction of

¹² Software Technology Park of India (STPI)

GNCTD. The main areas of activity for LG and GNCTD were:

- The Games Village under DDA;
- City infrastructure by PWD, GNCTD, DDA, NDMC and MCD;
- Venues under DDA, PWD, GNCTD, and NDMC; and
- City improvement projects under PWD, GNCTD, NDMC and MCD

The main Committees set up by GNCTD for planning, coordinating and monitoring the execution of these projects are described below.

4.6.2 Empowered Committee under the Chief Secretary, Delhi

In September 2006 an Empowered Committee under the Chairmanship of Chief Secretary, GNCTD, was set up to expedite clearance in a time bound manner by various agencies, and coordination and close monitoring of all projects. The Committee met 27 times between October 2006 and October 2010. However, the Committee was not empowered to issue any sanction or approval, which was issued through normal organisational/ departmental channels. These decisions were processed through the established Departmental channels e.g. Works Advisory Board/ Technical Committee etc, and later subject to scrutiny by the GNCTD Expenditure Finance Committee, before submission to the GNCTD Cabinet for approval and subsequent issue of work orders.

4.6.3 Engagement of Shri Narayanswami as Advisor CWG – 2010

In September 2009, LG, Delhi and CM, GNCTD appointed Shri R. Narayanswami (who retired in August 2009 as Chief Secretary, GNCTD) as Special Advisor(CWG). His initial appointment was for co-ordination and monitoring of projects of CWG. He was subsequently appointed Chairman, Steering Committee in September 2009 and continued to be Chairman, Unified Traffic and Transportation Infrastructure Planning and Engineering Centre (UTTIPEC).

4.6.4 Steering Committee

The Steering Committee set up in September 2009 prepared the security plans for venues and deployment of CBRN (Chemical, Biological, Radiological and Nuclear) measures for the CWG.

4.6.5 Unified Traffic and Transportation Infrastructure (Planning and Engineering) Centre (UTTIPEC)

Set up by a September 2008 circular of LG, Delhi, this group was responsible for preparation of transport plans for the Games family and spectators in respect of six stand alone venues, the Games Village, linkages from airport to the Games Village, ITPO and other venues where the Games family was to be accommodated.

4.6.6 Multiple lines of command

The multiplicity of agencies carrying out overlapping/ similar activities (e.g. roads being the responsibility of PWD, GNCTD, MCD, NDMC, DDA and even NHAI) as well as issues relating to statutory approvals and clearances from several agencies (DUAC, ASI, Railways etc.) resulted in substantial delays in project execution. This was compounded by the lack of a single window mechanism for timely approvals and execution of Games-related projects.

Consequently, some important projects had to be delinked due to non clearance from the regulatory agencies:

- Elevated East West corridor;
- Shastri Park Tunnel Corridor;

- SP Mukherjee Marg Corridor; and
- Right turn signal free at junction at JB Tito Marg and Siri Fort Road for Siri Fort Sports Complex.

Objections by ASI and DUAC delayed the construction of the Barapullah Nallah flyover.

In addition, the following important projects were started late and could also not be completed in time for the Games:

- Shivaji Stadium;
- Connaught Place facade restoration work;
- Improvement of surroundings of New Delhi Railway Station;
- Streetscaping and street furniture works



Audit Approach

3.1 Audit Arrangements

3.1.1 Financial and Transaction/ Compliance Audit

Agencies, other than the Organising Committee, fall within the normal audit jurisdiction of the Comptroller and Auditor General of India (CAG). The scope, extent and frequency of audits of these agencies is decided through risk assessments, based on expenditure incurred, criticality/complexity of activities, assessment of internal controls, and previous audit findings. An annual audit plan is formulated to conduct audit on the basis of such risk assessment.

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the head of unit, for their responses within one month. The audit findings are either then settled, or further action for compliance is advised. Only important audit findings, where large government expenditure has been incurred, are separately processed for inclusion in the CAG's Audit Reports, which are submitted to the President of India under Article 151 of the Constitution of India.

Notable findings presented in the CAG's Audit Reports included shortcomings in the bail-out package provided by DDA to the developer of the residential complex at the Games Village (reported through paragraph 9.1 of Audit Report No. 23 – Union Government (Civil) Autonomous Bodies – of 2009-10).

3.1.2 Audit of the Organising Committee (OC)

The constitution of the OC in February 2005 stipulated audit of its financial statements by Chartered Accountants appointed by the OC, and audit of its financial statements upto 2007-08 was carried out as such.

Over the period of three financial years from 2004-05 to 2006-07, the GoI released loans totalling Rs. 127.51 crore¹, against which expenditure of Rs. 123.53 crore was incurred by the OC (largely on Games Hosting License Fee, expenditure on the closing ceremony component of Melbourne CWG-2006 and other items). From 2007-08 onwards, the volume of loans given to the OC increased substantially.

In May 2007, the Ministry of Youth Affairs and Sports (MYAS) requested the CAG for a “concurrent audit” of the Organising Committee from April 2008. Such concurrent audit is an internal audit function and, thus, the responsibility of the Executive. Concurrent audit is not the mandate of the CAG. Consequently, in July 2007, we requested MYAS for entrustment² of the external audit of the OC through the Ministry of Finance³. This was entrusted to the CAG in April 2008. Audit of the

¹ In addition, GNCTD provided grants of Rs. 29.54 crore.

² Under Section 20 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971

³ As per the approved procedure for entrustment of audit of autonomous bodies and authorities circulated by Ministry of Finance on 12 January 2008 to all Ministries/Departments of GoI.

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transactions⁴ of the OC for the years 2005-07 was carried out in November/ December 2008. Following this audit, an Inspection Report was issued in March 2009 to the OC and the Ministry of Youth Affairs and Sports. The audit of transactions for 2007-08 and 2008-09 was carried out in December 2008 and March/ April 2010, and the Inspection Reports issued in May 2009 and May 2010 respectively.

Audits of the financial statements of the OC for 2008-09 and 2009-10 were conducted independently and Separate Audit Reports (SARs) issued in July 2010 and April 2011 respectively.

3.1.3 Study Reports on Preparedness for CWG-2010.

In addition to the transaction and financial audits mentioned above, we also presented, in July 2009, a Study Report on Games preparedness, which also covered the activities of the OC, as well as a Study Report in April 2010 on preparedness of the Indian Railways for activities related to CWG-2010; the main findings of these Study Reports are summarised in Chapter 2 of this Report. These Study Reports were intended as aids to management for monitoring progress on a concurrent basis, to be followed by *post facto* audits of expenditure.

3.2 Audit Objectives

This audit of the XIX Commonwealth Games was comprehensive in nature, covering compliance and performance issues related to the preparation of the infrastructure and organising of the Games, and builds on the findings and recommendations of our

earlier Study Report of July 2009 on preparedness for CWG-2010.

The main objectives of our audit were to assess the following:

- Adequacy and effectiveness of the high-level governance structures for overall stewardship, planning, co-ordination, and monitoring of the Games Project and its different components, particularly in view of the multiplicity of agencies involved;
- Effectiveness and efficiency of agencies in planning, executing and delivering the Games and associated infrastructure projects and in organising the Games;
- Propriety, economy, transparency and probity (including compliance with relevant rules and regulations and accepted best practices) in procurement of goods and services by different agencies;
- Robustness and prudence of budgetary and financial management for the Games Project; and
- Adequacy and effectiveness of internal controls and oversight mechanisms for ensuring successful delivery of the Games within pre-determined time and cost budgets and to stipulated quality standards.

3.3 Audit Scope and Coverage

The scope of our audit covered the period from May 2003 (submission of the bid for hosting the XIX Commonwealth Games) to December 2010. The main activities and agencies covered by us in this audit are summarised in Table 3.1.

⁴ Under Section 14 of the CAG's DPC Act

Table 3.1 – Agencies Covered in Audit

Area	Main Agencies Covered
Overall Planning and Management	Ministries/ Departments of the GoI and GNCTD, and inter-Ministerial/ Departmental Committees; OC
Venue Development	Venue owners (Sports Authority of India, GNCTD, MCD, NDMC, DDA, DU, JMI, AITA, DPS RK Puram, and CRPF) and other implementing agencies (CPWD)
Games Village	DDA
City Infrastructure Projects	PWD (GNCTD), NDMC, MCD, DJB, DTC, DTTDC, PPCL, DTL
Organisation of the Games	OC
Organisation of CW Youth Games, 2008 Pune	Agencies of the Government of Maharashtra and Pune Municipal Corporation/ Pimpri Chinchwad Municipal Corporation
Preparation of Indian Teams	MYAS and SAI
Media and Broadcasting	Ministry of Information and Broadcasting and Prasar Bharati
Others	Ministry of Home Affairs, Delhi Police, ECIL, Ministry of Health and Family Welfare, Directorate of Health Services, GNCTD, MTNL and TCIL

This report focuses on issues, which would be of interest from the overall perspective of the organisation and management of the Games Project. Other issues and concerns, which focus on agency-specific aspects, would be reported separately, through other CAG's Audit Reports and Inspection Reports, depending on their materiality and significance.

3.4 Audit Methodology

We conducted our field audit between August and December 2010 (with a suspension of the audit from mid-September to mid-October 2010 to avoid inconvenience to the agencies during and around the Games period). We held an

entry conference with the Ministry of Youth Affairs and Sports (MYAS) and representatives of other agencies (except the OC) on 1 November 2010.

Our audit methodology covered scrutiny of records and documents of different agencies, interviews with concerned officials and persons, and physical inspection of sites, including collection of photographic evidence. Audit requisitions were issued, seeking records, information and clarifications (where necessary). Preliminary audit observations were communicated to the agencies at appropriate levels, seeking their responses.

Draft agency-specific audit findings were communicated through “Statements of Facts” (SOFs) in January- February 2011 to the concerned agencies for their responses. Exit Conferences were also held with the concerned agencies to discuss the main audit findings. The responses of these agencies at various levels have been examined and considered, as appropriate, in this report.

Details of the audit processes/ methodologies followed are indicated in **Annexe – 3.1.**

3.5 Scope Limitation

Our findings on the functioning/activities of the Organizing committee should be read in the context of the following:

- Given the state of documentation (refer para 7.2.3), we could not find evidence that documents produced for audit were complete and authentic in all cases.
- We could not derive any assurance regarding completeness of the number of contracts/agreements/work orders etc. entered into by OC.
- Till March 2011, OC could not provide information on contract wise payments made to vendors, limiting our scrutiny to

the contracted amount rather than the actual payments.

- We followed the formal reporting channels in the OC to obtain records and communicate findings. However, we noticed that informal reporting lines existed to the offices of Shri Suresh Kalmadi, ex-Chairman, Shri Lalit Bhanot, Secretary General and Shri V.K. Verma, DG-OC. We do not have access to the documents/ files/ records generated /maintained through these informal reporting channels and their consequential impact on the contracting and decision making.
- On certain issues, in addition to the official reply, we received several other replies from individuals associated with the OC. We have not treated their replies as the official view of the OC.

Final payments in respect of most of the venues have still not been made, despite lapse of considerable time since the conclusion of the Games. These are likely to have significant impact on the overall cost of the Games project. These would be covered in subsequent audits.

We acknowledge the co-operation and assistance extended by the Ministries/ Departments, Organizing Committee and other agencies of GoI and GNCTD during the conduct of this audit.

Governance and Monitoring Arrangements

Prime Ministerial approval for the IOA to bid, in May 2003, for CWG-2010 was processed by MYAS, without even obtaining the IOA bid document. In September 2003, Cabinet approval was obtained for Gol to underwrite the shortfall between revenue and expenditure (a deficit guarantee) without any cap. Although MoF did not support the proposal for such underwriting without a cap on Gol liability, MYAS felt that the shortfall was an unlikely event (based on the projections of revenue, expenditure, and surplus by the IOA), and it was not possible to put a cap on Gol's liability. By contrast, the competing bid from Hamilton, Canada for CWG-2010 involved a deficit guarantee only from the Hamilton City Council, and the Governments of Canada and Ontario Province did not provide any such guarantee, nor did they agree to be parties to the Host City Contract.

Thus, the commitment of Gol, in conjunction with GNCTD, to underwrite any shortfall between revenue and expenditure was critical to the success of the IOA bid for CWG-2010. In the case of India, thus, the Games became the property of the nation, rather than merely that of the IOA. This was inadequately reflected in the subsequent constitution of the Organising Committee (OC).

The unique challenge of managing and monitoring the activities of a multiplicity of agencies for delivering the Games Project was best met by entrusting its stewardship to a single point of authority and accountability. The authority should have been accorded adequate mandate to ensure all deliverables in time, to cost, and to specified quality standards. Further, in view of the Government guarantee for meeting the cost of the Games, it was essential for such stewardship to be fully under Government control. However, this model of management or financial control was not implemented for the Games Project.

The bid document of May 2003 envisaged the OC as a Government-owned registered society, with the Chairman of the OC Executive Board (EB) being a government appointee, and the IOA President being the EB Vice-Chairman. However, the OC was ultimately set up as a non-Government registered society, with the IOA President, Shri Suresh Kalmadi as the Chairman of the OC EB. This change was orchestrated through a chronology of events, commencing with a document titled as an "updated bid" with the dateline of December 2003. This had no legal sanctity or relevance, since the Games had already been bid and awarded to Delhi in November 2003. This document indicated the OC as a non-Government society and also removed references to the IOA President as EB Vice-

Chairman. These changes were objected to, and highlighted, by the erstwhile Minister, YAS, late Shri Sunil Dutt in November 2004 in correspondence with Shri Arjun Singh (Chairman, GoM) and the Prime Minister. These objections were ignored, and Shri Kalmadi's views prevailed. In our view, the decision to appoint Shri Kalmadi as the OC Chairman, based on a PMO recommendation, facilitated the conversion of the originally envisaged Government-owned OC into a body outside Governmental control, without commensurate accountability to Government and concomitant controls to ensure propriety and transparency. This was despite full financial guarantee and funding from Government. The late Shri SK Arora, Secretary, MYAS had, in 2007, highlighted the lack of effective authority with Gol representatives on the OC EB, and concluded that all decision-making was concentrated with the Chairman. He suggested multiple options – allowing OC to retain its flexibility and financial autonomy, but without direct financing by Gol; empowering the EB and providing Gol with control over high-value financial commitments; or broadbasing the OC's EB on the pattern of the 1982 Asian Games with representation from Gol and GNCTD at ministerial level. Shri Mani Shankar Aiyar, the erstwhile Minister, YAS, also highlighted the Ministry's ineffective position in exercising control over the OC to the PMO and GoM in 2007. This was, however, met with strong resistance from the Chairman, OC and did not yield the desired results.

The absence of a single point of authority and accountability for ensuring the successful conduct of CWG-2010 and the lack of a clear governance structure led to ad hoc creation of a multiplicity of co-ordination committees that were created, disbanded, and reconstituted at different points of time. This approach was not methodical, consistent and effective, and also led to complete diffusion of accountability. This was unlike the structure for the Melbourne CWG-2006, where the Victorian Government oversaw the planning and delivery of the Games through a specially formed Cabinet Committee. The Minister for Commonwealth Games was specifically empowered and responsible under the Commonwealth Games Arrangements Act 2001.

There were changes in the governance structure of the OC from October 2009 onwards, with the appointment of a CEO for the OC, deputation of senior Government officers to the OC, and the constitution of a Finance Sub-Committee of OC for scrutinising proposals before submission to the OC EB. This finally culminated in Gol's appointment of 10 senior officers in August 2010 to co-ordinate, monitor and take immediate decisions for each competition venue. However, these actions were largely in the nature of emergency fire-fighting measures. Early action on these lines, with a single point of authority and accountability, could have made the Games delivery process less painful and more streamlined and accountable.

4.1 Award of CWG-2010 to Delhi

The chronology of events leading upto to the award of the XIX Commonwealth Games, 2010 to Delhi is summarised below:

Table 4.1 - Chronology of events leading to award of XIX CWG to Delhi

June-July 2002	Gol conveyed its no objection to IOA making a bid presentation at Manchester to bid for the Games and also subsequently (February 2003) reiterated its support for the proposal, in connection with a preliminary presentation to the CGF Executive Board
May 2003	IOA submitted a formal bid for the Games to the CGF
August 2003	Visit of CGF Evaluation Commission to Delhi
September 2003	Guarantees given by Gol, Lt. Governor, Delhi and Chief Minister, GNCTD to bear all costs and underwrite any shortfall between revenues and expenses
November 2003	CGF General Assembly voted for allotment of XIX CWG to Delhi; Host City Contract (HCC) signed

4.1.1 Approval to IOA for bidding, without obtaining or examining the IOA bid

In May 2003, approval of the Prime Minister was sought (and granted) on a Cabinet note proposed by MYAS, allowing IOA to bid for the Games and underwriting Government's support for the bid.

However, while submitting this Cabinet note, MYAS did not even obtain the actual bid of the IOA to the CGF. The Cabinet note merely reproduced IOA estimates of Rs. 490 crore of revenue and expenditure of Rs. 295.50 crore, without an examination of the underlying IOA bid. In fact, these figures do not tally at all with those indicated in the IOA bid. This bid indicated:

- revenues of Rs. 840 crore, offset by operating expenses of Rs. 635 crore, leaving a projected surplus of Rs. 205 crore;

- grants of Rs. 518 crore and revenue from sale of flats of Rs. 477 crore;
- capital and repair/ renovation expenditure on stadia of Rs. 1,050 crore;
- city beautification and additional services of Rs. 150 crore;

The comments of the Ministry of Finance on the draft Cabinet note were focused on the relatively miniscule expenditure of Rs. 1.61 crore on the bidding process, rather than on the larger (and more serious) financial and other implications of the bid on Gol. In fact, the IOA bid specified that “for conducting the Games, the Central Government shall provide the necessary grants”, although it expected the Games to generate a surplus.

In short, Prime Ministerial approval in May 2003 for the IOA to bid for CWG-2010 was processed by MYAS without obtaining, let alone examining, the IOA bid document.

4.1.2 Visit of CGF Evaluation Commission in August 2003

During its visit to Delhi in August 2003, the CGF Evaluation Commission for CWG-2010 sought certain additional information and clarifications on the IOA bid. Key among these clarifications were commitments from the Government, in particular:

- Agreeing to become parties to the HCC;
- Underwriting any shortfall between revenue and expenditure of the Organising Committee (OC) – in effect, the cost of the Games; and
- Providing all necessary Government and municipal services at Government/ municipal cost.

4.1.3 Cabinet Note of September 2003

In September 2003, MYAS moved a Cabinet note seeking approval to the above commitments, based on a letter of August 2003 jointly signed by Shri Suresh Kalmadi and Shri Randhir Singh (as IOA President and General Secretary respectively). This letter, supported by an assessment of commercial revenues by SMAM¹, indicated IOA's "confidence" that the OC would be able to raise revenue resources of US\$ 100 million. **However, the letter did not indicate a specific undertaking from IOA that it**

¹ Subsequently appointed as the OC's consultant for sponsorship and merchandising/ licensing rights

would be able to raise resources on its own amounting to Rs. 480 crore, which was desired by Secretary, MYAS.

The Cabinet note, however, referred to IOA's reiteration of "commitment" for revenue generation, and stated that the projections of IOA showed an approximate surplus of Rs. 50-60 crore, thus hinting that there was no substantial risk to GoI in agreeing to underwrite the shortfall between revenue and expenditure of hosting the Games.

Another annexed letter from Shri Randhir Singh, Secretary General, IOA stated that:

- It was the requirement of the CGF that the Government of the host country must give an undertaking to underwrite the shortfall, if any, in the capital and revenue expenditure of the Games.
- It was understood that the Canadian Government had furnished a similar guarantee to the CGF.

We found no evidence of a CGF requirement mandatorily stipulating guarantee by the Government of the host country (not just the city). Further, no such guarantee was given by the Government of Canada, as brought out in the CGF Evaluation Committee Report (described subsequently in para 4.1.4).

On the draft Cabinet note, MoF did not support the proposal to underwrite the shortfall between revenue and expenditure, and suggested that in case such commitment was necessary, the liability of GoI should be capped. However, MoF did not challenge the estimates of revenue/ surplus.

MYAS responded that in view of the projections of revenue and surplus, the shortfall was an unlikely event. Hence, it was not possible to put a cap on the liability of GoI, although the likely liability on account of infrastructure development was estimated at Rs 218.50 crore.

Consequently, the Cabinet approved the proposal for underwriting any shortfall between revenue and expenditure, without any cap.

Subsequently, in September 2003, GoI, in conjunction with the Lt. Governor (LG) and CM, GNCTD, gave formal undertakings to bear all the costs involved in upgrading and constructing all infrastructure, security, transport etc. required for staging the games and also underwriting any shortfall between revenue and expenditure of the OC.

4.1.4 Report of CGF Evaluation Commission of October 2003

The CGF Evaluation Commission for CWG-2010 analysed the bids of Hamilton and Delhi for the 2010 Games. Among other things, it noted the following:

- The Governments of Canada and Ontario, the City of Hamilton and McMaster University pledged specific, significant contributions to the cost of staging the Games. However, the Government of Canada would not provide deficit guarantee, and would limit its contribution to 35 per cent of the total event costs (not exceeding 50 per cent of the total public sector contribution). In fact, none of the Governments of Canada and Ontario, the Canadian CGA or McMaster University would assume responsibility

for any deficit of the OC. The Governments of Canada and Ontario would not be parties to the Host City Contract. Only Hamilton City Council would provide deficit underwriting, subject to a number of conditions. Nevertheless, Hamilton's bid was considered to be a "conforming bid".

- By contrast, the overriding undertaking that GoI and GNCTD would meet the costs of the Games and would underwrite any operating or capital budget shortfall (i.e. including both operating expenses and venue upgradation) was noted.
- **The Report also noted that the Delhi OC would be a non-profit Government-owned registered society, chaired by a Government nominee with the IOA President as Vice-Chairman.** The constitution of the EB was as indicated in the May 2003 bid of IOA.

Evidently, IOA could not have won the bid without GoI, in conjunction with LG, Delhi and CM, GNCTD, undertaking to bear all the costs associated with the Games. In the case of India, thus, the Games became the property of the nation, rather than merely that of the IOA.

4.1.5 Main Features of Host City Contract (HCC)

The HCC was signed on 13 November 2003 between the CGF, IOA, GoI, GNCTD and the OC (yet to be formed²). The main features of the HCC are summarized below:

- The OC, IOA, GoI and GNCTD would be jointly and severally responsible for all commitments, including, without limitation, financial commitments relating to the organization and staging of the Games in accordance with the Games documents.
- The Games would be organized in accordance with the provisions of the CGF Constitution, protocols, regulations and code of conduct, and the OC would be constituted within 6 months with status and powers in accordance with the CGF Protocols.
- The CGF would be represented on the OC Executive Board³; it would also establish a Co-ordination Commission (CoCOM) to liaise with, monitor and advise the IOA and OC on all matters relating to the organization of the Games.
- The IOA and OC would submit various planning documents and strategies for CGF's written approval within stipulated timeframes, as also periodic reports on the progress of preparations.
- Brief details of venues and services/ activities (viz. ticketing, hospitality, accommodation, transport, security, ceremonies etc.) to be provided by the

² The OC, which was formed only in February 2005, signed the HCC in March 2005.

³ Termed as the Board of Directors in the HCC.

OC were stipulated, as also commercial rights, licensing, sponsorship, intellectual property, marketing and broadcasting rights.

- The host fees payable to the CGF, as well as courtesy facilities for the Games Family, officials and aides, were also stipulated.

Under the HCC, OC was required to comply with 34 major obligations within prescribed timelines. However, fulfilment of these obligations suffered delays, ranging from 1 to 56 months. Further, most of the CGF approvals for compliance with the obligations were obtained verbally.

4.2 Weak Governance Structure

4.2.1 Multiplicity of Agencies

Given the multi-dimensional nature of the Games Project and multiplicity of delivering agencies, the functional environment posed numerous challenges. The numerous agencies responsible for the various activities leading to the Games Project could be categorised into:

- Ministries/ Departments of GoI & GNCTD;
- Municipal bodies;
- Venue owners;
- Implementing agencies for the venues, Games village, and city infrastructure projects;
- OC;
- Regulatory agencies and other agencies according clearances; and
- Agencies handling support functions.

This unique challenge was best met by entrusting the stewardship of the Games Project to a single point of authority and accountability. The authority would be accorded adequate mandate to ensure all deliverables in time, to cost and to specified quality standards. Further, in view of the Government guarantee for meeting the cost of the Games, it was essential for such stewardship to be fully under Government control.

The organizational arrangement as seen in the case of the XVIII CWG in 2006 at Melbourne clearly shows a hierarchical structure of command/control with specifically assigned responsibilities. Considering that a large contingent of Indian officials from GoI/GNCTD/IOA/OC etc. visited Melbourne, that model could have been studied and its relevant aspects adopted.

Melbourne CWG 2006 Organisational arrangement

For the Melbourne CWG 2006, the Victorian Government oversaw the planning and delivery of the games through a specially formed cabinet subcommittee which included representation from key portfolios and was chaired by the Premier. The Victorian Government was the underwriter of the event.

The Minister for Commonwealth Games, Mr. Justin Madin, MLC was responsible for the Commonwealth Games Arrangements Act 2001. Under the Act, he had wide ranging planning powers for the various projects necessary for the delivery of the Games infrastructure. This included making venue and project orders for the timely completion of the Games infrastructure and for crowd management in the public domain during the Games.

The Office for Commonwealth Games Co-ordination (OCGC) within the Department for Victorian Communities was established in 2002 to manage the Government's interest in the Games and to ensure effective coordination of the Games across and within the Government.

The following box illustrates the complexity of the delivery structure for the Games:

Table 4.2 - Profile of Major Agencies Involved in CWG - 2010

	Govt Ministries/ Departments/ Agencies	Delhi Government	Municipal Bodies	Others
Monitoring and Oversight	Cabinet Secretariat PMO MYAS MHA MoUD MoF Mo I&B MoT DoT MoH&FW	LG CM, GNCTD		OC CGF
Venue Owners	SAI; DDA; DU (including constituent colleges); JMIU; CRPF	PWD	NDMC	AITA; DPS RK Puram
Implementing Agencies	DDA; CPWD; EIL; RITES; MTNL; ECIL; TCIL; BECIL	PWD; DTC; DTTDC; DHS; DJB; PPCL; DTL;	NDMC; MCD	OC
Support Services	Delhi Police; Prasar Bharati; PIB; MTNL; ITDC; Safdarjung, AIIMS and GB Pant Hospital; ASI	DTC; DTTDC; DHS; DJB		
Regulatory Agencies and other Agencies according clearances	DUAC; ASI; MoEF; L&DO; DDA	Forest Deptt; UTTIPEC; DFS; DPCC	NDMC; MCD	

Note: Agencies with multiple roles (e.g. owner/ implementing agency/ regulatory agency) are shown multiple times Committees (not being full-fledged agencies/ institutions) are not depicted here.

4.2.2 Group of Ministers (GoM)

In September 2004, the Prime Minister approved the constitution of a core Group of Ministers (GoM) headed by late Shri Arjun Singh, the then Minister, HRD for co-ordinating the work related to the organisation of the Games. The first meeting of the GoM was held in September 2004. A total of 14 meetings were held between September 2004 and April 2008. This GoM was reconstituted twice in July 2007 and April 2008.

The GoM could not provide the much needed focus and impetus:

- During 2004-06, the GoM took conclusive decisions only on setting up of the Apex Committee, CoS, authorities for financial approvals, engagement of EKS at OC's recommendation, and PPP model for the Games Village.
- During 2007, decisions were taken only on finalisation of sporting disciplines and competition/ training venues.
- During April 2008, no major decisions were taken.

GoM did not meet between May and November 2008. The interim GoM, which was constituted by the Cabinet in December 2008 under the chairmanship of Shri Jaipal Reddy, the then Minister, UD, met thrice between December 2008 and June 2009; its main decision was the engagement of Shri Bharat Bala as creative head for the opening and closing ceremonies.

The new GoM met 34 times between June 2009 and October 2010, and was in position at the time of the hosting of the Games.

4.2.3 Role of MYAS

As decided by the GoM in October 2004, the Ministry of Youth Affairs and Sports was entrusted with the overall responsibility of reviewing and monitoring various arrangements and organisation of the Games; it was also responsible for formulating Games-related funding proposals of OC and the venue owners as well as for releasing GoI funds to these agencies. However, we observed that MYAS could not establish a stable, long-term mechanism for discharging this onerous responsibility.

Frequent changes in incumbency in MYAS

Preparations for an event of this magnitude required a high degree of continuity of functionaries, for consistency as well as accountability.

However, there were numerous changes in the functionaries at various levels in the MYAS associated with the Games from May 2003 till date; there were five Ministers, YAS; five Ministers of State, YAS; seven Secretaries, YAS, and three Joint Secretaries (Sports/ ISD), as indicated below. This, further, contributed to the lack of effective and consistent monitoring by the MYAS.

Table 4.3 - Changes in Incumbency at MYAS

Minister, YAS	
Shri Vikram Verma	26.08.2002 to 21.05.2004
Shri Sunil Dutt	22.05.2004 to 25.05.2005
Shri Mani Shankar Aiyar	30.01.2006 to 06.04.2008
Dr. M.S. Gill	07.04.2008 to 19.01.2011
Minister of State, YAS	
Shri Vijay Goel	24.05.2003 to 21.05.2004
Shri Prithviraj Chavan	26.05.2005 to 17.11.2005
Shri Oscar Fernandes	18.11.2005 to 29.01.2006
Shri Arun Yadav	01.06.2009 to 16.06.2009
Shri Pratik Prakashbapu Patil	17.06.2009 to 19.01.2011
Secretary	
Sh. Rajeev Srivastava	1.4.2003 to 31.5.2004
Smt. Meenaxi Anand Chaudhry	1.6.2004 to 8.11.2005
Dr. S.Y. Qureshi	9.11.2005 to 29.6.2006
Sh. Madhukar Gupta	4.7.2006 to 19.3.2007
Sh. S.K. Arora	4.4.2007 to 19.5.2008
Ministry bifurcated in the year 2008	
Deptt. of Sports	
Sh. Sudhir Nath	20.5.2008 to 17.3.2009
Smt. Sindhushree Khullar	19.3.2009 till date
Deptt. of Youth Affairs	
Smt. Jayati Chandra	17.4.2009 to 30.9.2009
Smt. Sindhushree Khullar	1.10.2009 to 2.11.2009 (additional charge)
Sh. A.K. Upadhyay	3.11.2009 till date
Joint Secretary (Sports)	
Sh. R.K. Mishra	From 2003 to Sept. 2004
Sh. S. Krishnan	Oct. 2004 to Feb. 2007
Sh. Injeti Srinivas	Feb. 2007 till date
Joint Secretary (ISD)	
Sh. Rahul Bhatnagar	27.11.2006 till date
Joint Secretary & Financial Adviser	
Sh. S.K. Mittal	14.03.2007 till date

4.2.4 Apex Committee

The Apex Committee under the chairmanship of Minister, YAS was decided upon in October 2004 by the GoM. It was constituted in March 2005, reconstituted in May 2006 and November 2006, and functioned only from June 2006 (i.e. 19 months after the decision to constitute this committee) till April 2007, when it was discontinued.

In his letter of 14 November 2004 to the Prime Minister after the first GoM meeting, the erstwhile Minister, YAS, late Shri Sunil Dutt, appeared to have mistaken the “Apex Committee” for the Organising Committee.

This Committee was to have overriding power and responsibility for overseeing and co-ordinating the Games. However, this mandate was highly circumscribed by the GoM itself, which stipulated that:

- The minutes of all other Committees should be submitted to the Apex Committee periodically for its information.
- The Chairman of the Apex Committee could also call for such information which he deemed fit and could give such guidance that may be required.
- The Chairman of the Apex Committee may be kept informed by all other Committees, whenever any major decision was taken.

With such terms of reference, it is no wonder that the Apex Committee turned out to be a complete non-starter, as the responsibility placed on it by the GoM could not be fulfilled in any way.

The erstwhile Minister, YAS, Shri Mani Shankar Aiyar, went on record at the GoM meeting of March 2008 that the Apex Committee was dormant for 1½ years due to “resistance from the OC.”

In correspondence with the PM, Shri Aiyar indicated that it was his personal decision to not operationalise the Apex Committee after “Kalmadi's vociferous opposition to the Apex Committee at the meeting in August 2006 convened at your level.”

In July/ August 2006, the Apex Committee decided to constitute five sub-groups dealing with:

- Corporate Sector Participation;
- CWG Legacy;
- Economics and Provisioning of Infrastructure;
- Public Participation/ Medal Tally; and
- Organisation of Games.

These sub-groups were to submit their reports to the Chairman of the Apex committee, but were discontinued on disbanding of the Apex Committee itself in April 2007.

Given the overlapping nature of responsibilities, and without a clear hierarchical reporting relationship between the Apex Committee and the OC, it should have been anticipated, even in October 2004, that there would be conflicts between these two Committees, if both were allowed to function concurrently. The failure of the Apex Committee was, thus, inevitable.

4.3 The Organising Committee (OC) and Role of MYAS vis-a-vis OC

4.3.1 Formation of OC

The HCC stipulated the formation of an Organising Committee within six months. However, the Organising Committee Commonwealth Games 2010 Delhi was registered as a Society only on 10 February 2005 under the Societies Registration Act, 1860.

“Updated” bid document with December 2003 timeline

At the time of bidding for the Games, OC was envisaged as a *Government owned registered society*. However, we found a document titled as the 'updated' bid with the dateline of December 2003. This document, which, in our opinion, has no legal sanctity or relevance (since the Host City Contract had already been signed in November 2003), was sent to the MYAS only in September 2004. We are unsure as to when it was produced since we found multiple versions of it made available to us by different sources, all

bearing the same dateline – December 2003⁴. Describing this document as an “updated bid document” was a misrepresentation by the IOA.

There was no official endorsement by Gol of the modified constitution and structure of OC envisaged in the 'updated' bid; however, OC was registered in February 2005 in the form and structure laid out in this document.

The bid document submitted to the CGF (May 2003) and the document titled as the “updated” bid (December 2003) are similar, except for the organizational structure of the OC and certain expenditure figures under one head (Games Operating Expenditure). Other differences included changes in certain venues, location of the Games Village⁵, and an increase in some heads (e.g. license fee payable to CGF, payments to CGAs, Games Technical Conduct etc.) balanced largely by a reduction in one head (participants and team officials)⁶. A comparison of the constitution of OC and its Executive Board in the bid document and the “updated” bid document reveals the following position:

⁴ Multiple versions of the so-called “updated bid” have been provided to us by MYAS and OC, all with the dateline of December 2003. We are unable to determine authentically as to when this “updated bid” was actually produced, as such, till September 2004, when this document was transmitted to the MYAS.

⁵ One of the versions of the “updated bid” indicated that the Games Village would be on a 118 acre plot on the banks of the Yamuna; the original bid, merely, stated that the Athletes Games Village would be created on a 100 acre site in a prime Delhi area; the associated maps indicated a location on the New Delhi side of the River Yamuna, rather than on the East Delhi side.

⁶ The reworking of the figures under the head “Games Operating Expenditure” had numerous discrepancies. Expenditure under certain heads were reduced to one-tenth or increased ten-fold, without any alteration in the underlying supporting figures.

	Bid Document (May 2003)	Document entitled as "Updated" Bid (December 2003)
Nature of OC	The OC would be a non-profit, Government-owned registered society.	The OC would be a non-profit, non-Government registered society.
Constitution of the Executive Board	Chairman, Executive Board would be a Government Appointee, and the Vice-Chairman would be the IOA President.	The chart depicting the EB of OC simply showed the positions of Chairman and Vice Chairman; references to Government Appointee and IOA President as Vice-Chairman were deleted.

In a separate response, Shri Kalmadi (Ex-Chairman, OC) indicated that it was necessary to amend the final bid to bring it in conformity with the Games Protocols. Further, the Government had at no time objected to this amendment, as the Olympic movement contemplates that such organizations remain free from government interference. We do not agree with Shri Kalmadi's response; once Government of India decided to provide unconditional and unlimited financial guarantees, it was duty bound to take necessary steps to safeguard the public interest.

Appointment of Shri Suresh Kalmadi, President, IOA as Chairman, OC Executive Board

In our opinion, the primary objective of the document, titled as the "updated" bid, was to orchestrate the appointment of the President, IOA (Shri Suresh Kalmadi) as the Chairman of the OC Executive Board, since, as per the May 2003 bid document, the President, IOA would only be the Vice-Chairman. A chronology of related events, concluding in PMO's communication of 6 December 2004 (which was finally accepted by the GoM in January 2005) that Shri Kalmadi be appointed as the Chairman of the OC, is given in Table 4.4:

Table 4.4 - Chronology of Events related to formation of OC

Dateline	Events
August - September 2004	Correspondence was exchanged between Shri Kalmadi and Shri Michael Hooper, CEO, CGF, referring to recent discussions at Athens, whereby Shri Hooper indicated that the structure of the EB of the OC, its Chairman and members as proposed by Shri Kalmadi was acceptable to them.
6 September 2004	Shri RK Sacheti, Director, IOA wrote to MYAS, enclosing the "updated bid", giving the new structure of the OC, and stating that CGF had informed them that, except the CGF nominees, all members' appointment had to be approved by the IOA General Assembly.

Dateline	Events
13 September 2004	GoM constituted, headed by late Shri Arjun Singh
23 October 2004	<p>Shri Suresh Kalmadi wrote to the PM indicating that</p> <ul style="list-style-type: none"> ■ MYAS had not put the correct perspective of the role of IOA in the Games. ■ The Games were allotted to the IOA, and IOA had the responsibility to ensure successful conduct of the Games ■ OC was to be formed by the IOA and approved by the General Assembly of IOA. <p>Shri Kalmadi also referred to the “updated bid”⁷ in this letter.</p>
25 October 2004	1st meeting of GoM chaired by PM ⁸ .
26 October 2004	Shri Kalmadi wrote to the PM, suggesting that he should be the Chairman, OC, while the Minister, YAS should be Chairman of the “Steering Committee”.
28 October 2004	PM acknowledged Shri Kalmadi's letter, stating that the Sports and HRD Ministers had been asked to examine the issues.
1 November 2004	IOA, at its AGM, passed a resolution, “constituting” the Organising Committee under the IOA and electing Shri Kalmadi as Chairman of the OC and EB ⁹ .
11 November 2004	Shri Sunil Dutt wrote to Shri Arjun Singh, specifically referring to the “updated bid” document received in MYAS in September 2004. He stated that it made significant changes with major structural and financial implications, without consultation/ approval of the MYAS for making these changes. Specifically, Shri Dutt highlighted the change in constitution of the OC from a non-profit Government owned registered society to a non-profit, non-Government registered society as well as the deletion of word “Government appointee” as chairperson of the Executive Board of the OC. Shri Dutt stated that the provisions in the original bid must have been incorporated because organizing the CWG involved large financial commitments on the part of the Gol.
14 November 2004	Shri Sunil Dutt wrote to the PM, specifically highlighting his surprise at the resolution passed by IOA appointing the President, IOA as Chairman of the OC. This was at variance with the decisions taken in the GoM meeting (of 25 October 2004). He also stated that the minutes of this GoM meeting, as issued by the Cabinet Secretariat and received in his office on 10 November 2004, did not reflect the decisions taken in the meeting regarding various aspects of the composition of the OC.

⁷ Which removed the reference to the Chairman of OC as a Government nominee.

⁸ Referred to by late Shri Sunil Dutt in his letter of 11 November 2004.

⁹ This was a very surprising development, as the PM's decision, deciding that Shri Kalmadi would be the Chairman, was communicated only on 6 December 2004.

Dateline	Events
	<p>Interestingly, we found substantial differences between the draft minutes of the GoM meeting prepared by MYAS, and those finalised by the Cabinet Secretariat and forwarded to the PM:</p> <ul style="list-style-type: none"> ■ The reference to an OC (as well as the OC EB) under the chairmanship of Minister, YAS for creation and development of infrastructure facilities for CWG-2010 was replaced by a reference to an “Apex Committee” chaired by Minister, YAS for “monitoring and reviewing of activities”. ■ The reference to the Empowered Committee on infrastructure (chaired by the LG) functioning under the OC was replaced by an Empowered Committee to “monitor” construction.
6 December 2004	A communication from the PMO stated that institutional arrangements had been evolved for the conduct of the CWG-2010. In this, Shri Suresh Kalmadi, President, IOA was indicated as the Chairman of the Organising Committee and the Executive Board. It also communicated the Prime Minister's direction that these institutional arrangements be considered in the next GoM meeting.
14 January 2005	The second GoM Meeting did not take a view regarding governance structure.
29 January 2005	The GoM, at its third meeting, endorsed the views of the PMO and decided that the OC would be headed by Shri Kalmadi.
10 February 2005	OC was registered as a society under the Societies Registration Act, 1860. The Rules and Regulations of the OC indicated Shri Kalmadi by name (and not merely as President, IOA) as the Chairman of the OC

Even, Shri MS Gill, the erstwhile Minister, YAS, in his letter to the PM (September 2009) stated that *“the original signed document had a Government chairman, but later somehow that was changed”*.

In our opinion, the decision of the PMO for appointing Shri Suresh Kalmadi as the Chairman of the OC facilitated the conversion of the originally envisaged Government-owned OC into a body effectively outside Governmental control.

Incidentally, it may be noted that the Melbourne 2006 Commonwealth Games Corporation (M2006), previously created under Federal Company Law in 1999, was incorporated as a Statutory Authority in 2003 to manage the provision of the Games and its Board reported to the Minister under the Commonwealth Games Arrangement Act.

4.3.2 Members of OC

The bid document (May 2003) referred only to a 15-member Executive Board, supported by “Executive Management” and “Special Projects & Relations”. There was no mention whatsoever of any other

“membership” or “general body” of the OC¹⁰.

However, the Rules and Regulations of the OC, constituted as a society, stipulated a membership of not more than 500 persons “who shall be invited to become members by the Chairman.” According to these Rules, the members were to “promote the purpose of the Society (viz. the OC) to the best of their ability”.

Shri Kalmadi, Chairman, OC, recommended the appointment of 484 members, comprising the OC General Body, which was approved by Shri Arjun Singh (Chairman, GoM) in May 2005 and communicated to the then Minister, YAS. The strength of the membership was subsequently reduced to 454 in March 2004, at the behest of the new GoM.

The General Body, which consisted of personalities from different walks of life, was to meet at least once a year, to approve the accounts/ budget and accept the report of the Executive Board and the (private) auditors.

As many as 23 sub-committees of the OC were constituted from amongst the “members” of the OC, for providing “advice” on various functional areas. While the dates of constitution of these sub-committees could not be ascertained, the Terms of Reference for these sub-committees are dated as of 2009. 21 of these sub-committees reportedly held a total of 162 meetings (ranging from 2 to 17). The OC could not produce records or

documentation of the action taken, if any, on the recommendations/ advice offered by these sub-committees.

The constitution of an unwieldy 400-plus general body of members of the OC, which was not envisaged in the bid document or the HCC, did not result in any significant benefit or value addition to the Games Project.

Even the erstwhile Minister, YAS, Shri MS Gill, indicated in September 2009 that these 23 sub-committees had rarely met or performed in delivering the Games to the quality expected.

4.3.3 Executive Board of OC

As finally constituted, the 15-member EB had only 2 nominees each of the GoI and GNCTD; of these, only 2/ 3¹¹ members were Governmental functionaries. Apart from the Chairman (Shri Kalmadi), the Secretary General, IOA (Shri Randhir Singh), was to be the EB Vice-chairman, with the IOA Treasurer (Shri AK Mattoo) and the Secretary General, Athletics Federation of India (Shri Lalit K Bhanot), as well as four members from amongst the National Sports Federations (to be nominated by the Chairman). The CGF CEO and two CGF nominees completed the EB.

The day to day financial and administrative decisions were taken by the Executive Management Committee (EMC) comprising Shri Suresh Kalmadi, Shri Randhir Singh, Shri Lalit K Bhanot, Secretary General and Shri A.K. Mattoo, Treasurer. The functioning of the OC was overseen by the OC Secretariat,

¹⁰ Incidentally, Shri HJ Dora, erstwhile Vigilance Commissioner and President, Weightlifting Federation Member of India was a founding member of the OC. In response to our enquiry, the Central Vigilance Commission indicated that no information was available regarding obtaining of prior approval of the Government by Shri Dora before accepting membership of the OC.

¹¹ At different points of time.

headed by Director General (DGOC). The various activities to be undertaken by the OC for staging the Games were to be looked after by 34 Functional Areas (FAs) each headed by a Functional area head.

The OC thus functioned, in effect, as a parallel, non-Governmental organization, without commensurate accountability to Government and concomitant controls to ensure propriety and transparency (despite full financial guarantee and funding from Government).

In a separate response, Shri Kalmadi stated that the decisions of the EB were taken on a unanimous basis. While the constitution of the OC contemplated decisions being taken by majority, in practice, this was not followed. Therefore, effectively each Government nominee had a veto power over decisions of the EB, none of which recorded any matter being put to vote. Further, Shri Kalmadi also drew reference to the constitution of the Finance Sub Committee and the OC Finance Committee.

Strangely, apart from late Shri SK Arora, erstwhile Secretary, MYAS's letter of July 2007 (discussed subsequently) regarding lack of authority for GoI representatives on the OC EB, the records of the EB meetings indicate that the EB decisions were unanimous and GoI representatives were present. Further, there were no instances of dissent notes or matters being put to vote on account of lack of unanimity.

Our comments on the ineffectiveness of the Finance Sub-Committee and the OC Finance Committee are brought out in Chapter-7.

4.3.4 Concerns expressed regarding OC Governance Structure

From July 2007 onwards, concerns of MYAS resurfaced at the GoM and PMO levels, regarding the lack of Government control over the functioning of the OC and the absence of a systematic arrangement to ensure reasonableness of expenditure and greater public accountability. This was of critical importance, in view of the OC being an asset-less organisation funded entirely by the GoI through an unsecured loan.

In July 2007, the late Shri SK Arora, Secretary, MYAS wrote to the PMO, with a copy to the Cabinet Secretary, regarding the role and responsibilities of the GoI nominees on the Executive Board of the OC. Apart from Secretary, MYAS, Secretary, UD was nominated on the EB, in line with the PM's desire in June 2005 that GoI representation on the EB should be raised. Shri Arora indicated that experience had shown that the Executive Board had a very limited management or decision-making authority and the GoI representatives had neither any executive authority nor any means of ensuring that the Government's view point was acknowledged and complied with, and concluded that all decision making was concentrated with the Chairman.

Shri Arora also highlighted the differences between the composition of the OC with that followed for the Special Organising Committee for the 1982 Asian Games, essentially in terms of the overriding powers of the Chairman in the CWG OC, the

lack of Governmental control, and the broadbased organisational structure for the 1982 Asian Games.

Shri Arora flagged the need for balancing OC's need for operational flexibility with transparency and public financial accountability, and indicated that in the present legal framework of the OC, it was unlikely that the Government representatives would be able to discharge their responsibility of ensuring transparency and public financial accountability in the management of the OC.

Subsequent events justified Shri Arora's apprehensions regarding lack of Governmental control for ensuring transparency and public financial accountability.

Shri Arora suggested three options:

- OC could retain its operational flexibility and financial autonomy, and the role of Government nominees could be restricted to a largely advisory role on the EB. However, in such a situation, GoI should revise its decision to give “bridge finance” to the OC, and discontinue direct financing by GoI, as well as take a view on the overall ceiling on the commitment to meet any revenue deficit.
- OC should be given a clear signal to vest decision-making in the EB. Government could consider retaining some authority for approving decisions with financial commitments above a certain limit.
- OC could be directed to broadbase its EB, as in the case of the 1982 Asian Games, with representation from GoI and GNCTD at Ministerial level.

Concerns expressed by erstwhile Minister, YAS, Shri Mani Shankar Aiyar highlighting lack of control by MYAS over OC

Extracts from letters addressed by Shri Mani Shankar Aiyar, erstwhile Minister, YAS to the PMO and PM (October 2007), and the Finance Minister (December 2007) indicate the lack of control by the Ministry of Youth Affairs and Sports over the functioning of the OC:

- Lack of decision on “institutional arrangements to give adequate and effective representation to the GoI in the EB and important committees of the OC to ensure public financial accountability and reasonableness of expenditure to minimize financial commitments of Government emanating from its guarantee to fully meet the revenue deficit of the OC budget”.
- The role of MYAS seeming to be to “funnel funds to the OC”, (described as an “asset-less organization”) and the Chairman's insistence that “funds should be released to him as per the annual phasing approved by the Cabinet with no further questions asked.”
- The advice by the MoF to release the balance funds in monthly installments during 2007-08 on the basis of information given directly by the Chairman, OC, which did not “enlighten us on the basis of these monthly releases”.

- Shri Aiyar's remarks that “following the GFRs and other financial prudence norms is leading to acrimony and making our position rather invidious” and also requesting the MoF to consider the possibility of relieving MYAS of the responsibility of releasing the balance of the loan amount and consider directly releasing the rest of the loan to the OC.
- The failure of MYAS to establish a genuinely co-operative working relationship with the OC, and the “abuse and scorn heaped at the Ministry in public statements by the Chairman, who stoops so low as to describe us as cartoons sitting in one room in Shastri Bhavan”, and the Chairman “increasingly resorting to establishing sub-committees of the EB which exclude the Government nominees, take decisions endorsed by the Chairman alone and without referring even the minutes to the Ministry” and seeing the “Ministry as a milch cow to extract as much money as he can and a rubber stamp to endorse every spending decision he takes, however outrageous.”
- The suggestion of the then Secretary, MYAS (late Shri SK Arora) that “since the Chairman of the OC believes his proposal to be bankable, it might be best for him to raise the required finances in the open market rather than have Government fund his demands and then be held responsible before Parliament”, and the lack of response from the Cabinet Secretariat and the PMO on this proposal.

Shri Aiyar also urged the imperative need for recasting the OC and its EB to be chaired by a Minister of State for International Sporting Events (i.e. fully under Governmental control). However, we noted that Shri Aiyar's interventions did not yield the desired results.

Such attempts were met with strong resistance from the Chairman, OC, who wrote to Shri Arjun Singh, Chairman GoM stating that *“...any attempt to fiddle around with the structures of OC would not only stop the internal motion but would be perceived as retrograde step by the CGF, IFs (International Federations) and the CGAs...would diminish the brand value of the Games globally and prove to be fatal for the conduct of Games.”*

Recommendations in our Study Report of July 2009

In our Study Report of July 2009 on “Preparedness for CWG-2010”, we had highlighted the need to rethink the governance model for the Games Project. We also found significant scope for improvement of coordination among agencies and for better clarity of their roles. We also observed that it was vital for the MYAS and the OC to assume effective leadership without further loss of time.

Subsequently, in September 2009, Mr. Mike Fennell, President CGF, wrote to the OC EB members and stated that “unless there is significant change in the management, culture and operation of the OC, these games will fail from an operational perspective.” Mr. Fennell also met the PM and, reportedly, expressed his doubts about the ability of the OC and its management for staging the Games.

4.3.5 Sphere of Influence of OC

As per the HCC, the IOA and the OC jointly and severally undertook to organise the Games. This was further expanded by the Rules and Regulations of the OC, which enabled it to **“advise all offices, institutions, governments and other bodies of associations that may be associated with the holding”** of the Games, and also **“to decide on all matters connected with the preparations and holding”** of the Games.

Thus, in addition to the organisation of the Games proper, **the OC was in a position to take or influence decisions of a central nature (e.g. approval of venue briefs, designs and specifications) to be implemented by other agencies, as well as determining specifications of common items (e.g. track/ turf, seating, sports equipment, certain items of overlays) which were to be ordered by implementing agencies.** Many of these decisions were taken/ driven by the OC in a highly non-transparent, inequitable and arbitrary manner.

These OC-driven decisions had serious financial implications, but were not reflected in the expenditure of the OC, which was only restricted to activities directly associated with staging the Games. This also had the effect of implicitly shifting responsibility for such questionable decisions from the OC to other agencies.

4.3.6 Changes in OC's Governance Structure from October 2009

In his letter to the PM dated 26 September 2009, Shri M S Gill, the then Minister, YAS referred to a letter from Mr Mike Fennell, President CGF, **raising doubts about the ability and the capability of the OC to deliver the Games to the quality expected,** and stated that, after due consultation, a line of action to strengthen the management inside the OC was being implemented.

4.3.6.1 Appointment of CEO, OC

Shri Jarnail Singh, a retired IAS officer was appointed as CEO by the OC in October 2009. His efficacy was totally blunted as we found several instances where queries raised by him were ignored and proposals were approved by the Chairman and EMC despite his expressed reservations.

4.3.6.2 Finance Sub-Committee

A Finance Sub-Committee (FSC) was constituted by the MYAS in November 2009, comprising entirely of Government nominees on the EB i.e. Secretary, Sports, Secretary, Urban Development, Addl Secretary, Ministry of Finance and CEO as convenor member. Initially, its mandate was to vet all proposals meant for the EB. Later in December 2009, this was expanded to

cover all proposals going to the EMC as well. The FSC functioned from November 2009 till July 2010, when Fast Track Committees were set up by the GoM to examine all proposals above Rs 25 lakh for direct approval by the Chairman and subsequent ratification by the EB.

In our view, MYAS constituted this Committee too late in time (less than a year from the Games) to have adequate and effective impact. We observed that the Committee discussed the proposals in detail, raised issues, but finally recommended all proposals for approval by EB. In many situations, the Committee members expressed their helplessness, as the proposals were presented as fait accompli and re-tendering was not appropriate or possible given the paucity of time. No proposals were rejected because any further delay would have adversely impacted the organisation of the Games. They were also not in a position to make comprehensive changes to the tendering process. Pointing out deficiencies/ inadequacies in proposals at the eleventh hour would not have facilitated executive decision making.

Many decisions (e.g. cancellation of the first catering bid) went to the Chairman, who did not allow it to go to the EB (and by implication, the Finance Sub Committee). When the catering contract finally went to the FSC, **it was April 2010, by which time no other options were available.**

The effectiveness of such committees was further reduced by (a) situations where proposals did not go beyond the Chairman to the EB (b) Chairman made subsequent decisions, which went against the EB/ FSC decisions/ recommendations e.g. counters for ticketing. For example, on catering,

despite the CEO's recommendation, the Chairman, at his level, decided to go for re-tendering, instead of sending the proposal to EB.

If a Finance Sub Committee was needed for effective government oversight and control, it should have been appointed much earlier (by around mid-2008). By end-2009, it was too late. At this time, the only mechanism that could have worked was effective takeover of the OC's functions by designated officials with full executive powers.

4.3.6.3 Fast Track Committees

The approval for expenditure for the Opening and Closing Ceremonies was already on a fast track mechanism in January 2010. Subsequently, from 1 August 2010 onwards, all financial proposals of the OC were taken up for approval by the Fast Track Committees (which put up cases directly for the Chairman's approval and post facto approval by the EB) that replaced the process through the Finance Sub-Committee as per the decision taken in the 25th meeting of the new GoM on 26 July 2010.

4.4 Co-ordination Committees

Planning, monitoring and oversight of the CWG-2010 Project, as well as co-ordination of activities across organisations/ agencies, was conducted through a host of co-ordination committees at various levels.

The following table depicts the multiplicity of committees created at different points of times for the Games Project:

Table 4.5 - Main Co-ordination Committees

Note: **Committee highlighted in Red** - Closed before hosting of the Games in October 2010

Committee	Function	Period of Functioning
GoI		
Committee of Secretaries (CoS)	Implementation of decisions of GoM regarding Games Project	May 2006 till date; held 112 meetings
Co-ordination Committee (MYAS)	Co-ordination with CM, GNCTD, Chairman, OC and Others	April 2008 to June 2009; held 5 meetings (discontinued from January 2010)
Infrastructure Monitoring Committee of MYAS (created by MYAS Co-ordination Committee)	Monitoring the progress of infrastructure works	June 2009 to May 2010; held 11 meetings
Venue Co-ordination Committee	Discuss issues for co-ordinated and speedy completion of works	June-July 2010; held 7 meetings
Stadium Committees	Venue-specific committees	November 2008 to June 2010
Reconstituted Stadium Committees	Venue-specific committees	June to July/ August 2010
Finance Sub-Committee of GoM	Supervise and deal with all financial matters	May to September 2005 (decided in January 2005)
Empowered Finance Sub-Committee of GoM	Supervise and deal with all financial matters (with Planning Commission representative)	November 2005 to January 2006 (decided in September 2005)
Empowered Security Committee	Oversee and approve and security arrangements	July 2006 onwards
Oversight Committee	Monitoring all aspects of CWG concerning Prasar Bharati and Press Information Bureau	September 2009 onwards

Committee	Function	Period of Functioning
Government of National Capital Territory of Delhi		
Empowered Committee under LG	Monitor construction of required infrastructure within specified time; representatives of central ministries/ state Government /agencies	Decided in October 2004; Never constituted
Chief Minister's Sub Committee	To look after all issues that come under the jurisdiction of GNCTD as per constitution	Decided in January 2005; Never constituted
Empowered Committee under CS	Facilitation of clearances by various agencies of CWG related projects	From September 2006 onwards
Steering Committee	To approve venue-wise plans for installation of CCTV cameras and access control equipment; covered all venues, including ex-Delhi venues, irrespective of ownership	From February 2009 onwards
Organising Committee		
Finance Sub-Committee for OC	Scrutinise all decisions placed before OC EB; review functional area-wise expenditure between two EB meetings	November 2009 to July 2010; From July 2010, Fast Track Committee (internal to OC) was initiated
(Other committees/ sub-committees of OC did not have external representation)		

A detailed chart of the interplay of different agencies and committees involved with the delivery of CWG-2010 is enclosed as a pull-out chart.

The above multiplicity of committees, many of which were created, disbanded and/or reconstituted at different points of time during 2005-10, reflected an ad hoc approach and was not conducive to a focused, streamlined, governance mechanism with stewardship for the Games Project as a whole. This also led to complete diffusion of accountability.

In addition, other major audit findings in respect of the co-ordination committees are summarised below:

4.4.1 Committee of Secretaries (CoS)

The GoM decided to constitute a CoS in January 2005, with responsibility for implementation of the decisions of the GoM. However, the CoS had its first meeting only in May 2006.

Further, while the CoS held 112 meetings, it became, in effect, a forum for monitoring and co-ordination, rather than implementing GoM decisions.

4.4.2 Committees Constituted by MYAS

- A Coordination Committee (which included Minister, YAS, Chairman, OC, and CM, Delhi) came into existence in April 2008, but was discontinued in June 2009, after holding five meetings.
- The Infrastructure Monitoring Committee, which was constituted in June 2009 pursuant to a decision of the Co-ordination Committee, was headed by Secretary, Sports and was responsible for apprising the Co-ordination Committee of the important developments relating to commissioning of different venues. This committee ceased to function after May 2010, and was rendered redundant by the CoS decision of June 2010 for constitution of the Venue Co-ordination Committee.
- The Venue Co-ordination Committee functioned for two months during June – July 2010. This committee, which consisted of Secretary, Sports and Chairman of all the Stadium Committees, came up pursuant to the CoS decision of June 2010, but was never formally constituted. In its last meeting on 29 July 2010, it was decided to hand over all the stadia to the OC.

- Stadium Committees had been constituted for each stadium in November 2008, but were reconstituted in June 2010, pursuant to the May 2010 decision of the CoS to empower them with decision making powers. There were eight stadium committees, which functioned till July 2010 (except for the SAI Stadium Committee, which functioned till 31 August 2010).
- In August 2010, Gol appointed ten senior officers (one for each competition venue) to coordinate, monitor and take immediate decisions for each competition venue, and the Stadium Committees ceased to meet thereafter. Possibly this team of officers under the direct supervision of the Cabinet Secretary was the only effective step which finally enabled the conduct of the Games and saved the country enormous embarrassment.

Clearly, the succession of committees formed and abruptly shelved from time to time under the aegis of MYAS could not ensure the handover of the stadiums even by July 2010, forcing the Gol to take emergent firefighting measures in August 2010. This was the decisive step which ultimately facilitated the conduct of the Games. The efforts of MYAS towards establishing a mechanism for proper monitoring and review of various arrangements towards delivery of the games were ineffective.

It must be noted that the MYAS was handicapped by its inability to exercise oversight and control over the functioning of the OC. While, in theory, this should not have been allowed to hamper the construction of the stadiums, the role of the OC in approving venue designs and specifications at various points of time and the delays therein constituted a major impediment to appropriate oversight arrangements even for venue development.

4.5 Web-based Project Monitoring System (PMS)

In August 2006, the Prime Minister had desired the establishment of a system for providing monthly status reports on progress on Games-related activities. However, MYAS acted only in April 2007, by appointing STPI¹² as the project manager, who, in turn, appointed TCS in May 2007 for development of the Project Monitoring System (PMS). The information made available to us indicates PMS generated reports for the period only from October 2008 onwards (till July 2010).

Our audit scrutiny revealed the following:

- The PMS did not cover activities of the OC, which further confirms that the OC effectively remained out of the GoI's monitoring and control efforts.
- The very purpose of the PMS in monitoring progress of different activities was vitiated, as the timelines against which such progress was measured were changed numerous times, rendering the reports completely ineffective. Further, there were no mechanisms for verifying the authenticity of revision of timelines. Detailed instances of the reduction in the percentage of planned work between October 2008 and July 2010, which served to depict a “misleading” picture of progress, are indicated in Annexe - 4.1.

In our Study Report of July 2009, we had highlighted instances of four venues, where the planned project progress was revised downwards from May 2009 to June 2009, so as to depict better progress. Instances of such “downward revisions” continued to occur till April 2010.

- The procedure for ensuring the reliability of data, e.g. audit trail, data validation procedures etc. were absent. In fact, Secretary, Sports, had also commented adversely in March 2010 on the discrepancies between the data submitted by officials in the CPWD, DDA and other agencies to the OC consultant for the PMS and the corresponding data submitted to their own higher authorities.
- The PMS did not have facilities for capturing follow-up action on issues/ deficiencies flagged in their monthly reports (as recommended in our Study Report of July 2009). This, further, contributed to the inadequate follow-up action by the MYAS in controlling delays in progress of various Games related activities.

4.6 Role of LG, Delhi and GNCTD

4.6.1 Overview

The GoM in its third meeting, in January 2005, decided that LG would have overall responsibility regarding the Games with specific reference to security, law and order and matters under DDA. CM, GNCTD would look after all issues under the jurisdiction of

¹² Software Technology Park of India (STPI)

GNCTD. The main areas of activity for LG and GNCTD were:

- The Games Village under DDA;
- City infrastructure by PWD, GNCTD, DDA, NDMC and MCD;
- Venues under DDA, PWD, GNCTD, and NDMC; and
- City improvement projects under PWD, GNCTD, NDMC and MCD

The main Committees set up by GNCTD for planning, coordinating and monitoring the execution of these projects are described below.

4.6.2 Empowered Committee under the Chief Secretary, Delhi

In September 2006 an Empowered Committee under the Chairmanship of Chief Secretary, GNCTD, was set up to expedite clearance in a time bound manner by various agencies, and coordination and close monitoring of all projects. The Committee met 27 times between October 2006 and October 2010. However, the Committee was not empowered to issue any sanction or approval, which was issued through normal organisational/ departmental channels. These decisions were processed through the established Departmental channels e.g. Works Advisory Board/ Technical Committee etc, and later subject to scrutiny by the GNCTD Expenditure Finance Committee, before submission to the GNCTD Cabinet for approval and subsequent issue of work orders.

4.6.3 Engagement of Shri Narayanswami as Advisor CWG – 2010

In September 2009, LG, Delhi and CM, GNCTD appointed Shri R. Narayanswami (who retired in August 2009 as Chief Secretary, GNCTD) as Special Advisor(CWG). His initial appointment was for co-ordination and monitoring of projects of CWG. He was subsequently appointed Chairman, Steering Committee in September 2009 and continued to be Chairman, Unified Traffic and Transportation Infrastructure Planning and Engineering Centre (UTTIPEC).

4.6.4 Steering Committee

The Steering Committee set up in September 2009 prepared the security plans for venues and deployment of CBRN (Chemical, Biological, Radiological and Nuclear) measures for the CWG.

4.6.5 Unified Traffic and Transportation Infrastructure (Planning and Engineering) Centre (UTTIPEC)

Set up by a September 2008 circular of LG, Delhi, this group was responsible for preparation of transport plans for the Games family and spectators in respect of six stand alone venues, the Games Village, linkages from airport to the Games Village, ITPO and other venues where the Games family was to be accommodated.

4.6.6 Multiple lines of command

The multiplicity of agencies carrying out overlapping/ similar activities (e.g. roads being the responsibility of PWD, GNCTD, MCD, NDMC, DDA and even NHAI) as well as issues relating to statutory approvals and clearances from several agencies (DUAC, ASI, Railways etc.) resulted in substantial delays in project execution. This was compounded by the lack of a single window mechanism for timely approvals and execution of Games-related projects.

Consequently, some important projects had to be delinked due to non clearance from the regulatory agencies:

- Elevated East West corridor;
- Shastri Park Tunnel Corridor;

- SP Mukherjee Marg Corridor; and
- Right turn signal free at junction at JB Tito Marg and Siri Fort Road for Siri Fort Sports Complex.

Objections by ASI and DUAC delayed the construction of the Barapullah Nallah flyover.

In addition, the following important projects were started late and could also not be completed in time for the Games:

- Shivaji Stadium;
- Connaught Place facade restoration work;
- Improvement of surroundings of New Delhi Railway Station;
- Streetscaping and street furniture works



There was a seven-year window from the time of award of CWG-2010 to New Delhi to its execution, which was not appropriately utilised. The time window from November 2003 to mid-2006, which could have been effectively used for planning, clearances and approvals, was wasted. The OC itself was registered only in February 2005, while EKS was appointed by the OC as the consultant for preparation of venue briefs and site plans only in July 2006. This led to cascading delays in all subsequent activities, since the return briefs, concept designs and detailed designs and drawings for venues could be prepared only thereafter. Even thereafter, specifications and designs for venues continued to be revised by the OC and International Sporting Federations till late stages.

The finalisation and approval of the two key planning documents for the Games – the General Organisation Plan and Games Master Schedule – were delayed by more than three years. Operational plans for different Functional Areas (FAs) as well as other planning documents of the OC were also delayed substantially.

A comprehensive, over-arching plan identifying the requirement of city infrastructure and gaps therein for hosting the Games was essential for ensuring an integrated perspective. However, we found evidence of only a presentation to the Committee of Secretaries in December 2006, which could, at best, be termed as an approach to an infrastructure development plan, without the necessary level of detail and rigour. Detailed planning for state-of-the-art city infrastructure for CWG-2010 was substantially delayed, and was done in an ad hoc fashion without a “bottom-up” assessment of needs and requirements. We also found indications of “stop-start” planning and implementation in several areas. Further, the delayed planning resulted in adequate time not being available for obtaining statutory clearances from various agencies.

5.1 Overview

The last international multi-sport event held in India was the IX Asian Games held in November- December 1982. Since then, there had been massive changes in the scale, format, presentation, technology and the funding model associated with such events. All the agencies involved

(Ministries/ Departments of GoI, GNCTD, OC and others) were handicapped by the lack of experience in organising an event of this magnitude, and were dependent on the advice offered by a host of consultants, as well as the CGF and its representatives. This also resulted in requirements being identified/ amended in an ad hoc and sporadic manner, often at a late stage.

5.2 Seven Year Window from Award to Hosting of Games not utilised

The CWG is awarded to a candidate city by the CGF at its General Assembly seven years in advance of eventual hosting. The seven year window (from November 2003 to the hosting of the Games in October 2010) was identical to the time available for organising other such mega multi sport international events such as the Melbourne CWG 2006, the Beijing Olympics 2008 and the London Olympics 2012; this facilitates adoption of a phased approach. For example, the organisers of the Beijing Olympics 2008 and the London Olympics 2012 followed a three-phase approach:

- 2 years for planning and approvals;
- 4 years for execution, construction and developments; and
- 1 year for test events and trial runs.

The bid document for CWG-2010 of May 2003 envisaged a four phase approach, as under¹:

Phase I	Plan	January 2004 to May 2006
Phase II	Create	May 2006 to May 2008
Phase III	Deliver	May 2008 to December 2010
Phase IV	Conclude	December 2010 to March 2011

¹ The General Organisation Plan (GOP) approved in August 2007 indicated a four phase Games Planning Process – Plan, Mobilise, Execute and Legacy, but without indicating timelines for each phase, which made this “phased” approach largely meaningless.

Phase-wise approach not implemented

As reported by us in our Study Report of July 2009, we found no evidence of the four phase approach being translated into action during the first phase years of 2004 to 2006, nor during a major portion of Phase-II. In effect, project implementation did not follow the phase-wise approach envisaged. Both planning and execution commenced only in late 2006. These delays had a cascading effect on all subsequent activities.

The non-utilisation of the time windows between November 2003 and mid-2006 and the consequent compression in the remaining time available are depicted below:

Waste of time window between November 2003 and mid-2006

Date	Event
November 2003	Award of Games to Delhi; signing of HCC
September 2004	Constitution of GoM
October 2004	Decisions to constitute Apex Committee and International Sports Division (ISD) of MYAS
January 2005	Constitution of CoS
February 2005	Registration of OC
March 2005	Constitution of Apex Committee; signing of HCC by OC
May-July 2006	First meetings of CoS, Apex Committee and CoS; creation of ISD

Compression of time available due to inaction upto mid-2006

Time Line	Janauary - June 2004	July - December 2004	Janaury - June 2005	July - December 2005	Janaury - June 2006	July - December 2006	Janaury - June 2007	July - December 2007	Janaury - June 2008	July - December 2008	Janaury - June 2009	July - December 2009	Janaury - June 2010	July - December 2010	Janaury - June 2011	
Plan	Plan				Create				Deliver							Conclave
Actual	No significant planning activity				Planning		Planning and Creation		Planning, Creation and Delivery							Conclave

5.3 Delayed Finalisation of General Organisation Plan (GOP) and Games Master Schedule (GMS)]

Under the HCC, the two key planning documents for the Games - the General Organisation Plan (GOP) and the Games Master Schedule (GMS) - should have been finalised by the OC and approved by the CGF by May 2004 (i.e. within 6 months of the HCC).

Importance of GOP and GMS

The General Organisation Plan (GOP) is a high level master planning document, which sets the structural framework and timelines for the overall organization of the Games. It is to articulate the way the Games would be planned and delivered, including the allocation of responsibilities. Importantly, it considers all stakeholders involved in staging the Games (not just the OC), including those responsible for development of facilities and infrastructure.

The GMS is a roadmap, which lays out the detailed timelines for starting and completing various activities in a coherent and co-ordinated manner.

Delayed Finalisation of GOP and GMS

As pointed out in our Study Report of July 2009, the GOP and GMS were finalized for CGF's approval only in August 2007 and November 2008 respectively.

In fact, the GMS was also revised and altered several times. During the finalization of our Study Report, the OC responded that the planning of the Games was challenging and complex, and planning documents continued to evolve till Games time due to evolving dependencies between functional areas and delivery partners.

Delay in preparing and finalizing the GOP and GMS by more than three years critically affected preparations for the Games; this was compounded by the "evolutionary" planning process, arising out of changes in requirements at late stages.

5.4 Delayed Finalisation of OC Plans

5.4.1 Operational Plans of FAs

The GOP scoped the Games Project into 34 Functional Areas (FAs), with clearly demarcated activities and objectives. Operational plans had to be prepared for each of these functional areas.

Delayed Preparation of Operational Plans

As of May 2009, draft operational plans had been prepared for only 16 out of 34 FAs. Subsequently, in response to the draft Study Report, OC stated that all the 34 Operational Plans had been finalized, and CGF approval would be obtained by the revised deadline of 31 August 2009.

We found that many of these Operational Plans underwent subsequent revisions, and some plans were finalised only after the conclusion of the Games. Further, in many FAs, these plans were not actually operationalised and remained theoretical inputs, and the actual activities of the FA differed significantly from that indicated in the Operational Plans.

5.4.2 Other Planning Documents

In addition to the GOP and GMS, the HCC also stipulated several planning documents and strategies, which required CGF approval. We found that in some cases, the plans remained just plans and were not translated into action e.g:

- Plan for international and national business programme;

- Corporate hospitality plan;
- Sponsor servicing strategy;
- Plan for exploitation of commercial rights

5.5 Planning for Venues

For ensuring proper planning of venue specifications and timely execution, a phased approach was decided by the Infrastructure Co-ordination Committee of OC in August 2007:

Stage	Timeline
Venue appraisal study by OC consultant and submission of venue brief to owners	December 2006
Submission of return brief and concept design by venue owners	May 2007
OC's approval of concept design and complete final design	June - July 2007
Start of construction	Sept. 2007
Completion of construction	December 2009

Importance of Venue Brief and Approval

In simple terms, the venue brief prepared by the OC consultant (EKS) described the sporting and other requirements for each completion and training venue, incorporating the specifications of the respective International Sporting Federations.

On the basis of this venue brief, the venue owners/ implementing agencies, assisted by their consultants, were required to

prepare return briefs and concept designs, which indicated how they proposed to translate the venue brief into reality. After approval by OC/ EKS, these were to be further developed into detailed designs and drawings, on the basis of which works could be tendered and awarded and construction commenced.

Delayed Finalisation of Venue Specifications

As indicated in our Study Report of July 2009, there were delays at all stages of the above process. Further, final specifications and drawings were still being revised and modified in mid-2009, and had not yet been frozen. Also, all approvals granted by OC were only of a conditional nature.

Even after our July 2009 Study Report, officials of implementing agencies indicated that there were further changes to the specifications and drawings at the instance of OC, although documentation of such late changes could not be produced to us.

5.6 Delayed Finalisation of Plans for City Infrastructure

One of the objectives of CWG-2010 was to develop state of the art city infrastructure. These were to be undertaken by a multiplicity of agencies principally under three different jurisdictions – NDMC, MCD, and PWD (GNCTD). It was essential that a comprehensive, overarching plan identifying the requirements of city infrastructure (and the gaps therein) for hosting the Games be prepared and approved at the highest level.

In response to our request for a copy of a comprehensive city development plan

specifically for the requirements of CWG-2010, GNCTD indicated that in June 2004 itself they had taken up with the Finance Minister the need for a specific allocation of funds to fulfil the requirements of the city government for CWG-2010. This was followed by a letter in May 2005 to MYAS, indicating department-wise details of the requirement of additional funds and its justification. In the 9th meeting of the GoM in January 2006 (where the list of competition venues for sports disciplines was finalised), it was decided that GNCTD should include all its requirements covering city infrastructure and venue infrastructure in its proposal to the Planning Commission. Subsequently, a committee headed by Member Secretary, Planning Commission and including representatives of GNCTD finalised a list of infrastructure projects which was presented at the CoS meeting held on 12 December 2006. GNCTD indicated that the presentation (consisting of 66 slides) titled *“Preparing Delhi for 2010 and Beyond – Making it a world class capital”* made to the CoS constituted a comprehensive city development plan for CWG-2010.

We do not agree with GNCTD's response. The presentation merely touched on issues such as

- Modernisation of the airport, and connectivity thereto (metro/ road/ bypasses);
- Metro and road connectivity to JLN Stadia, Games Village, NOIDA, Airport etc. and proposed 24 flyover/ bridges and 12 car parking sites;
- Upgradation of Connaught Place and areas surrounding New Delhi/ Old Delhi Railway stations, Chandni Chowk/ Jama Masjid; and
- Large scale requirements for drainage, sewage, solid waste management, water, power supply

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At best, the presentation to the CoS meeting of December 2006 could be termed as an approach to an infrastructure development plan for CWG-2010, without the necessary level of detail and rigour.

We found that detailed planning was done in an ad hoc fashion without an integrated perspective, and without a “bottom-up” assessment of needs and requirements. It was also substantially delayed.

Roads, bridges and flyovers constituted critical city infrastructure for meeting the requirements of CWG-2010. We found that there was lack of clarity about identification of projects directly linked to the Games. In the meetings of the Empowered Committee, the Chief Secretary had reviewed as many as 86 projects. However, in a post-Games consolidation and review exercise, he only identified 25 projects as directly related to the Games. No documented plan for the selection of these projects (after appropriate inter se prioritisation and sequencing) could be provided to us.

We also found indications of “stop-start” planning and implementation in several areas:

- Action for renovation and restoration of Connaught Place was initiated in 2004, but the revised DPR was finally approved only in November 2007.
- The plan for streetscaping and beautification was initiated in 2004, but action for appointment of consultants was initiated only in 2008. Planning for street furniture was initiated even later (after receiving the reports of the streetscaping consultants).
- Planning for improved streetlighting was initiated in 2006, but re-activated only in 2007.
- The need for improved signages was highlighted in February 2006, but the

pilot project was initiated only in May 2008, with works being awarded only in 2009.

Delayed planning was a key reason for many infrastructure projects, envisaged to be completed in time for the Games, not being completed in time. Further, such delayed planning resulted in non-availability of adequate time required for statutory clearances from various agencies e.g DUAC, ASI, MoEF/ Forest Department etc. (given the normal time required for due diligence on proposals by these agencies).

We also derived the impression that planning and selection of projects was, to an extent, driven by the perceived availability of funds for Games-related projects, rather than a strictly need-based analysis.

While many of the completed projects resulted in a substantial upgradation of city infrastructure, such a process reflected an ad hoc approach, often with a dilution of focus/ priorities on the requirements for CWG-2010.

5.7 Planning for Other Activities

Planning for other supporting activities was also substantially delayed:

- Cabinet approval for funding for media and broadcasting services was finally received only in October 2008.
- GoI approval for MTNL as the telecommunications service provider for the Games was received only in September 2009.
- Approval for funding arrangements for the Internal Security System for the Games was communicated only in September 2009.

Financial Management of the Games Project

Even while approving submission of the IOA bid in May 2003, and providing financial liability and deficit guarantees in September 2003, GoI did not have a clear and realistic assessment of the estimated cost of hosting the Games. The IOA bid of May 2003 estimated an all-inclusive cost of just Rs. 1200 crore (after setting off operational expenses against estimated revenues from hosting the Games). By contrast, the overall budget estimate for CWG-2010 for GoI and GNCTD (including MCD, NDMC and other agencies) as of October 2010 was Rs. 18,532 crore; this excludes investments by other agencies (such as DMRC and AAI/DIAL) on allied infrastructure.

We found numerous upward revisions in GoI's budget estimates from time to time. In particular, there were seven revisions from April 2007 to September 2010 at very short intervals, representing a three fold-increase. This was the outcome of a piecemeal approach adopted for consideration/ approval of individual cost elements and lack of planning in the initial stages, as well as the highly limited and unrealistic scope of the budget originally envisaged in the May 2003 bid document. In addition to the increased scope of activities, the other major reason for increased costs/ estimates was delays at multiple stages, resulting in bunching of activities towards Games Time and increases in cost; this was compounded by several instances of lack of financial prudence and propriety across the range of implementing agencies (which are described in the area-specific chapters).

The absence of a single point of authority and accountability for the Games was compounded by the early disbandment of the Finance Sub-Committee of the GoM, which would have acted as a special EFC for CWG-related proposals. This contributed to the piecemeal approach towards cost estimation and budget approvals.

We also found numerous instances of delays in grant of budgetary and financial approvals by the GoI. While we note that careful scrutiny of proposals is required to ensure due diligence before approvals and commitment of GoI funds, processing and approvals should have demonstrated a greater sense of urgency (in view of the considerable delays that had already taken place). These delays also contributed to the squeeze of time at the execution stage.

6.1 Background

The costs of hosting and conducting the Commonwealth Games or other multi-sport international event (Olympics, Asian Games etc.) can be broadly divided into the following categories:

Operational Expenditure	This represents the revenue component of expenditure associated with hosting the Games, offset by revenue generated. This is the aspect considered for assessing the “revenue neutrality” of the Games
Capital Expenditure	These constitute expenditure on capital items, with legacy value beyond the Games. Major items include venue development (including renovation/ upgradation) and upgradation of city infrastructure (roads, bridges, flyovers and other transport services, power upgradation projects etc.)
Government/ Municipal Services	These represent services provided free of cost under the HCC. Major items include security, health services, telecom services, traffic and fire services and other services.
Games Village	The Games Village is expected to be a revenue-generating/ revenue neutral venture, where the cost of construction (and accommodating athletes and others) is to be recouped through sale of flats.
Other / Miscellaneous Services	These include services like media and broadcasting (which do not generally require Government expenditure), expenditure on preparation of teams etc.

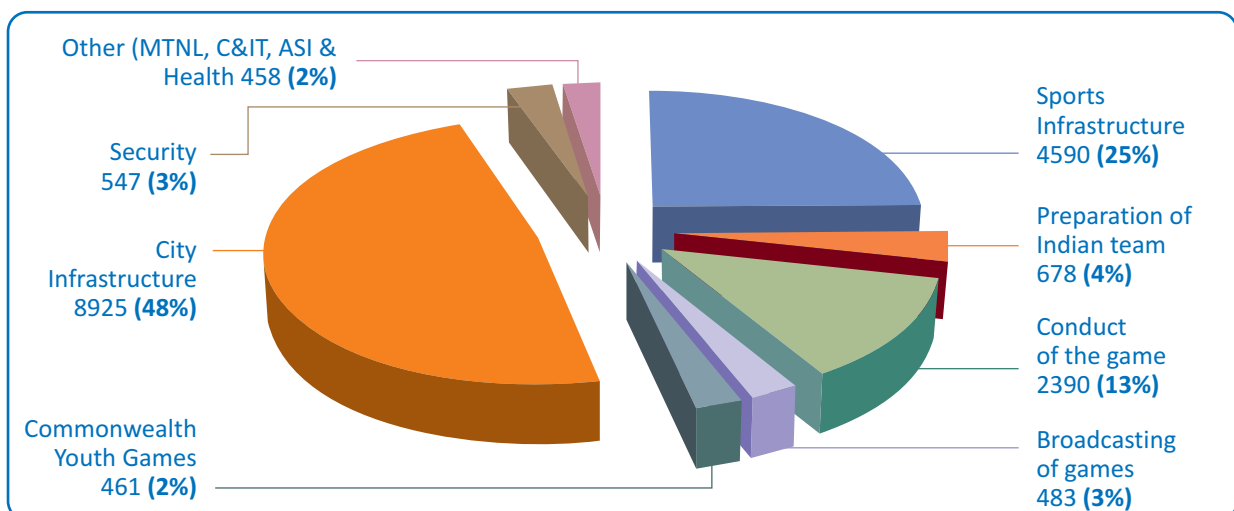
6.2 Budgeting for CWG-2010

6.2.1 Break Up of Budget Estimates

The overall budget estimates for CWG 2010 for Gol and GNCTD (including MCD, NDMC

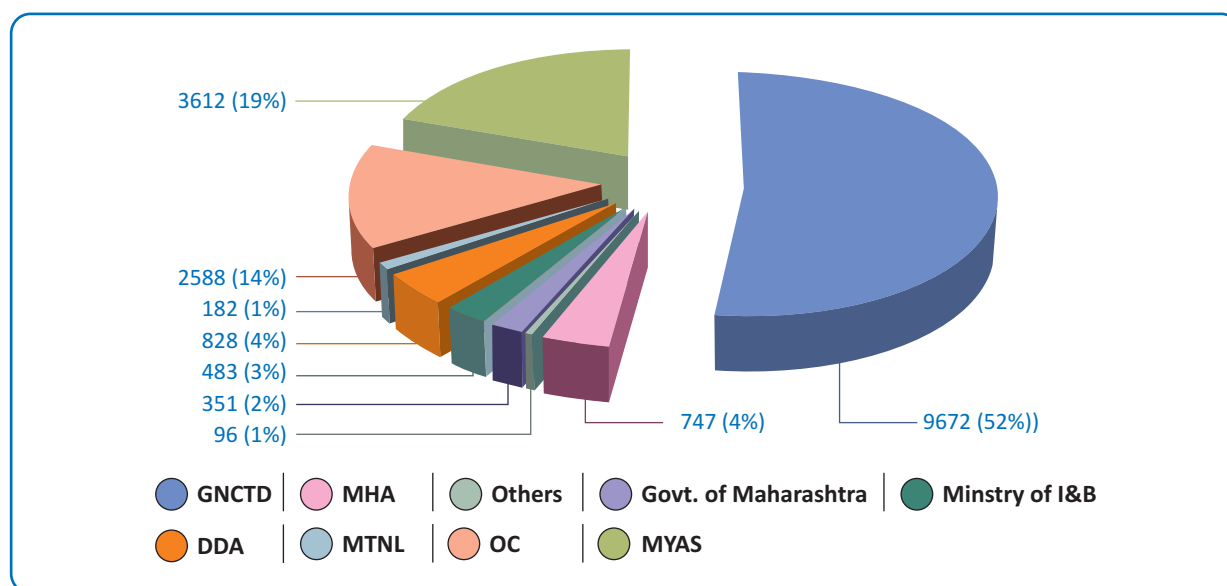
and other agencies) as of October 2010 was Rs. 18, 532 crore. A profile of category- wise budget estimates is given below:

Figure 6.1 - Category wise budget estimates (Rs. in crore)



Agency-wise profile of budget estimates is given below:

Figure 6.2 - Agency wise Budget estimate (Rs. in Crore)



6.2.2 Quantum jump in budget estimates

The initial budget estimate for hosting and conducting CWG-2010 projected in the May 2003 bid document was just Rs. 1200 crore, as summarised below:

Table 6.1 — Budget Estimates indicated in May 2003 IOA Bid

(In Rs. Crore)

Projected Expenditure		Sources of Finances	
Capital/ repair and renovation expenditure on stadia	1,050	Revenue Surplus from conduct of Games (revenues of Rs. 840 crore, offset by operating expenses of Rs. 635 crore)	205
		Sale of residential flats	477
City beautification and additional services	150	Grants	518
Total	1200	Total	1200

Note: US\$ figures in IOA bid converted @ Rs. 45/ US\$

This estimate increased more than 15-fold to Rs. 18532.31 crore¹, as of October 2010. At the time of our Study Report on Preparedness for CWG 2010 (July 2009), the estimated expenditure for the Games Project was Rs. 13566 crore², which increased to Rs. 18532.31 crore by December 2010.

This excludes investments by other agencies in infrastructure and other activities – notably Delhi Metro Rail Corporation (DMRC) and Airports Authority of India (AAI)/ Delhi International Airport Limited (DIAL).

¹ Without setting off the revenue generated/ realized by OC.

² Including Rs. 678 crore for Preparation of Indian Team

Table 6.2 - Category wise escalation (July 2009- December 2010)

(In Rs. Crore)

Projected Expenditure	2009	2010
Sports Infrastructure (Venue Development)	5214.00	4590.03
City Infrastructure	4550.00	8925.00
Conduct of the Games	1628.00	2390.48
Preparation of Indian team	678.00	678.00
Broadcasting	463.00	864.57
Commonwealth Youth Games	351.00	461.48
Others (including security)	682.00	622.75
Total	13,566.00	18532.31

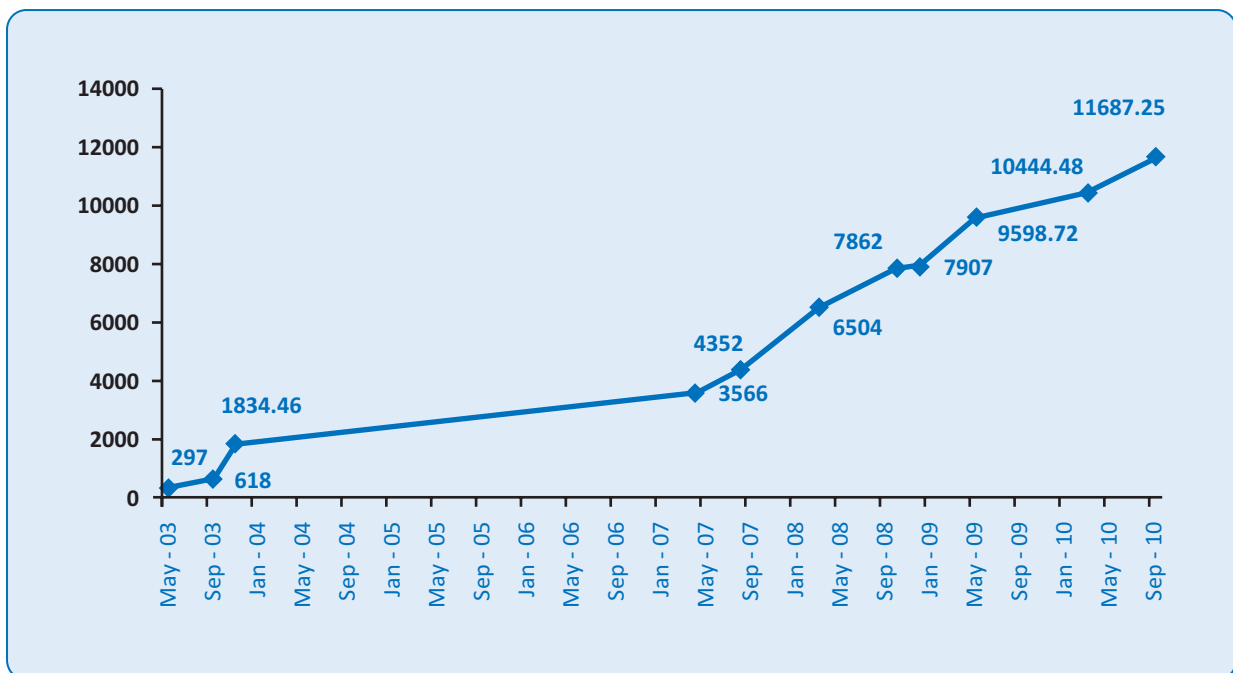
This does not include the value/ cost of the bail-out package provided by DDA to the project developer for the residential complex of the CWG Games Village.

The details of various projects initiated by the respective Ministries/Departments and their final approval indicating the amount involved have been shown in Annexe 6.2.

We could not attempt a category-wise analysis of budget estimates from the bid in May 2003, due to lack of clarity on figures, especially with respect to budget estimates for city infrastructure.

Analysis of the cost estimates³, as considered by or intimated to the Gol, reveals the following increasing trend:

Figure 6.3 – Increasing trend of cost estimates



³ Including Rs. 2800 crore for GNCTD and Rs. 351 crore for Government of Maharashtra

Table 6.3 - Cost estimates as considered by or intimated to the Gol at different stages

Event	Period	Total Cost Estimate (Rs. in Crore)	2010
Assessment of IOA	May-03	297.00	Indicated in the Cabinet Note seeking permission for IOA to bid for CWG-2010 and for MYAS to issue various guarantees to CGF.
Bid Document	May -03	1199.92	Not submitted to Gol
Estimate to Cabinet	Sep-03	618.00	Projected to Cabinet at the time of seeking its consent to enter into Host City Contract and underwriting the shortfall between the revenue and expenditure of the OC etc.
"Updated" bid document	Dec-03	1834.46	Submitted to MYAS in September 2004
Estimate to Cabinet	Apr-07	3566.00	Estimates indicated to Cabinet while submitting a proposal for bidding for XVII Asian Games - 2014 at NCR Delhi.
Estimate to GOM	Aug-07	4352.00	Estimates indicated to the GoM while being apprised of the status of funding to various agencies.
Estimate to CCEA	Mar-08	6504.00	This was indicated while presenting the expenditure budget of MYAS for up-gradation/ renovation of competition venue/ training venues at Delhi University, JMI and DPS RK Puram for approval.
Estimate to Cabinet	Oct-08	7862.00	This was indicated while obtaining approval of the Cabinet for additional funds for the OC for CYG-2008, Pune.
Estimate to Cabinet	Dec-08	7907.00	The amount was reported while the Cabinet was apprised of the preparedness for hosting CWG-2010.

Event	Period	Total Cost Estimate (Rs. in Crore)	2010
Estimate to Cabinet	May-09	9598.72	This was indicated with the Cabinet Note at the time of obtaining approval for revised estimate of SAI stadia; recreating of sports facilities in Delhi etc.
Estimate to Cabinet	Mar-10	10444.48	This was reported to the Cabinet while obtaining approval for budget of OC for overlays.
Estimate to GOM	Sep-10	11687.25	This was indicated during deliberations by the GoM in September 2010 while considering the proposal for additional expenditure on opening and closing ceremonies.

In particular, there were seven upward revisions in budget estimates from April 2007 to September 2010 at very short intervals, representing a three-fold increase (from Rs. 3566 crore to Rs. 11,687.25 crore).

Even at this late stage, GoI was unable to estimate the cost of hosting the Games with reasonable accuracy. This was the outcome of a piecemeal approach adopted for consideration /approval of individual cost elements and lack of planning in the initial stages.

6.2.3 Limited Scope of Original Budget Estimate (May 2003 Bid)

The budget envisaged in the May 2003 bid document, which was prepared by the Chartered Accountant of IOA (AS Sharma & Co.) and was not vetted or approved by the GoI, was extremely limited in scope:

- It assumed that the existing sports venues / facilities (largely constructed for the 1982 Asian Games) could be upgraded/ renovated/refurbished at relatively minimal costs (Rs. 1050 crore for all venues – Rs. 946 crore for new facilities and Rs. 104 crore for repairs/ renovation). This was a completely unrealistic assumption, which failed to factor in the drastic changes in sporting and technological specifications (in line with the latest requirements of the international sporting federations) and consequent increase in costs. **In reality, most of the venues were largely rebuilt, rather than renovated.**
- A meagre provision of Rs. 75 crore for city beautification (with an additional Rs. 75 crore for additional health, fire, security, traffic, and customs/ immigration services) was made in the bid document. The 1982 Asian Games

represented a landmark for Delhi in terms of upgradation of roads, bridges, flyovers and other infrastructure. CWG-2010 was also viewed subsequently as an opportunity for similar upgradation. Unfortunately, this was not appropriately planned and provided for right at the outset. The infrastructure projects were added and approved in a piece meal and ad hoc fashion (mostly from 2007-08 onwards). Very often, GNCTD, NDMC and MCD used this opportunity to club several existing projects, and obtain additional funding for completing these projects in time for the Games. We observed that even then timely completion could not be achieved in many cases.

- The original budget did not have any provisions for broadcasting and media and telecom infrastructure, and a meagre provision for security infrastructure. Ultimately, both Prasar Bharati and MTNL used this opportunity to obtain funds for upgradation of their infrastructure (HDTV capability for Prasar Bharati, and high speed IP/ MPLS telecom infrastructure for MTNL). However we observed, both agencies outsourced these activities completely (without relying on, or upgrading in-house capacity), leading to creation of no/ insignificant legacy infrastructure (physical and human). The security infrastructure also cost many times the original estimate, and its legacy value is again uncertain as of date.

- The budget did not factor in the cost of preparing Indian teams for the Games (through focused training and support to identified “core” probables in different disciplines), for which Rs. 678 crore was allocated only in February 2008.

6.2.4 Other reasons for Cost/ Budget Increases

In addition to the increased scope of activities, the other major reason for increased costs/ budget estimates was delay at all stages – planning, tendering and award, and execution/ completion – in respect of most activities. These delays, with consequent bunching of activities towards Games Time, led to substantial increases in cost, which could have been avoided through timely action.

As pointed out elsewhere, the seven-year time window from award of the Games to its hosting was not fruitfully utilised, and most activities were undertaken in the last two years or so. These delays led to increased costs, and also facilitated short-circuiting of procurement and related procedures on grounds of urgency, and consequent compromise on economy.

Further, we found several instances of lack of financial prudence and propriety across the range of implementing agencies, which inflated costs further and resulted in wastage of public funds. These are described in detail in the relevant area-specific chapters.

6.3 Financial Management by Gol

6.3.1 Approval Process

The mechanisms in the Gol for approval of plan and non-plan expenditure are as follows:

The Committee on Non-Plan Expenditure (CNE), with Secretary, Expenditure as Chairman, serves as an appraisal forum for the following types of cases⁴ where

- All non-plan proposals involving expenditure of over Rs. 75 crore recurring or non-recurring, on a new service or for expansion of existing services.
- Any other non-plan proposal which a Department may like to be considered in the CNE.

As regards Plan schemes⁵:

- Schemes costing beyond Rs. 100 crore but less than Rs. 300 crore are to be considered by the Expenditure Finance Committee⁶ (EFC) (chaired by the Secretary of the administrative department).
- Plan schemes/ projects involving expenditure of Rs. 300 crore and above are to be considered by the Expenditure Finance Committee where it does if it does not give returns, or by the Public Investment Board where it gives returns.

- Cases where the expenditure involves an investment of Rs. 300 crore or more require the approval of the Cabinet also.

We noted that the budget proposals were mooted by the respective ministries and approval of the Cabinet was obtained, wherever necessary. Further, in respect of Gol,

- All grants were under the Plan head; . Funds were released in instalments subject to standard terms and conditions and also subject to Utilisation Certificates.
- In the case of Prasar Bharati, funds were released as 50 per cent grant and 50 per cent loan (in view of the uncertainty of revenues), with conversion into grant-in-aid to be considered later, if found necessary.
- The only non-plan component was in respect of the loan for the OC's operational budget (intended to be repaid out of OC's revenues).

6.3.2 Summary of Approvals

A summary of item-wise proposals routed through EFC/ CNE/ Cabinet in respect of different Ministries of Gol is given below; details are given in Annexe 6.1:

⁴ Limits are effective from April 2010

⁵ Limits are effective from April 2010

⁶ Chaired by the Secretary of the administrative department along with Secretary (Expenditure) and Secretary (Planning Commission)

**Table 6.4 - Summary of Approved CWG-2010 Proposals/ Estimates
(in respect of Gol)⁷**

Ministry	Name of the Project/ Proposal	Approved amount
MYAS	Operational Budget of OC	1813.42
	Overlays for OC	687.00
	Procurement of TSR and Sports Equipment for Venues	87.25
	Venue Development (SAI Stadia)	2475.00
	Venue Development (DU, JMI, and DPS, RK Puram)	350.71
	Venue Development (AITA)	65.65
	Scoring and related equipment for Dr. Karni Singh Shooting Range	30.15
	Venue Development (CRPF Kadarapur Range)	28.50
	Scheme for Preparation of Indian Team for CWG-2010	678.00
	MTNL (Telecom Service Provider for CWG-2010)	182.00
MoUD	Construction of Games Village and Sports Venues by DDA	827.85
MIB	Host Broadcasting, International Broadcasting Centre, and Main Press Centre	482.57
MHA	Integrated Security System and related equipment	375.00
MoHFW	Sports Injury Centre (Safdarjung Hospital)	70.72

6.3.3 Delayed grant of approvals

In addition to other delays, we found substantial delays in the process of approvals/ sanctions. A list of approvals, which took 4 months or more (as ascertained from the records of the Ministry of Finance) is given below:

Table 6.5 – Delays in budget approvals

Ministry Department	Proposal	Date of initial proposal to MOF	Date of approval	Time Gap (Months)
Youth Affairs & Sports	Venue Development (SAI Stadia)	28.08.2006	15.03.2007	7
		23.01.2009	08.05.2009	3
	Operational Budget of OC	30.11.2005	15.03.2007	15
		16.06.2009	05.11.2009	5
	Overlays (for OC)	17.11.2009	19.03.2010	4
Scheme for Preparation of Indian team for CWG-2010	12.02.2008	12.06.2008	4 3	
Venue Development (DU, JMI and DPS, RK Puram)	19.12.2007	27.03.2008	8	
	11.02.2009-JMI 23.02.2009-DU	08.10.2009	7	

⁷ Does not include proposals which were sanctioned/ approved but not utilised (e.g. approval of Rs. 200 crore for Intelligent Traffic Management System (ITMS))

Ministry Department	Proposal	Date of initial proposal to MOF	Date of approval	Time Gap (Months)
Youth Affairs & Sports	MTNL	21.10.2009	10.02.2010	7
	Venue Development (AITA)	02.11.2006	22.09.2009	35
	Venue Development (CRPF Kadarapur Range)	27.05.2009	08.10.2009	4
Urban Development	Construction of Games Village and Sports Venues by DDA	12.07.2006	15.10.2009	39
Information & Broadcasting	Host Broadcasting, International Broadcasting Centre, & Main Press Centre	18.12.2007	03.10.2008	10

While we note that careful scrutiny of proposals is required to ensure due diligence before approvals and commitment of GoI funds, for a time-sensitive project like CWG-2010 (where considerable delays had already taken place at the initial stages, reducing the time available for planning and implementation), processing and approvals at various levels should have demonstrated a greater sense of urgency than they actually did.

In particular, we noted the discomfort and delay of the EFC in clearing the budget proposals of the OC due to lack of complete understanding of bid documents, CGF protocols, HCC and related documents by MYAS/MoF. Even as late as January 2010, while discussing the proposal for Overlays Secretary, MYAS acknowledged that roles of various agencies (venue owners and OC) were not clearly demarcated. This lack of clarity had an adverse impact on the financing of the projects.

OC submitted its first budget proposal to MYAS in November 2005, but this was approved only in April 2007. OC's revised budget was submitted in July 2008, but was sent to the Ministry of Finance only in June 2009 and finally approved in November 2009. We noted that the approval of the OC budget got linked with the differences between MYAS and OC over the extent of Governmental control. However, these differences should not have been allowed to delay scrutiny and approval of budgets.

6.4 Financial Management in GNCTD

An agency-wise profile of approvals/sanctions by GNCTD (including approvals for MCD, NDMC and other bodies) is given in Table 6.6.

Table 6.6 – Agency-wise profile of Approvals for GNCTD

(In Rs. Crore)

Agency	Sanctioned Amount
PWD	5,456
DTC	1,173
Power Department	1,100
NDMC	1,016
MCD	542
DJB	269
DHS	46
Art & Culture Deptt.	28
IT	28
Environment & Forest	7
DPGS	6
Grand Total	9,672*

*This includes funding from Gol – (a) components of JNNURM: Rs. 761 crore and (b) Additional Central Assistance for CWG-related projects: Rs 2800 Crore.

A category-wise profile of approvals/ sanctions is given in Annexe 6.2.

6.5 Outstanding Liabilities

It is a matter of concern that the final bills for most of the projects (Organising Committee, venue development, city infrastructure and other projects) are yet to be settled by the implementing agencies, even after several months of conclusion of the Games.

- The OC is scheduled to cease existence from 31 March 2011. Accounts upto 2009-10 only have been finalised.
- Releases to agencies like SAI, MTNL, Prasar Bharati, ECIL etc. are treated as expenditure in the books of Gol. However, the final cost will be known

after settlement of bills/ receipt of UCs with detailed Statements of Expenditure (SOEs).

- Even in respect of departmentally executed projects in GNCTD, final payments are yet to be made.

Until final payments are made, the full cost of organizing and staging CWG-2010 to the public exchequer will not be known. This will be verified/ scrutinized in future audits.



Internal Controls and Decision Making within the OC

By 2009, it had become abundantly clear that the conduct of the XIX CWG would be totally funded by the Government. Even the earlier claim of the OC that it would be a revenue neutral exercise, let alone be revenue surplus, had been debunked. Since funds were flowing from Government coffers it was essential for the OC to follow procedures laid down by Government for such expenditure. The OC had enough experienced Government officers to ensure the same. Nevertheless, we found that the internal control environment and decision making structures within the OC were highly inadequate.

- *The processing of certain sensitive contracts/ cases was allocated in an arbitrary and ad hoc manner to certain officials who had no linkages with the concerned Functional Area; such action diluted the process of due diligence and scrutiny.*
- *The state of documentation in the OC (especially with regard to contracting for goods and services) was so inadequate that we are unable to derive assurance as to either the authenticity or the completeness of records. In particular, documentation of the minutes of the meetings of the Executive Management Committee (EMC) is such that there is a possibility of these minutes being prepared as an afterthought to fill in gaps in approval.*
- *We found numerous instances of contracts not being subjected to the required taxation and legal advice/ vetting; even where offered, such advice and vetting was deficient and failed to protect the interests of the OC. OC's handling of tax-related issues was extremely poor; in 19 contracts, OC irregularly agreed to bear tax liability on behalf of the vendor. The financial advice function was, in effect, dispensed with from November 2008. The internal audit and vigilance set-ups were also rendered ineffective.*

Contract management by the OC was irregular and deficient:

- *We are not certain about the total number of contracts and work orders awarded by the OC. The state of contract documentation is such that we are not sure of the entire sequence of events leading to award of contracts. We are also unable to ascertain complete contract-wise payments and outstanding liabilities for each contract.*
- *There was avoidable bunching of high value contracts in 2010, particularly in the second and third quarters. The argument of urgency was used to obviate the regular process of tendering for award of contracts. This seriously compromised transparency and economy.*
- *There were numerous instances of single tendering, award on "nomination basis", award of contracts to ineligible vendors, inconsistent use of restrictive Pre-*

Qualification (PQ) conditions to limit competition to favour particular vendors, inadequate time for bidding, cancellation and re-tendering of contracts, and inexplicable delays in contract finalisation.

The OC-IOA relationship was blurred. This facilitated grant of irregular benefits to IOA at the expense of the OC/ GoI through funding of huge delegations for the Beijing Olympics 2008 Study Observer Programme and the 2008 ANOC meeting, getting the IOA Bhawan fully furnished and renovated at OC's cost, and other additional irregular payments for IOA's "property rights" over the Indian contingent and grant for training and preparing Indian athletes (which was actually done by the GoI).

The OC hired a multiplicity of external consultants and advisors. We found numerous deficiencies in the procedures for appointment and management of consultancy contracts. Most consultants were appointed on nomination basis and did not have formal contracts, nor were consultancy payments linked to deliverables. In many cases, detailed scope of work was also not drawn up.

Detailed findings are presented in the relevant area specific chapters.

7.1 Structure/Activities of OC

Broadly, the operational structure of OC was as follows:

Figure 7.1 – Organisational Structure of OC

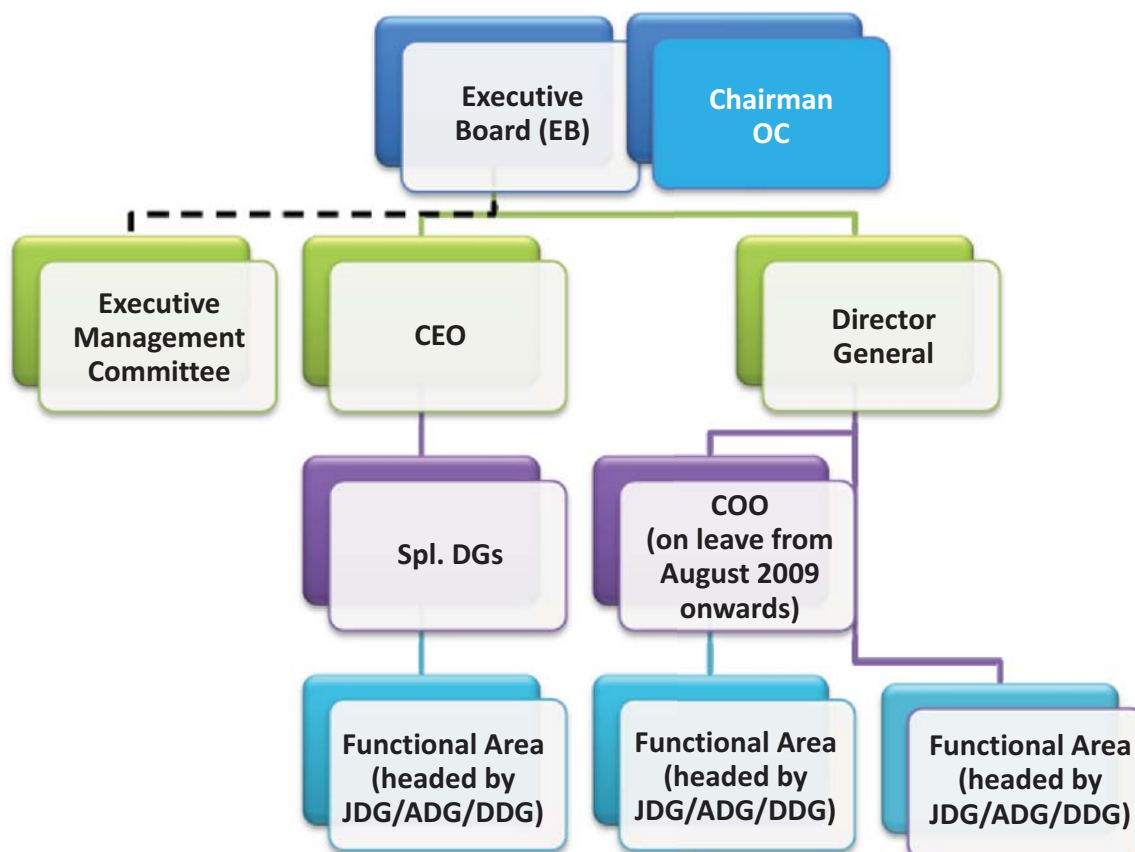
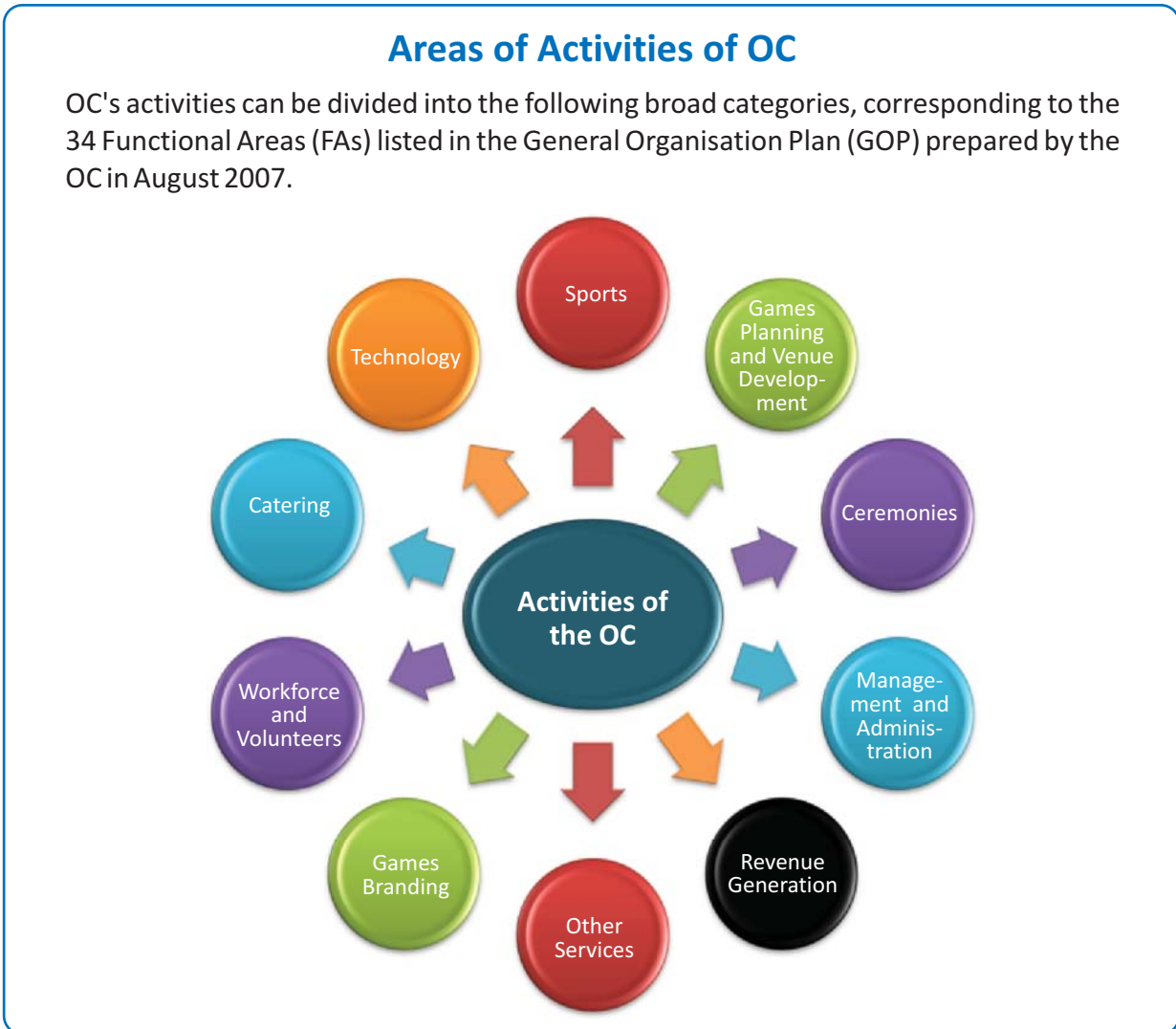


Figure 7.2 – Activities of OC



Section - C
Conduct of the
Games-Organising
Committee

The scope of work in each Functional Area is delineated below:

Table 7.1 – Functional Areas of OC

Activity Group	S No	Name of the Functional Area	Scope of Work
Games Planning and Venue Development	1	Games Village Development and Operations	<ul style="list-style-type: none"> ■ Arranging and providing accommodation to athletes and team officials at the Games Village as per HCC and also planning for legacy while developing the Games Village; an ■ Providing a safe, secure, comfortable and welcoming environment at the Games Village.

Activity Group	S No	Name of the Functional Area	Scope of Work
	2	Venue Development and Operations	<ul style="list-style-type: none"> ■ Providing venues with facilities of the highest international sports standards and catering to the needs of various stakeholders witnessing the events at Games Time; and ■ Integrating all the Functional Areas in the planning process by communicating the roles and obligations expected from them during Games Time.
	3	Legacy	<ul style="list-style-type: none"> ■ Developing a detailed legacy plan for the Games.
Catering	4	Catering	<ul style="list-style-type: none"> ■ Providing food and beverage services to all constituent groups at all competition and non competition venues and the Games Village; and ■ Meeting the special dietary requirements of its customers in the best possible manner.
Ceremonies	5	Ceremonies	<ul style="list-style-type: none"> ■ Conducting successfully the opening and closing ceremonies that are unparalleled and unmatched by previous CWGs; and ■ Promoting the spirit of the CWG through a variety of cultural events.
	6	Queen's Baton Relay	<ul style="list-style-type: none"> ■ Enhancing visibility and promoting popularity of the CWG amongst local communities in all Commonwealth countries and in different parts of India.
Games Branding	7	Image and Look	<ul style="list-style-type: none"> ■ Ensuring consistency in the image and look for the Games ; and ■ Providing design assistance to various functions.

Activity Group	S No	Name of the Functional Area	Scope of Work
	8	Press Operations	<ul style="list-style-type: none"> ■ Promoting a positive image of India by working closely with the domestic and international media and ensuring their support and involvement in the Games ; and ■ Coordinating the media activities at the Main Press Centre, Venue Media Centres (VMCs) and the Games Village.
	9	Communications	<ul style="list-style-type: none"> ■ Developing an effective publicity and communications program to position the event as a prestigious, exciting 'must attend' for potential domestic and overseas attendees; and ■ Creating and maintaining high levels of awareness about the sports program, the Games Village and other sites.
Technology	10	Technology	<ul style="list-style-type: none"> ■ Providing a robust and tested technology platform for the staging and conduct of the Games and delivery of all timing, scoring, and on-venue results systems and downstream applications; and ■ Offering a range of applications and solutions to all Functional Areas of the OC for games planning and execution with a focus on meeting specific requirements within budget.
Sports	11	Sports	<ul style="list-style-type: none"> ■ Planning for all sports in the areas of sport entries, sport results, scoring and timing and the development of the competition schedule; ■ Providing policy and operational support for all sports including regulations for sports, provision of equipment, training facilities etc; and

Activity Group	S No	Name of the Functional Area	Scope of Work
			<ul style="list-style-type: none"> ■ Planning and implementing the presentation of sports medal ceremonies.
	12	Medical and Doping Control	<ul style="list-style-type: none"> ■ Creating an effective and high quality health care program for athletes and the Games Family; and ■ Ensuring prompt and efficient medical care including the availability of first-aid and other emergency medical services for spectators at competition venues.
	13	Protocol	<ul style="list-style-type: none"> ■ Ensuring compliance with the protocol as defined by the CGF across all functions and events.
Workforce/ Volunteers	14	Workforce	<ul style="list-style-type: none"> ■ Attracting and recruiting appropriate and adequate personnel as per the requirements specified by various functions; ■ Ensuring that the workforce members are assigned and informed about their respective roles and responsibilities; ■ Delivering an effective volunteer program for the Games.
Other Services	15	Accommodation	<ul style="list-style-type: none"> ■ Providing accommodation to stakeholder groups, VIPs, CGAs, International Federations etc. outside the Games Village.
	16	Accreditation	<ul style="list-style-type: none"> ■ Providing accreditation to eligible and authorised individuals as per the CGF guidelines; and ■ Limiting participants' access to only needed areas.
	17	Cleaning and Waste Management	<ul style="list-style-type: none"> ■ Controlling cleaning and waste management services for all constituents groups at venues and the Games Village; and

Activity Group	S No	Name of the Functional Area	Scope of Work
			<ul style="list-style-type: none"> Contributing to the achievement of environmental and sustainability objectives through an Integrated Waste Management Plan.
	18	Logistics	<ul style="list-style-type: none"> Working in collaboration with the Procurement Functional Area to store goods and material as and when they are delivered; and Facilitating transportation and delivery of goods and materials in the venues and the Games Village from the central warehouse.
	19	Security	<ul style="list-style-type: none"> Providing a cohesive framework for Games security to all Games participants and visitors; and Coordinating initiatives with relevant security agencies to deliver effective, professional, unobtrusive, friendly and helpful security for all Games participants and visitors.
	20	Spectator Services	<ul style="list-style-type: none"> Ensuring a safe and enjoyable CWG experience for all spectators by providing information assistance and support services.
	21	Sustainability and Environment	<ul style="list-style-type: none"> Adopting environmental best practices and minimising the negative impact of the Games on the environment.
	22	Transportation	<ul style="list-style-type: none"> Providing efficient, punctual and safe transport services to athletes and team officials etc; Coordinating with the Transport Department (GNCTD), DTC and DMRC to provide adequate transport arrangements; and Developing a traffic management plan with a view to building capacities to meet defined service levels.

Activity Group	S No	Name of the Functional Area	Scope of Work
Management and Administration	23	Procurement	<ul style="list-style-type: none"> ■ Planning and procuring goods and services as per defined timelines, locations and quantities; and ■ Developing plans for return and disposal of surplus materials in the post-Games phase.
	24	Coordination and Government Relations	<ul style="list-style-type: none"> ■ Managing information flow between Government Agencies and the OC; and ■ Ensure compliance with the clauses of the Host City Contract with respect to the views of the CGF Co-ordination commission.
	25	Finance and Accounts	<ul style="list-style-type: none"> ■ Developing the general Games Budget and relevant Annual Budgets; ■ Monitoring revenue and expenditure vis-à-vis the budget; and ■ Ensuring economy measures and clearing payments to vendors after due diligence.
	26	Legal	<ul style="list-style-type: none"> ■ Protecting the interests of the OC in negotiation and preparation of all agreements; and ■ Providing advice and assistance on all legal matters to the OC and various Functional Areas.
	27	Office Administration	<ul style="list-style-type: none"> ■ Providing administrative support services (transport, workforce, IT etc) to the OC for ensuring the smooth functioning of various Functional Areas; and ■ Ensuring expansion of office as per operational requirements.
	28	Risk Management	<ul style="list-style-type: none"> ■ Developing a risk management framework for the OC; and ■ Assigning responsibilities and defining timelines for development of mitigation plans for the key risks.

Activity Group	S No	Name of the Functional Area	Scope of Work
	29	CGA Relations	<ul style="list-style-type: none"> ■ Establishing and maintaining relations with the CGF and CGAs and provide timely communication for the efficient conduct of the Games; and ■ Ensuring provision of all required services including accreditation, accommodation, transport etc to CGF/CGA attendees.
Revenue Generation	30	Sponsorship	<ul style="list-style-type: none"> ■ Working closely with the sponsorship agent to achieve the budgeted sponsorship revenues (Cash and Value in Kind); and ■ Monitoring provision of agreed support services to sponsors at the venues with respect to hospitality, venue signage, recognition, ticketing, accreditation, accommodation etc.
	31	TV Rights	<ul style="list-style-type: none"> ■ Facilitating the TV rights sales in India and overseas to generate maximum possible revenue; and ■ Overseeing and monitoring the tendering and negotiations process conducted by the broadcasting rights sales agents.
	32	Broadcasting	<ul style="list-style-type: none"> ■ Providing a strong platform for the sale of TV, radio and other broadcast related rights; and ■ Coordinating the activities of broadcasters at the International Broadcasting Centre, VMCs and the Games Village.
	33	Ticketing	<ul style="list-style-type: none"> ■ Developing a ticketing strategy for the sale and distribution of tickets; and ■ Managing the distribution and sales of tickets directly with key stakeholder groups including CGAs, IFs, sporting bodies, tour operators and sponsors.

Activity Group	S No	Name of the Functional Area	Scope of Work
	34	Merchandising & Licensing	<ul style="list-style-type: none"> ■ Identifying the product range to be covered under the Merchandising and Licensing programme; and ■ Identifying, selecting and contracting with the commercial partner for the production and distribution of merchandise.

7.2 Internal Control Environment

7.2.1 Overview

Internal controls are actions taken by management to provide reasonable assurance that the organisation's risks have been managed, and that the organisation's goals and objectives will be achieved efficiently and economically.

In the case of the OC, it was critical to put in place a robust and adequate internal control framework, since the OC was not established either as a Government Department/ entity or a PSU (which would have automatically been required to comply with existing internal control and governance frameworks). Such an internal control framework would have required, at the minimum, the following:

- Clear delineation of roles and responsibilities (with commensurate delegation of powers);
- Prescribed procedures for processing, approval and documentation of decision-making at various levels;
- Appropriate budgetary controls and financial sanctions/ Authorisation for

Expenditure (AFE), supported by concurrent financial advice and examination;

- Comprehensive procedures for procurement of goods and services, which promote competition, transparency and economy;
- Procedures for verification and processing of payments, and preparation of financial statements;
- Professional scrutiny (from the legal, taxation and other perspectives) of draft contracts and other legal documents and other arrangements for ensuring compliance with applicable legal and statutory requirements; and
- Oversight arrangements, including effective vigilance mechanisms, and external and internal audit arrangements.

We found that the internal control framework within OC was inadequate and ineffective, as described below.

7.2.2 Irregular distribution of work relating to sensitive contracts

We found that the processing of certain sensitive contracts/ cases were entrusted in an arbitrary and ad hoc manner to certain officials closely associated with Shri Kalmadi and Shri Bhanot. Such officials had no role/ linkages with the concerned Functional Area to which these activities pertained. Such action leads to the inescapable conclusion

that it was done to facilitate approval of contracts/ cases without the required due diligence and scrutiny of the prescribed authorities. It also ensured that the trail of decision making and accountability was difficult to establish. Many of these contracts/ cases also involved impropriety, irregularity and lack of transparency, which have been discussed in the area-specific sections of this report.

Table 7.2 — Irregular Distribution of Work to Certain Officials

Person	Official Position	Contracts/ Cases with which irregularly associated
TS Darbari	JDG (Revenue Marketing and Chairman's Secretariat)	■ QBR Launch Ceremony, London
Sanjay Mohindroo	DDG (Technology Marketing)	■ QBR Launch Ceremony, London
Sangeeta Badhwar	PO/ Director/ DDG (Chairman's Secretariat)	■ Beijing Olympics 2008 Study Observer Group
Harish Sharma	OC member (not employee)	■ Accommodation for Beijing Olympics 2008 Study Observer Group
RK Sacheti	Head of Co-ordination and Government Relations Functional Area	■ Youth Games QBR (Hoardings); ANOC Beijing Meeting; Ceremonies (booking of accommodation and selection of Wizcraft)
AK Kesari	DDG (SG's Secretariat)	■ Accommodation for international consultants; Sports Presentation (selection of GBE)

7.2.3 Documentation

Documentation within OC

In our Study Report of July 2009, we had observed that there was considerable scope for improvement in the documentation and filing systems within OC, and systematic procedures for documentation and filing were essential, especially those relating to correspondence with different agencies; recording of decisions on different activities; and version control over planning and implementation documents. OC has obviously ignored our recommendations.

The state of documentation in the OC was so inadequate, that we are unable to derive assurance as to either the authenticity of the records, or their completeness. In particular, documentation with regard to contracting for goods and services was extremely poor. Even the instructions of November 2009 issued by the CEO for proper filing and documentation were ignored. Thus, accountability for decisions and acts of omission/commission cannot be easily ascertained. It also made the process of decision making non-transparent.

Instances of poor documentation included:

- Index/ registry of files (with numbering) not maintained; custody of files not specified;
- Files not page-numbered/ incomplete; many “part” files; in many cases, files were just a collection of loose sheets; notings and documents found missing in a selective manner;

- Many files produced to us were “created” from photocopies by collecting “relevant” documents from various sources, originals for which were not traceable;
- In many cases, correspondence was handled and decisions taken on e-mails from personal e-mail IDs (and not the official OC e-mail account), and print-outs of e-mails were not uniformly kept in files;
- Most officials, especially higher management, signed records without date;
- Different signed versions of minutes of the same meetings; and
- Inadequate/no documentation of file movement; some files which were reported “missing” were found in unexpected locations (e.g. Chairman and Treasurer's Offices) during our audit and during CBI surveys or searches.

The minutes of meetings of the Executive Management Committee (EMC) exemplify the state of documentation. Till April 2010¹, these meetings were not numbered, there were no agenda items, and EMC members did not affix the date with their signatures. There were at least 24 instances of minutes for multiple meetings purportedly held on the same date and time for deciding different issues. In an extreme example, 7 meetings were recorded to have been held on the same date and time, but on different issues.

¹ After SDG(F&A) became an EMC member in April 2010, there was a remarkable improvement in documentation of EMC minutes, which could be relied upon.

We are unable to derive assurance that these EMC meetings were actually held, or the records produced to us are complete and authentic; it is possible that these EMC minutes were prepared as an afterthought to fill in gaps in documentation and approval.

7.2.4 Financial, taxation and legal advice/ vetting

We found that legal vetting was not conducted by the legal Functional Area in more than 50 percent of the contracts; in a few cases, the legal vetting was actually done after the contract was signed. The quality of taxation and legal vetting was also deficient, as it failed to safeguard the interests of OC (e.g. by ignoring provisions for penal clause, performance guarantees, absence of clarity as to liability for bearing taxes). In some cases, the legal advice given was also ignored.

The financial advice function (concurrent at the proposal stage and before contract finalisation) was in existence only from September 2005 to October 2008, after which it was, in effect, dispensed with². Even when it was in existence, financial advice on the sensitive contract with SMAM was ignored.

7.2.5 Processing of Payments

We found that there were several deficiencies in the processing of payments by the Finance & Accounts Functional Area. Proposals were not scrutinised diligently

² *The Finance and Accounts FA (responsible for processing payments) also doubled as the Financial Adviser, which were essentially incompatible functions and compromised internal controls.*

before making payments. This included several instances of

- overpayments,
- incorrect confirmation of budget availability,
- payment without approved contracts or the required certification by the Functional Area head,
- payments without adequate supporting documentation (contract terms and payment / rates schedule including linkages with deliverables/ milestones, attendance sheets, sub-vouchers etc.)
- payments in foreign currency for contracts in Indian Rupees or irregularly benefiting the contractors on foreign exchange fluctuations. There were also cases where approvals for payments in foreign currency were not taken (detailed in **Annexe-7.1**).

Examples of deficient scrutiny included excess payment of Rs. 1.5 lakh to one vendor for the closing ceremony, payment for November 2009 to February 2010 to Ms. Saba Ali (earlier consultant, QBR launch) without a valid contract; approval of payments for the QBR launch, ANOC and Study Observer Group without certification by the concerned FA head; and write-off of stores of Rs. 5.44 crore without approval.

7.2.6 Poor management of taxation issues

We found that OC's handling of tax-related issues was extremely poor; further, in many cases, OC did not consult their own tax consultant:

- OC undertook to bear taxes on behalf of the vendor in 19 contracts; this resulted in payments of TDS of Rs. 7.40 crore³ by the OC on total payments of Rs. 134.09 crore under these contracts.
- Under the terms of the Double Tax Avoidance Agreement (DTAA) between India and Australia, no withholding tax was leviable on rights fees of US\$ 33.50 million receivable by the OC from Network Ten Australia. However, the OC did not seek appropriate tax advice and, instead, incorrectly approached the Australian Tax Office in April 2008 for tax exemption, which was rejected in March 2009. This resulted in avoidable deduction of US\$ 5.03 million (Rs. 23.11 crore) as withholding tax. This amount can now be recovered only through Mutual Agreement Proceedings (MAP) under the DTAA, which was initiated only in September 2010.
- OC failed to obtain the PAN numbers of vendors, resulting in TDS at the higher rate of 20 per cent applicable from April 2010. In the case of the TSR contract with Swiss Timing Omega (where the OC bore the tax burden), OC paid Rs. 7.10 crore additionally as TDS, due to delay in obtaining PAN registration.
- OC failed to deduct TDS on payments to EKS and SMAM (for CYG-2008, Pune) at the higher rate of 42.23 percent applicable for a PE (Permanent Establishment) in India, resulting in short-deduction of Rs. 3.06 crore and Rs. 1.04 crore respectively.

³ Out of this, Rs. 1.87 crore was on account of higher TDS rates due to OC's failure to obtain PAN numbers of vendors.

- OC failed to deposit service tax in time in respect of taxable services provided by foreign service providers, resulting in penal interest of Rs. 2.46 crore on delayed service tax deposits of Rs. 58.56 crore. OC also failed to deposit service tax of Rs. 0.28 crore, already collected in respect of rate card services. Further, OC paid Rs. 30.75 crore to service providers, who were not registered with the Service Tax Department.

7.2.7 Outstanding Loans and Advances

OC had provided recoverable/ adjustable loans and advances to vendors/ OC officials for various purposes. Of this, Rs. Rs.101.39 crore was still outstanding (pending adjustment/ repayment); details are given in **Annexe 7.2**.

If immediate action is not taken, it may not be possible to recover the outstanding amounts, since the relationship between the vendors/ officials and the OC are on contractual basis for a limited time period.

7.2.8 Internal Audit and Vigilance

We found that the vigilance function was established only in March 2010; the Chief Vigilance Officer continued to hold charge as ADG (Procurement), a mutually incompatible function, for another two months. The internal audit set-up was also ineffective; its planning, scope and coverage were not well-defined, and there was practically no effective follow-up action on the internal audit findings.

7.3 Contract Management

We are not certain about the total number of contracts/ agreements/ work orders awarded by OC as well as the extent of its liabilities.

No contracts register (or equivalent document) was maintained by the OC. Our scrutiny is thus limited to the contracts/ agreements/ work orders about which we could gather information. Incidentally, although the SG, who is the authorized signatory for all contracts, furnished a list of only 326 contracts, we gathered information in respect of 458 contracts; this is also unlikely to be exhaustive.

The state of contract documentation is such that we are not sure of the entire sequence of events leading to award of contracts (e.g. issue of EOI/ RFP/ RFQ and cancellation/ retendering thereof; addendums/ corrigendums to tendering documents).

We are also unable to ascertain contract-wise payments and outstanding liabilities for each contract.

The contracting deficiencies/ irregularities indicated in this report are based on the information gathered by us from the records made available by OC. It is possible that there may be other instances of contracting deficiencies/ irregularities which have not come to our notice, due to deficiencies and/ or incompleteness in documentation.

7.3.1 Bunching of Contracts in 2010

Bunching of contracts/ activities

In our Study Report of July 2009, we had expressed our concern that the bunching of procurement and other decisions in respect of overlays, within shortened timeframes, closer to the Games, carried the risk of compromised transparency and accountability. We had also recommended expediting of steps for generating sponsorship and other revenue due to the fast shrinking window of opportunity in leveraging the Games.

Our concerns were, however, not appropriately addressed, and we found enormous bunching of high-value contracts in 2010, particularly in the second and third quarters. Out of the 458 contracts for Rs. 1551 crore, on which we have information, 428 contracts for Rs. 1356.55 crore were finalised only in 2010. Of these, 410 contracts for Rs. 1292 crore (82 per cent) were signed in the 2nd and 3rd quarters of 2010; these included major contracts relating to:

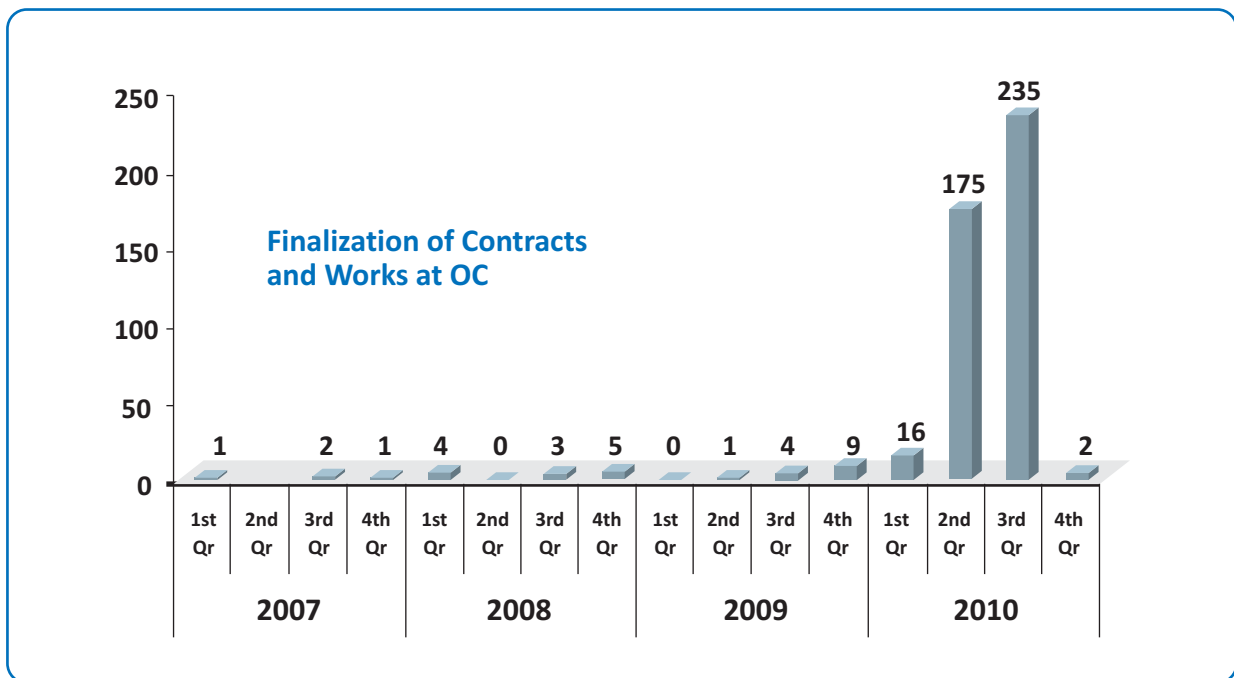
- Overlays (Rs. 630.23 crore);
- Catering (Rs. 131.59 crore);
- Technology contracts (Rs. 118.74 crore); and
- Ticketing agency (Rs. 14 crore)

As regards ceremonies, 173 out of 175 contracts⁴ amounting to Rs. 208.75 crore were awarded in 2010, with one contract⁵ being signed on 30 October 2010 (15 days after the Games conclusion).

⁴ Except for the contracts for Spectak Productions and Wizcraft

⁵ Contract signed with Highway Travels for ceremonies

Figure 7.3 – Bunching of Contracts of the OC



7.3.2 Irregularities in Contracting

The bunching of contracts towards 2010 and purported urgency, on account of limited time available to the Games, was used to facilitate serious deficiencies in tendering and award of contracts. This compromised transparency, economy and compliance with stipulated procedures and favoured selected vendors.

A list of individual contracts where irregularities were noticed is enclosed in **Annexe- 7.3**, while a summary of the main deficiencies is indicated below.

7.3.2.1 Single tender and award on “nomination basis”

107 contracts for Rs. 310.68 crore were awarded on nomination basis (without tendering⁶), while 28 contracts for Rs. 356.14 crore were awarded on the basis of a single tender (in many cases, by

disqualifying all vendors except one on questionable grounds during evaluation); none of these procurements were for proprietary items. Some of the high value contracts so awarded include Games Village catering, TSR (Timing, Scoring and Results) and GMS (Games Management System).

OC chose not to make efforts to collect/ collate information for a wide pool of large players with relevant experience and encourage them to bid for the Games contracts (which would have ensured adequate competitive tension and economical procurement), and relied on selective recommendations and references.

7.3.2.2 Award of contracts to ineligible vendors

14 contracts for Rs. 1253.78 crore were awarded to vendors not fulfilling the eligibility criteria stipulated in the EOI/ RFP. These included the contracts relating to overlays, waste management, and image and look.

⁶ For this purpose, we have excluded contracts on nomination basis for music, dance and other artists.

7.3.2.3 Restrictive pre-qualification (PQ) conditions not specified consistently

In 16 contracts for Rs. 973.51 crore (including the four major overlays contracts), pre-qualification conditions were unduly restrictive, allowing very few vendors to participate. There was no uniformity in fixing of restrictive conditions; it appeared that in some cases, criteria were fixed so as to suit the interests of particular vendors.

For example, while inviting bids for four different works on the same day, two bids specified PQ criteria as Games experience in the relevant field, while the other two bids specified Games experience in any field. The latter PQ specification facilitated award of the Games Planning and Project Management consultancy and workforce consultancy contracts for Rs. 51.96 crore to the EKS- Ernst & Young consortium, who did not have category-specific experience.

We also noticed instances of these restrictive clauses being waived, on grounds of urgency, to benefit selected contractors, while in other cases, retendering was resorted to. In two contracts, non-submission of Earnest Money Deposit (EMD) was used to justify retendering, while in five other cases, contracts were finalised despite non-receipt of EMD from the successful bidder.

7.3.2.4 Negotiation with Vendors

In 7 contracts for Rs. 74.03 crore, OC held negotiations with bidders other than the L-1 bidders.

7.3.2.5 Inadequacies in inviting EOIs/ RFPs

We found that global tendering procedures (involving publication in the India Trade

Journal and circulating to Indian embassies) were never adhered to. Adequate time (stipulated: 4 weeks) was not provided for responding to notices inviting RFPs/ tenders.

7.3.2.6 EOI/ RFP Cancellation and re-tendering

We are aware of nine big contracts, where RFPs/ EOIs were cancelled and re-tendering resorted to either on procedural grounds or on account of poor response, resulting in further delays in award of contracts, and also in many cases, in restricted competition e.g. catering, ticketing, and TSR.

7.3.2.7 Improper assessment of requirements / deliverables

In 28 cases for Rs. 38.05 crore, 36 per cent of the items were not utilised. In 58 cases, the deliverables were either not defined at all or defined vaguely. In 10 contracts for Rs. 276.53 crore, the scope of work in the agreement differed substantially from that indicated in the RFP.

7.3.2.8 Inexplicable delays in contract finalisation

In several cases, we found inexplicable delays in contract finalisation; e.g.

- Games Village catering, where the Chairman took several months to decide whether to waive off the EMD condition or not, and
- The ticketing consultancy contract, where the DG (OC)'s query remained unanswered for a year.

Inexplicable delays were also found in finalisation of contracts for ceremonies props, Games planning consultancy, venue catering and several other contracts.

We also found that even after selection of the vendor, the signing of the contract took several months, which is inexplicable e.g. TSR, GMS, and Games Time Website contracts.

7.3.2.9 Conflict of interest

In nine cases (sports presentations, kitchen equipment assembly, aerostat, and ceremonies etc.), there were clear instances of conflict of interest between the consultant and the contractor recommended for providing services.

7.3.2.10 Irregular advance payments

In six cases of Rs. 40.6 crore, OC extended advances ranging from 50 to 100 per cent, against the stipulated 30 per cent and 40 per cent for private and Government agencies respectively.

7.3.2.11 Benefit to vendors on account of tax liability

We found instances where the burden of tax liability in the agreements differed substantially (benefiting the contractors) with the conditions in the RFP/ EOI, as well as instances where OC took on the tax liability since the contract terms were vague or silent.

7.3.2.12 Other unusual practices

We also found other unusual contracting practices:

- Calling for “snap bids” within 24 hours – typically from the same bidders in tenders which were cancelled (evidently to allow revision of bids) e.g. venue catering, and image and look.
- Terming of only one bid out of several technically qualified bids as “technically

superior”, and not opening the financial bids of other parties;

- Obtaining of technical advice on a selective basis e.g. TCIL's advice was obtained for disqualifying MSL, Spain for the TSR contract but not for telecommunications services.

Final Payments still not made

Even after four months of the Games, final payments were yet to be made in many high-value contracts, nor is the total amount of liabilities ascertainable. Since the OC is scheduled to be wound up on 31 March 2010, the burden of outstanding payments, as well as resolution of disputes with vendors, will then fall on the GoI, as the successor to the OC; this burden will be long-term, but unquantifiable at this stage.

7.4 OC-IOA relationship

Although the IOA was one of the signatories to the HCC, the OC was an independent legal entity. However, we found several instances where the vast funds available to the OC were used to irregularly fund activities, which properly fell within the remit of IOA, or to irregularly benefit IOA at the expense of OC (and ultimately the GoI). There was a blurring of identities of the two organisations, which further enabled IOA (and its office bearers) to effectively exercise control over the OC, at the expense of the GoI.

Table 7.3 – Instances of Irregular Benefit to IOA

Area	Audit Findings
Common Management	Till October 2009, the higher management of OC and IOA office bearers/ key position holders were largely common. Even in the officers' cadre, there were many IOA personnel deputed to the OC, notably the only two IOA Directors – Shri RK Sacheti and Shri ASV Prasad.
OC Funding of Beijing Olympics Study Observer Programme and ANOC ⁷ Meeting in 2008	<p>OC paid Rs. 8.50 crore for the Beijing 2008 Observer Programme⁸ and for the ANOC Meeting at Beijing in April 2008. Neither programme had any relevance to the hosting of CWG-2010. This cost should, rightfully, have been borne by IOA and should in no case have been met out of the budget of OC.</p> <p>For the Beijing Observer Program, OC had a list of 166 persons approved by the EMC; however, it is doubtful whether this list is complete. For the ANOC meeting, OC deputed an 18 member delegation (including five persons associated with CYG-2008, Pune). There were no criteria for selection of persons for these visits. There were also no reports (after completion of the visits) on record.</p>
Renovation and furnishing of IOA Bhawan at OC's Cost	<p>OC spent Rs. 4.11 crore for renovation of the entire IOA Bhawan. This was purportedly in exchange for rent free office accommodation of 20,000 sq. Feet, which was reduced to 6,750 sq. Feet (effectively from January 2008); however, OC also paid rent and maintenance charges of Rs. 3.33 crore.</p> <p>Thus, IOA managed to get the IOA Bhawan completely renovated and furnished at the cost of OC and ultimately GOI, on the pretext of providing part of the Bhawan on rent free basis to OC, which too, was not honoured and rent and maintenance charges were paid by the OC.</p>
Accommodation at Palika Place for Sports Federations	OC paid Rs. 3.5 crore to NDMC for hiring office space at Palika Place from July 2008 onwards; this space was utilised by various sports federations and was not required for OC's use.
Additional Payments beyond Joint Marketing Agreement	OC had a Joint Marketing Agreement with IOA for compensation of Rs. 25 crore in exchange for IOA's "property rights" ⁹ , against which payments of Rs. 8.75 crore had been made. However, despite this agreement, OC also paid Rs. 7.70 crore (on account of pocket allowance, uniform for the Indian contingent, and for the Indian Weightlifting Federation), which should have been deducted from payments to IOA.
Grant to CGAs under Host City Contract for training and preparing athletes	The HCC stipulated a grant of US\$ 100,000 by OC to each CGA for training and preparing their athletes. IOA also received US\$ 100,000, which should have been recovered, since SAI had a Rs. 678 crore scheme for training and preparing Indian athletes.

⁷ ANOC: Association of National Olympic Committee

⁸ MYAS approved a 166-strong delegation for this event.

⁹ According to this agreement, IOA claimed ownership rights on the Indian Contingent. To purportedly enable OC to derive sponsorship revenue by using the Indian Contingent/Indian sportspersons, IOA charged compensation of Rs. 25 Crore from the OC. We are not in a position to ascertain the legality of IOA's claim.

7.5 Role of Consultants

The GOP recognized that the OC would need to hire external consultants and advisors. They would bridge gaps in areas where external professional assistance was required and assist in strengthening domestic capacities for future conduct of multi-sport events in India.

OC hired 108 consultants/advisors/ consultancy firms in 28 (out of 34 FAs) for the organization of the games; this involved a total payment of Rs. 146 crore (approximately 10 per cent of OC's total expenditure till date).

We found numerous deficiencies in the OC's procedures for appointment and management of consultancy contracts, as summarized below:

Table 7.4 - Deficiencies in Appointment of Consultants

Area	Audit Findings	Audit Findings
Mode of Appointment	<ul style="list-style-type: none"> 62 were appointed on nomination basis and 31 were through search committee; Only 15 consultants were appointed through the proper tendering process; 	<ul style="list-style-type: none"> Chief Advisor, Shri BS Ojha, ex-DG, OC was appointed on nomination basis; Most of the consultants for ceremonies, legal, communication, taxation, security, overlays, technology were appointed on nomination basis;
Delayed Appointment	<ul style="list-style-type: none"> Only 17 consultants had been appointed till December 2007; 	<ul style="list-style-type: none"> Major functional areas in which appointment of consultants was delayed till 2010 included: <ul style="list-style-type: none"> 17 of 19 consultants in ceremonies; 4 of 28 consultants of Venue Development and overlays; and 4 of 5 consultants in communications.
Scope of work	<ul style="list-style-type: none"> OC did not define the detailed scope of work for 59 consultants 	<ul style="list-style-type: none"> 6 architect consultants (all of them were subsequently employed by the OC); 4 technology consultants were appointed without any detailed scope of work.
Contracts	<ul style="list-style-type: none"> OC did not sign formal contracts with 45 consultants 	<ul style="list-style-type: none"> All architect consultants, 2 Media advisors and 1 security advisor did not have formal contracts.
	<ul style="list-style-type: none"> Payments were not linked to deliverables in respect of 94 consultants 	<ul style="list-style-type: none"> Consultants for sports presentation ceremony, venue development and overlays

Area	Audit Findings	Audit Findings
<p>Interchange between consultancy and employment</p>	<ul style="list-style-type: none"> 16 consultants were later on appointed as employees of OC, while three employees of OC later became consultants to OC (which is not as per accepted professional norms). 	<ul style="list-style-type: none"> 13 architect consultants, 2 erstwhile DG(OC) and 1 overlays consultant.

A complete listing of consultancy contracts, along with associated deficiencies, is enclosed in **Annexe- 7.4**.

Further, we were unable to verify the extent of domestic capacity building, if any, through hiring of these external consultants/ advisors.



TOTAL JUMP HIGH		MR 18.29
FRA	FR	17.85
USA	USA	18.05
COLLEGE	ENG	18.07
WOLFE G.	GER	18.50
ACROE Larry	GER	18.56
BONHEIMER Ronj	GER	18.53
LEWIS Randy	GER	18.48
WIMB SCHLICK	CYP	18.12
SHAW Amrjet	GER	15.05
BYE		
WINDSHOTT		18:32:42

Revenue Generation by OC

At all points of time (right from bidding for the Games in May 2003), IOA and the OC consistently presented staging of the Games as revenue neutral, if not revenue surplus. This argument was used to justify the independence of the OC and lack of Government control on its financial transactions. However, this premise was seriously flawed:

- *This assertion of revenue neutrality was never supported by robust and appropriately validated revenue projections. In fact, between March 2007 and July 2008, the revenue projections skyrocketed from Rs. 900 crore to Rs. 1780 crore, primarily on account of inflating receipts from sponsorship and donations without justification. In our view, this increase in revenue projections was made with the sole objective of keeping pace with the vastly increased operating expenditure estimates, so as to maintain the claim of revenue neutrality.*
- *Both MYAS and MoF failed to exercise necessary due diligence, and did not adequately examine and scrutinise the revenue projections or raise “red flags” on this critical issue at the highest levels of Government, especially on the quantum jump in revenue projections from Rs. 900 crore to Rs. 1780 crore, and chose to go along with the OC's claims of revenue neutrality.*

OC recorded total committed revenues of just Rs. 682.06 crore, of which only Rs. 440.43 crore had been realised. After deducting revenue generation costs of Rs. 266.47 crore, the net revenue realisation was just Rs. 173.96 crore. Clearly, OC failed to exploit the vast revenue potential of the Games.

OC's engagement of SMAM as the consultant for sponsorship and merchandising/licensing rights was flawed on several counts:

- *The pre-conditions for bidding stipulated experience of international multi-sports events and ignored the vast potential of the Indian market.*
- *The award of the contract to SMAM was essentially on a single financial bid, and was unduly influenced by the recommendations of the CGF CEO, Shri Mike Hooper who suggested a neat division of consultancy contracts between SMAM and Fast Track Events.*
- *The contractual provisions with SMAM were deficient and unduly favoured it.*

The performance of SMAM during CYG-2008, Pune as well as the QBR (launch and international leg) was demonstrably poor. OC chose not to derive lessons from their poor track record, and terminated the contract only in August 2010.

Against the sponsorship target of Rs. 960 crore, OC generated committed sponsorship revenue of just Rs. 375.16 crore. Nearly 67 per cent was from Government agencies/ PSU, and 36 per cent was in the form of “Value in Kind” (which remained largely unaccounted for). OC failed to follow up adequately on sponsorship offers from reputed companies, contrasted with the unusual enthusiasm and interest it showed in inflating sponsorship revenue projections. OC also wasted Rs. 3.08 crore on road shows and discounted tickets for the Business Club of India, which was formed for supporting marketing efforts for CWG-2010 but generated no revenue.

OC irregularly selected Premier Brands Limited (PBL) as the “master licensee” for merchandising and licensing rights without even signing a formal agreement with PBL. Consequently, no royalty has been received so far by the OC.

The commercial exploitation of national and international broadcasting rights was badly managed. The agreement for national broadcasting rights between OC and Prasar Bharati was signed only on 23 September 2010, resulting in generation of just Rs. 24.70 crore of revenues for the OC. With regard to international broadcasting rights, OC could sign agreements for only Rs. 213.46 crore, of which only Rs. 191.40 crore had been received. OC also failed to exploit the market for new media rights (Internet, mobile/ SMS etc.) as well as “big screen rights” for the Games.

OC's performance on ticketing was also deficient. The appointment of the ticketing consultant and the ticketing agency was delayed enormously, and marketing of tickets was taken up only in September 2010. The issue of complimentary tickets (particularly high value tickets) was excessive (nearly thrice that of earlier CW Games at Manchester and Melbourne). Also, OC adopted a wide range of ticket pricing, contrary to the recommendations of consultants, which contributed to low ticket sales (particularly of high denominations). This was compounded by OC's refusal to permit ticket sales at the outlets of IRCTC (the main ticketing agency) on specious grounds. Consequently, against the target of Rs. 100 crore, OC could only muster Rs. 39.17 crore of gross ticketing revenue. After setting off costs of Rs. 23.37 crore, the net ticketing revenue was just Rs. 15.80 crore.

OC included a revenue target of Rs. 300 crore in July 2008 from donations/ raffle, essentially to maintain the claim of revenue neutrality. Against this target, OC collected a paltry sum of Rs. 0.99 crore.

8.1 Revenue-neutrality of the Games

8.1.1 Initial Revenue Estimates

MYAS moved a Cabinet note in May 2003 to grant approval to the IOA to bid for the Games. The revenue estimates in this note, as worked out by IOA (through sponsorship) amounted to Rs. 490 crore, against the projected expenditure of Rs. 295.50 crore. However, no break-up of these projections was provided.

When the issue was again taken to the Cabinet in September 2003¹, the revenue estimates of Rs. 490 crore were reiterated, while the annexed correspondence with the IOA indicated a figure of US\$ 179.9 million

(matching the figures indicated in the bid document²). No reference was made to direct funding from Gol in the form of loans/ grants, although the approval of Gol guarantee for underwriting the cost of the Games was recommended on the basis of a projected surplus of approximately Rs. 50-60 crores.

8.1.2 Trend of Increasing Revenue Projections

The increasing trend of revenue projections from the IOA bid document (May 2003) to OC's first budget (March 2006) to its revalidated budget (July 2008) is reflected below:

Table 8.1 - Revenue Estimates and Realisation

(Rs. in Crore)

Revenue streams	Operating Revenues from Melbourne CWG-2006 ³	IOA Bid Document (May 2003)#	OC's Original Budget (March 2006)	OC's Revalidated Budget (July 2008)	Revenue realised (February 2011)
Sponsorship fee	313.83	450	450	960	201.63
Broadcasting rights	205.92	300	300	370	191.40
Merchandising licensing income	30.69	60	50	50	-
Sale of tickets	261.69	30	100	100	27.49
Donations		-	-	300	0.99
Interest/ Others	33.66				
Total	845.79	840	900	1780	18.92
Estimated Operating Expenses*	-	635	767	2500.48 ⁴	440.43
Estimated Surplus	-	205	133	-	1729.95

Note:

Figures in IOA bid document converted from US\$ to Rs. @ Rs. 45/US\$

* Operating expenses refers only to expenses of the OC, and excludes expenditure on infrastructure development and services provided by Government Departments (which would have to be met through Government grants/funding).

¹ Mainly in connection with the additional commitments/ clarifications required by the CGF Evaluation Commission

² The IOA bid document (May 2003) had still not been sought by MYAS or referred to in the September 2003 Cabinet note.

³ Converted from AUD @ Rs. 33/ AUD

⁴ Total loan sanctioned Rs. (1620 + 687.06 + 193.42) crore

Subsequent to the July 2008 budget (which was approved in November 2009), OC was sanctioned additional Gol loans of Rs 880.48 crore in August/ September 2010 to cover the cost of overlays and ceremonies. This increased the total loan extended to the OC to Rs. 2500.48 crore, and formally rendered the organisation of the Games as revenue deficit, since the revenue estimates remained fixed at Rs 1780 crore.

The 'revenue neutrality' argument formed the basis on which OC's expenditure was financed as a loan by the Gol. The assertion for autonomy of the OC was premised on the concocted revenue neutrality argument. However, far from being revenue neutral, OC's budget was hugely revenue deficit.

8.2 Claim of revenue neutrality

8.2.1 Examination of Original Budget of OC

When the original OC budget of March 2006, involving revenue projections of Rs. 900 crore, was examined by the EFC in May 2006, the then Secretary (Sports) indicated that the revenue neutrality principle would be strictly followed, with expenditure sanctions to be based on revenue inflows. Chairman, OC countered that Gol *"should have faith in the ability of OC to generate the revenue as projected"*. He also stated that such Games had been revenue surplus all over the world, and that most of the revenue flows would come after the Games. Out of the total revenue projections of Rs. 900 crore, revenues of Rs. 450 crore were

projected during 2010-11 and Rs. 325 crore during 2011-12.

In the next EFC meeting in September 2006, the EFC recommended that a risk analysis study of the projected revenue streams be undertaken expeditiously by OC and incorporated in the Cabinet note on the OC budget, so as to validate the principle of revenue neutrality. However, the Cabinet note of March 2007 for approval of the OC budget did not insist on the risk analysis study on the grounds that the OC had engaged Ernst & Young (E&Y) for a risk assessment study, and a draft report was currently under examination of the OC. The OC budget was approved without even obtaining, let alone examining, this study. The issue of the risk analysis study came up again only in October 2009, while examining the revised OC budget.

Even when the IOA proposal for bidding for the XVII Asian Games 2014 was being considered through a Cabinet note of April 2007 by MYAS, a passing reference was made that the present revenue generation estimates for CWG-2010 were untested, and Government would have to meet the shortfall, if any. However, this aspect was not pursued further by MYAS.

Both MYAS and MoF failed to exercise necessary due diligence, and did not adequately examine and scrutinise the revenue projections or raise "red flags" on this critical issue at the highest levels of Government. The risk assessment study of revenue projections was not demanded from OC, let alone scrutinized and validated. The "faith" in the ability of OC to generate the projected revenue was clearly, entirely misplaced.

8.2.2 Revised Budget of OC

In the OC's revised budget of July 2008, the revenue projections skyrocketed, without any basis, from Rs.900 crore to Rs. 1780 crore, with the projected increase mainly on account of sponsorship revenues (Rs. 450 crore to Rs. 960 crore) and donations (a new line item for Rs. 300 crore)

In our view, this increase in revenue projections had no justification and was made with the sole objective of keeping pace with the vastly increased operating expenditure estimates, so as to maintain the claim of revenue neutrality. The inaccuracy of the increased projections on account of sponsorship is borne out by the fact that the contracted commitment of the sponsorship consultant (SMAM) was not correspondingly revised and remained only at US\$100 million (equivalent to the original projection of Rs. 450 crore).

Disclaimer on Revenue Neutrality

In our Study Report of July 2009, by when it had become evident and we had clearly observed, the claim of the Games being revenue neutral in cash terms was flawed. The available documentation could not satisfy us of the soundness of the increased estimate of revenue:

- Donations of Rs. 300 crore were estimated by the OC, which initially stated that this would be done through an aggressively marketed

consumer promotion, but later stated that this would come from corporate trusts on account of IT exemption. No basis for such optimistic claims were seen

- As regards the increase in projected sponsorship fees from Rs. 450 crore to Rs. 960 crore, we were not clear how Value in Kind (VIK), which was supposed to constitute a majority of sponsorship revenues, could be precisely dovetailed to set off individual items of operating expenses. We had also found discrepancies in the underlying calculations for different categories of sponsors.
- We had also expressed concerns that no revenue generation had taken place from sponsorship, ticketing, merchandising and licensing till date. We had recommended expediting of steps for generating sponsorship and other revenue, in view of the fast shrinking window of opportunity in leveraging the Games.

However, no concrete action was taken on our concerns and recommendations.

The Cabinet note of October 2009 for approving the revised OC budget (July 2008) of Rs. 1780 crore indicated a revenue surplus of Rs. 88 crore (after certain economy measures effected by the Committee on Non-Plan Expenditure (CNE)), and stated that although a risk analysis of projected revenue streams had been conducted by the OC, the risk factors identified and the risk mitigation measures

suggested for the revenue streams as shown by OC were **“largely untested in Indian conditions”⁵**. However, this issue was not taken further.

MYAS and MOF did not rigorously scrutinize or validate the huge increase in revenue projections, and continued to accept the claim of revenue neutrality projected by the OC.

In response to our query, MYAS stated that the shortfall of revenue generation had been deliberated in the meetings on various occasions and the OC had promised to reduce the shortfall to a minimum. It referred to two letters from the erstwhile Minister, YAS, Shri Mani Shankar Aiyar, to the Prime Minister and the Finance Minister, which referred to (a) the possibility of OC raising finances from the market as a “bankable” proposal, and (b) linking further releases to the OC to revalidation of the OC budget. MYAS also referred to a mention by Secretary, YAS in the August 2007 GoM meeting, references in the October 2009 Cabinet note, as well as monitoring of revenue generation by CoS in July 2007 and February 2008.

The references and interventions by MYAS on revenue neutrality were inadequate and oblique. Even Shri Aiyar's letters focused primarily on the lack of control over OC, rather than on the robustness of the revenue model. In our view, MYAS (and MoF) did not seriously challenge the reliability and robustness of the revenue projections, nor did they present a categorical disclaimer or opinion on the projected revenue neutrality at the highest levels of Government.

8.2.3 Actual Revenue Commitment and Realisation

Against the revenue target of Rs.1780 crore, OC recorded committed revenue of just Rs.682.06 crore, of which only Rs. 440.43 crore had been realized (February 2011). The revenue generation costs amounted to Rs 266.47 crore, leaving net revenue realisation (after deducting associated costs) of just Rs. 173.96 crore. Stream-wise details of targeted, committed and realised revenue (as of February 2011) are given in Table 8.2.

⁵ Incidentally, even a copy of this risk analysis study was apparently not available with MYAS.

Table 8.2 - Category wise breakup of the Committed and Realised Revenue

(Rs. in Crore)

Revenue streams	Target (July 2008)	Committed Revenue	Per cent shortfall in commitment	Revenue realized against commitment	Cost of Raising Revenue
Sponsorship fee	960	375.16	61%	201.63	190.74*
Broadcasting rights	370	238.17	36%	191.40	45.64
Merchandising licensing income	50	4.52	91%	-	0
Sale of tickets	100	39.17	61%	27.49	23.37
Donations/ Raffle	300	1.11	100%	0.99	0
Revenue from CYG Pune 2008	No Target fixed	23.93#	--	18.92	6.72
Total	1780	682.06	62%	440.43	266.47

Notes:

*This includes the license fee to CGF and expenditure on BCI across revenue streams

#This included Sponsorship Rs.20.17 crore, M&L Rs.2.34 crore, Ticketing Rs.1.30 crore and TV rights Rs. 0.12 crore

Clearly, the OC failed to exploit the vast revenue potential of the Games. There was a huge shortfall in generating revenue commitments vis-à-vis not just the revised target, but even the original target of Rs. 900 crore; this, further, confirms the unrealistic and inflated nature of the revenue projections. Further, OC could collect just 65 per cent of even the committed revenue. After deducting the expenditure incurred by OC on consultants etc. for revenue generation, the net revenue accruing from CWG-2010 is insignificant.

8.3 Delay in Planning for Revenue Generation:

We found lack of focused leadership for the four revenue-related Functional Areas (sponsorship, TV rights, merchandising and licensing, and ticketing), with numerous changes in leadership till late 2009. We also found substantial delays in preparation of detailed plans for each revenue segment, as summarised in Table 8.3.

Table 8.3 - Delayed Planning for Revenue Segments

Revenue Segment	Area	Target Date	Actual Date of Finalisation
Sponsorship	Marketing Plan	Oct. 2005	December 2007
Merchandising and Licensing	Appointment of Sponsorship Consultant	-	July 2007
	Appointment of Licensing Resources	April 2007	July 2007
	Licensing and Merchandising Plan	Oct. 2007	June 2009
	Licensing Marketing Program Launch	April 2008	May 2010
	Consumer Launch of Licensing Program	April 2009	September 2010
Ticketing	Ticketing Strategy	June 2008	December 2009
	Ticketing Vendor Contracted	Oct. 2008	January 2010
	Ticketing Marketing Plan to be submitted to CGF	July 2009	Not done
Donation/ Raffle	No planning done		

8.4 Sponsorship Revenue

8.4.1 Selection of SMAM as sponsorship and merchandising/ licensing consultant

The process for engagement of an international consultant for sponsorship and merchandising/ licensing started in March 2006 and concluded with the engagement of SMAM, Singapore in July 2007.

The selection of SMAM was unduly influenced by the recommendations of the CGF CEO, Shri Mike Hooper, who

- clearly suggested a neat division of consultancy contracts for sponsorship, merchandising and licensing, and international

broadcasting rights between SMAM and Fast Track Events; and

- recommended that the EB may approve appointment of SMAM and Fast Track Events for the sponsorship/ merchandising / licensing and international broadcasting consultancy contracts respectively (with an assurance that CGF approval would be forthcoming for such appointments).

It is not clear why the CGF CEO was interested in selection of a specific entity as sponsorship consultant, rather than in selection of individual sponsors⁶.

⁶ who could have linkages/ conflicts with the brand image of the CGF/ CW Games as well as with any pre-existing CGF sponsors, if any

We found that the engagement of SMAM as the consultant for sponsorship and merchandising/ licensing rights was flawed on several other counts, as well:

- The pre-conditions for selection as sponsorship and merchandising/ licensing consultant were restrictive (by requiring experience of international multi-sports events) and did not factor in the specific requirements of a sports event being organised in India, which required experience and understanding of the local market. The vast potential of the Indian market (which had been tapped for sporting events like the IPL tournaments) was, thus, ignored, and no active attempts were made by the OC to encourage participation by leading players in the Indian sporting sponsorship arena. While SMAM claimed to have a tie-up with an Indian partner (World Sports Group), full details of active participation by the Indian partner in sponsorship activities were not made available to us by the OC.
- OC's linkages with SMAM could be traced back to August 2003, when it provided the first revenue estimates for the IOA which were used to assure the Cabinet of the robustness of the revenue projections.
- The award of the sponsorship and merchandising/ licensing consultancy contracts to SMAM was essentially on consideration of a single valid financial bid. Due to insufficient publicity and non adherence to global tendering procedure, only two bids were received. Of the two bids received, the other bidder (Leisure Sports Management

Private Limited)⁷ did not appear for the presentation and suggested (by fax) that they be appointed principal agents on mutually agreed terms; this bid was not pursued subsequently.

- Although contract negotiations were conducted with SMAM, Australia and the consultancy services were essentially provided by SMAM, Australia, the OC signed the contract with SMAM, Singapore (a newly established company, which was purportedly set up as an SPV to save taxes). Due to this change, it might not be possible to ascertain the ultimate beneficiaries of the payments made by the OC to SMAM.

Further, we found that the contractual provisions with SMAM were deficient, unduly favouring SMAM e.g.

- no penal clauses despite financial advice to the contrary;
- a lower tax liability of only 10.54 per cent for SMAM against the expected 42.23 per cent;
- commission payable to SMAM (and at the same rates)⁸ even on sponsorship from PSUs and Government agencies (where the role of SMAM was likely to be insignificant or unimportant)⁹;
- low contracted targets for sponsorship generation vis-a-vis the targets indicated in the "revenue surplus/ neutral" OC budgets;

⁷ who had quoted lesser commission for PSU sponsorship, while SMAM had offered a uniform rate of commission across all deals

⁸ Ranging from 15 -22.5 per cent graded on slabs.

⁹ Ultimately, out of the contracted revenue of Rs. 375.16 crore, Rs. 250 crore was from Government agencies, which was largely due to efforts by the OC and the Government, rather than by SMAM.

- OC, rather than SMAM, being made responsible for providing an “effective brand projection programme, including the development and management of CWG-2010 intellectual property protection and anti-ambush programme”; and
- annual performance reviews (rather than the normal six monthly performance reviews).

We found that the clauses of even this deficient contract were not adhered to during execution:

- SMAM did not depute the minimum stipulated nine executives on a full-time basis in the beginning;
- Annual performance reviews were not conducted during 2008 and 2009; and

The stipulated public liability insurance of US\$ 10 million was not provided by SMAM.

8.4.2 Termination of contract with SMAM in August 2010

SMAM's performance was reviewed for the first time only in February 2010, when a committee headed by the SG undertook this exercise. The committee recommended that no commission be paid on sponsorships from PSUs and also recommended renegotiation of terms with SMAM (on the issue of inadequate staffing as well as the burden of tax liability). The terms were renegotiated with SMAM through a variation deed of 7 July 2010.

Significantly, Shri Mike Hooper, CEO, CGF refused to be a member of the review committee, indicating that this was a procedural matter covered by the contract between the OC and SMAM and not one that should involve CGF. This was in complete contrast to the stance taken in 2006, when Shri Hooper strongly recommended appointment of SMAM and indicated that CGF approval would be forthcoming for such an appointment.

8.4.3 Generation of Sponsorship Revenues

We found that the performance of OC and its consultant (SMAM) in planning, developing and ultimately generating sponsorship revenue was a complete failure.

8.4.3.1 Sponsorship revenues from CYG-2008, Pune and Queen's Baton Relay (QBR)

The OC had separately contracted with SMAM as sponsorship consultant for CYG-2008, Pune. SMAM's performance was very poor. Against the requirement of Rs. 60 crore for making CYG-2008, Pune revenue-neutral¹⁰, the revenue generated was just Rs. 20.17 crore, out of which PSU/ Government sponsorship was Rs. 18 crore. SMAM was paid Rs. 3.38 crore on this account, and the OC also undertook to bear the tax liability of Rs 1.05 crore on behalf of SMAM.

¹⁰ We could not find documentation of formal revenue targets for CYG-2008, Pune; however, there were indications that CYG-2008, Pune would be revenue-neutral.

SMAM was responsible for sponsorship generation from QBR – both the QBR launch ceremony and the international leg. However, against the target of Rs. 65 crore, no sponsorship revenue was generated.

OC chose not to derive any lessons from the poor performance of SMAM during CYG-2008 and the QBR-2009. SMAM's performance on merchandising and licensing rights was even worse.

Ultimately, OC terminated the contract with SMAM only in August 2010, which was too late.

8.4.4 Frequent changes in sponsorship plans

The planning for sponsorship was delayed, ad hoc and erratic. While sale of sponsorship rights was scheduled to commence from November 2007, even the first sponsorship marketing plan was prepared by SMAM only in December 2007. Further, there were frequent and unexplained changes to this plan; between March and July 2009, which was revised thrice, as summarised below:

Table 8.4 - Changes in Sponsorship Plans between March and July 2009

Association Status	No of targeted companies		Total (Rs.in crore)		No of targeted companies		Total (Rs.in crore)	
	Plan of 31 March 2009		Plan of 6 May 2009		Plan of 5 July 2009			
Lead Partner	4	400	2	200	2	200		
Partner	6	270	12	600	10	500		
Sponsors	20	220	24	240	12	300		
Co-sponsors	Nil	Nil	Nil	Nil	24	240		
Suppliers	36	70	36	90	36	108		
Total		960		1130		1348		

We found that these changes were arbitrary and were not supported by substantiated justification or developments on the ground.

8.4.5 Sponsorship offers ignored

In our study report (July 2009) on preparedness for the Games, we had expressed our concerns regarding delays in sponsorship generation. At that time, the OC had indicated that the sponsorship drive had slowed due to global slowdown and general elections,

and indicated that the final negotiations for sponsorship were now scheduled for the first quarter of 2010. We had recommended that steps for generating sponsorship and other revenue should be expedited, as the window of opportunity for leveraging the Games was fast shrinking with the passage of time.

However, our concerns were not adequately addressed.

In July 2009, OC sought sponsorship offers through an advertisement to which 48 companies responded. Significant offers were received from entities such as Airtel¹¹, Power Grid Corporation of India, Wipro, LG, Dabur and Pico. However, OC's follow up of these offers was very lackadaisical, despite significant potential, and none of these offers finally fructified into a sponsorship commitment.

OC showed considerably more interest and enthusiasm in inflating sponsorship revenue projections to maintain the claim of revenue neutrality, than in actually developing offers already in hand, despite significant potential to generate revenues. We would presume that OC's lack of interest in generating sponsorship revenue was ultimately based on the GoI commitment to underwrite the shortfall between costs and revenues.

8.4.6 Actual Committed/ Realised Sponsorship revenues

Against the budgeted sponsorship revenue (July 2008) of Rs. 960 crore¹², total committed sponsorship revenue was only Rs. 375.16 crore. Of this amount,

- Rs. 250 crore was from Government agencies, and only Rs. 125.16 crore was from the private sector;
- Rs. 238.90 crore was in cash, while Rs. 136.26 crore was in the form of "Value in Kind" (VIK).

A summary of the main sponsors is given below:

Table 8.5 - Breakup of Committed Sponsorship Revenue

Government agencies/PSUs		Private Companies	
Organization	Amount (Rs. In Crore)	Organization	Amount (Rs. In Crore)
Air India	50.00	Hero Honda	38.00
NTPC	50.00	Coca Cola	15.70
Central Bank of India	50.00	Swiss Timing	19.40
Indian Railways	100.00	Agility Logistics	12.50
		Tata Motors	24.66
		Reebok	9.85
		Amity University	0.05
Total	250.00	Total	125.16
	Cash - Rs. 190 Crore VIK - Rs. 60 Crore		Cash - Rs. 49.90 Crore VIK - Rs. 76.26 Crore

¹¹ The sponsorship offer from Airtel is described in the Chapter on Telecommunications Services.

¹² SMAM's contract specified a target of only Rs. 450 crore (US\$ 100 million)

Of the cash sponsorship of Rs 238.90 crore, 80 per cent came from Government Agencies/PSUs. Of the VIK sponsorship of Rs 76.26 crore generated from private companies, Rs. 56.56 crore was provided by Swiss Timing, Tata Motors and Agility Logistics¹³ (who were recipients of contracts for services from OC); these were essentially “set-offs”/ discounts offered at the tendering stage.

Further, free commercial time worth Rs. 20 crore on Doordarshan and free tickets worth Rs. 5 crore were also provided to the sponsors. Indian Railways, as a lead partner, also utilised VIK of Rs. 2 crore offered to the OC by international Right Holder Broadcasters.

Incidentally, OC was able to account for utilisation of only Rs. 5 crore of VIK, with the balance yet to be calculated finally by the concerned functional areas.

Besides, OC has another contracted commitment of Rs. 30 crore¹⁴ as a part of the cost of raising the sponsorship revenue. Hence the net committed sponsorship revenue on a net basis is only Rs. 345.16 crore, and the net realised sponsorship revenue is Rs. 184.42 crore. This excludes the potential liability on account of commission to SMAM and income tax liability thereon¹⁵.

¹³ Suppliers for Timing, Scoring and Results (TSR), transport and logistics services respectively.

¹⁴ Under the Joint Marketing Agreement, Rs 25 crores was payable to IOA and Rs. 5 crore GNCTD.

¹⁵ Under the sponsorship consultancy agreement, SMAM's income tax liability is restricted to 10.3 per cent, with the balance burden to be borne by the OC.

8.4.7 Business Club of India (BCI)

The OC signed an MoU with the Confederation of Indian Industries (CII) in August 2006 and formed the Business Club of India (BCI), in order to support marketing efforts for CWG-2010. Chairman, OC was the Chairman of the BCI and the President, CII was its co-chairman. Despite incurring expenditure of Rs. 3.08 crore (Rs. 0.45 crore on road shows worldwide, and discount of Rs. 2.63 on tickets for BCI members), no revenue whatsoever was generated through this club.

8.5 Merchandising and Licensing

8.5.1 Delay in preparation of merchandising and licensing plan

Merchandising and licensing revenues were to be generated through appointment of licensees, who could utilise the CWG-2010 brand name and associated logos on manufacture and retailing/ distribution of products in different product categories e.g. accessories, sportswear and other clothing, bags, collectables, home wares, lifestyle/luxury goods, stationery, toys etc.

However, the preparation of the Licensing and Merchandising Plan was delayed by 20 months (June 2009 against the targeted date of October 2007), which reduced the time available for tendering and contracting procedures towards engagement of licensee(s), and the consumer launch of the merchandising and licensing programmes. In keeping with the widespread pattern observed in the functioning of the OC, no reasons for delaying this plan to June 2009 were discernable.

8.5.2 Appointment of Premier Brands Limited as sole licensee for the Games

The process for appointment of official licensee(s) was beset by delays, with one round of processing (undertaken between November 2009 and February 2010) being set aside due to non-approval of the RFP by OCFC and a meagre response.

The process of tendering was re-initiated only in February 2010, with the contract being awarded in May 2010 to Premier Brands Limited (PBL)¹⁶. We found that out of the 17 technically qualified bidders, PBL was the only bidder which did not qualify on its own strength and was considered eligible on the strength of its parent company. Its inclusion in the panel of technically qualified bidders was justified by the technical evaluation committee, based on the “goodwill” and financial and retail strength of its parent company, Compact Disc India Limited (CDIL). Incidentally, CDIL is essentially an animation company engaged in multi-media and entertainment production, and it is hard to justify that its retail channels would suit retailing of Games memorabilia.

Further, the RFP specified separate licensees for 18 different categories, but PBL was irregularly appointed as a master licensee for all categories on the basis of its offer of total royalty of Rs. 7.05 crore for all categories (which was not as per the RFP). It may be noted that in Melbourne CWG-2006, the master licensee concept was not adopted, and 39 official licensees were appointed.

¹⁶ Interestingly, PBL was appointed in May 2010 as the sponsor of Team India by the Badminton Association of India, which is headed by Shri VK Verma, DG, OC.

8.5.3 Execution of Merchandising and Licensing Programme

OC failed to sign a Long Form Agreement with PBL (primarily due to delays in decisions on additional product categories and sub-licensees¹⁷), which would have committed PBL to a total royalty of Rs. 7.05 crore. Consequently, OC could neither bind PBL to its originally offered royalty of Rs 7.05 crore, nor an additional offer of 10 per cent flat royalty of sale value of additional product categories with a minimum guarantee of Rs.2 crore. By August 2010, PBL revised its offer downwards to Rs. 3.52 crore of royalty; even this has not been received, since PBL's cheques were dishonoured.

The merchandising and licensing programme was officially launched only on 2 September 2010. PBL was to sell merchandise through its own outlets, as well as concession outlets provided by the OC at venues. However, due to security reasons, only 5 out of the 60 competition venue outlets provided by the OC were operational, and that too only during the opening ceremony.

PBL could make arrangements for merchandising only 12¹⁸ out of the 18 product categories, out of which 7 were sub-licensed by PBL, who also engaged Vaishali Enterprises as the contractor for managing their concession outlets. This belied the financial and retailing strengths of PBL and its parent company, CDIL, based on which it was declared technically eligible. Further, PBL also issued sub-licenses (with

¹⁷ Other reasons were discontent between OC and PBL for accreditation of PBL staff, marketing efforts by OC, counterfeit merchandising, discounted tickets and payment schedules etc.

¹⁸ The full product range was not furnished in any of these 12 categories.

OC's approval) for additional product categories for Apollo Tyres and Vighneshwara Developwell. An amount of Rs. 1 crore payable by PBL for rights granted to Vighneshwara Developwell is still outstanding.

8.6 Broadcasting Revenues

8.6.1 Overview

Under the HCC, CGF granted to OC the right to commercially exploit TV and radio broadcast rights, as well as internet rights. Broadcasters fell into two categories:

- **Host Broadcaster (HB)**, who was responsible for producing and distributing “unbiased” radio and TV coverage of CWG-2010 and would also generally obtain the national domestic broadcast rights (at commercial terms to be negotiated with the OC); and
- **International Right Holder Broadcasters (RHBs)**, who would be awarded broadcast rights for their region/ country on mutually negotiated commercial terms.

OC's original budget (March 2006) envisaged broadcasting revenues of Rs. 300 crore (without a break-up between domestic and international revenues). This was raised to Rs. 370 crore in the July 2008 budget – Rs. 110 crore from domestic rights, and Rs. 260 crore from international rights.

However, OC could generate total broadcasting revenue of just Rs. 238.17 crore, which was substantially lower than the revenue of Rs. 255.28 crore generated from the TV rights for Melbourne CWG-2006.

8.6.2 National Domestic Broadcast Rights

Against the projected revenue of Rs. 110 crore from national broadcast rights, the OC generated just Rs. 24.70 crore¹⁹. This was on account of abnormal delays by the OC in finalising the contract with the Host Broadcaster, Prasar Bharati (PB):

- Despite having declared PB as the Host Broadcaster in the original bid of May 2003, OC formally communicated this appointment to PB only in March 2007.
- OC took another two years to sign the Host Broadcaster Service Agreement with PB in May 2009.
- The formula for revenue sharing for domestic telecast as well as new media rights (Internet, SMS etc.) was finalised only in July- September 2010, and the agreement for broadcast rights between OC and PB was signed on 23 September 2010 (just 10 days before the Games), leaving no time for developing, let alone implementing, a joint marketing strategy for exploiting of free commercial time.

8.6.3 Appointment for International Consultant for Broadcasting Rights

The process for engagement of an international consultant for international broadcasting rights commenced in March 2006 (simultaneously with the engagement of the consultant for sponsorship, merchandising and licensing) and resulted in the engagement of Fast Track Events in March 2007, with unexplained delays between June 2006 (when presentations were made) to the signing of the contract. As in the case of the sponsorship consultant

¹⁹ Incidentally, Prasar Bharati got just Rs. 55.29 crore of revenues from telecasting CWG-2010 and also did not benefit substantially from this event.

(SMAM), the selection by OC of Fast Track Events was flawed on several counts:

- The selection was unduly influenced by the recommendations of the CGF CEO, Shri Mike Hooper, who clearly suggested a neat division of consultancy contracts for sponsorship and merchandising and licensing as well as broadcasting rights between SMAM and Fast Track Events, and recommended that EB may approve appointment of SMAM and Fast Track Events respectively for the sponsorship/ marketing/ licensing and broadcasting consultancy contracts (for which decision CGF approval would be forthcoming as per Shri Fennell's assurance).
- SMAM, which was the L-1 bidder for the international broadcasting rights consultancy, had quoted a flat rate of commission of 12.5 per cent, while Fast Track Events, which was the L-2 bidder, had quoted a higher commission rate of 15 per cent. However, contrary to CVC guidelines and best procurement practices, OC irregularly conducted financial negotiations with the L-2 bidder, Fast Track Events, and concluded the contract with it. Going by the difference between commission rates offered by the L-1 and L-2 bidders, the excess cost to the OC (and ultimately to GoI) on account of commissions on broadcasting revenue amounted to Rs. 5.34 crore.
- The original estimate of broadcasting revenues was Rs. 300 crore (which would work out to roughly Rs. 210 crore from international broadcast rights²⁰), and the revised estimates for international

broadcast rights was Rs. 260 crore.

However, the contracted target revenue set for Fast Track Events was just Rs. 120 crore. This ensured that shortfall in revenue realisation could not be contractually attributed to the poor performance of the consultant.

8.6.4 International Broadcast Rights

As against the revised revenue estimates of Rs. 260 crore, OC could sign agreements for only Rs. 213.46 crore. As of January 2011, the amount of revenues actually remitted was Rs. 191.40 crore (including VIK of Rs. 16 crore).

We could not derive assurance that highest possible value was obtained from the sale of international broadcasting rights and selection of RHBs.

- Documents related to the negotiations by the international consultant with the broadcasters were purportedly not available with the OC. Further, OC had no independent mechanism to assess the reasonableness of the rights fees offered by the RHBs, and went by the reports/ recommendations of the consultants.
- For one region (UK/ Ireland), the actually contracted revenues of Rs. 14.86 crore were less than one-third of the projected estimates of Rs. 49.80 crore. The Chairman, OC rejected a proposal for direct negotiation with BBC, stating that he had personally bargained with BBC for higher fees which were not agreed to.

²⁰ The original broadcasting revenues estimate of Rs. 300 crore did not have a break-up between national and international broadcasting revenues; we have worked out a break-up, based on the ratio of national and international broadcasting revenues in the revised estimate of Rs. 370 crore.

8.7 Big Screen and New Media Rights

We found that OC failed to exploit the markets for commercial rights for Big Screens (i.e. screening Commonwealth Games in public places e.g. cinema halls, clubs etc) as well as new media rights.

OC assigned big screen rights only for non-commercial purposes to Prasar Bharati in September 2010, purportedly as it was separately exploring the possibility of exploiting the commercial big screen rights with a chain of theatres. OC took no action till 4 October 2010, when it permitted Digital Signage Networks Limited (in response to its offer) to show information and pictures of the Games at 1000 locations in 22 cities, with a 50 per cent share of advertising revenue. However, due to paucity of time, no contract was signed, and the agency informed OC that it could not generate any revenue.

Likewise, OC failed to exploit the commercial potential of new media rights (Internet, streaming video e.g. youtube.com, SMS and mobile telephony, mobile TV etc.)²¹ While international new media rights were awarded to international RHBs (along with TV and radio and broadcast rights), there were conflicts between OC and PB on domestic rights. Finally, OC granted:

- mobile telephony new media rights on a non-exclusive basis to PB in September 2010;
- Internet rights (Live Streaming) on nomination basis without revenue element to Times Internet in October 2010; and
- Live Streaming of Games on mobile to Smile of India on nomination basis with a minimum guaranteed revenue of Rs. 5 lakh and revenue share of 35 percent of revenue accrued.
- Mobile infotainment rights on nomination basis to a KPMG- Smile India consortium, with a 10 per cent revenue share (subject to a guarantee of Rs. 5 lakh); however, no revenues were received till December 2010.

OC failed to receive any revenue, whatsoever, from Big Screen and new media rights in domestic broadcasting for CWG-2010.

8.8 Ticketing

8.8.1 Overview

Ticketing represented the third-largest source of revenue potential for the Games. Besides revenue generation, an effective ticketing programme should also ensure maximum attendance and generate adequate spectator interest equitable and efficient availability and vending of tickets, and satisfy seating requirements of all client groups (including the Games Family, sponsors etc).

²¹ Revenue from new media rights are expected to be more than 15 per cent of total revenues for the London Olympics 2012. The Indian Premier League gave separate rights to various agencies for live coverage such as live screening, SMS/MMS and IVR rights, real time mobile video clips, online and mobile gaming etc.

However, against the targeted revenue of Rs. 100 crore, the actual revenue generated was just Rs. 39.17 crore, of which only Rs. 27.49 crore had been realised as of December 2010. After setting off costs of Rs. 23.37 crore, the net ticketing revenue was just Rs.15.80 crore.

This dismal performance was attributable to a critically delayed appointment of the ticketing consultant and the ticketing agency, inadequate marketing, low ticket sales and spectator attendance, and excessive distribution of complimentary tickets (especially high value tickets), paradoxically coupled with reports of non-availability of tickets.

8.8.2 Appointment of Ticketing Consultant

OC followed a stop-start process for appointing a ticketing consultant.

- After floating an EOI in March 2008 and recommending Market Plus for appointment, the process was stalled for 13 months due to DG's opinion that this was within the scope of work of EKS.
- OC approached EKS on 20 September 2008 for preparation of detailed ticketing strategy plan; thereafter, we found no evidence of any contribution of EKS in this area or follow up by OC with EKS in this regard.
- In September 2009²², Shri Bruce Wilkie²³ was appointed as the ticketing

²² Incidentally, the incumbency of the post of DG, OC had changed by this time.

²³ Who was earlier associated with Market Plus

consultant on nomination basis, purportedly on the basis of his past experience and CGF's recommendation. Subsequently, the consultant abandoned his assignment in June 2010, due to ill health. Thereafter, OC continued to take decisions on the marketing of tickets on its own without any expert advice.

8.8.3 Appointment of Ticketing Agency

OC followed a similar stop-start process for appointing of the ticketing agency:

- Two EOIs issued in March and June 2009 were cancelled on account of a single eligible bid on each occasion.
- A third RFP was issued in October 2009, after relaxing the qualifying criteria on experience of international multi-sports event. The work was finally awarded in January 2010 (against October 2008 - a delay of 14 months) to a consortium of IRCTC, Ticket Pro and Broad Vision at a cost of Rs. 14.03 crore.

8.8.4 Marketing of Tickets

The ticket marketing plan, which was to be finalised by July 2009 for CGF approval, was prepared only in April 2010. The plan was not seriously implemented till September 2010 (a month before the Games), when a Games time ticketing campaign was conducted at a cost of Rs. 6 crore. This included:

- Award of contracts for Rs. 0.81 crore for production of commercials in September – October 2010 (however, there was no evidence of their actual production and broadcast);

- Two TV advertising plans for Rs. 2 crore; these were unprepared and unplanned (e.g. it did not specify the commercials to be broadcast in the work orders to the TV channels; focussed on promoting only two sports – aquatics and gymnastics – and that too after 80 per cent of the sessions were over, and commercials for the closing ceremony were telecast after closure of ticket sales);
- Advertisements in international channel between 11 and 14 October 2010, when it was hardly feasible to promote international ticket sales.

In brief, marketing of tickets was not taken up till September 2010, when a campaign was launched at a cost of Rs. 6 crore. This campaign was unplanned and unprepared, and resulted in wasteful expenditure.

8.8.5 Poor Ticket Sales

8.8.5.1 Overview

As compared to the previous two Games, the ticket sales for CWG-2010 were poor, while the percentage of complimentary tickets was nearly three times that of earlier Games. There were also a large number of unsold tickets.

Table 8.6 - Profile of Ticket sales for CWG 2002, 2006, and 2010

(Numbers in Lakhs)

	Manchester 2002	Melbourne 2006	Delhi 2010
Tickets available for revenue seats	10.03	18.32	14.13
Total ticket sales (Revenue generation)	7.79 78 %	15.54 75%	5.61 40%
Tickets distributed free-of charge	1.20 12 %	2.16 11%	4.95 35%
Total unsold tickets	1.03 10%	2.77 14%	3.56 25%

8.8.5.2 Complimentary Tickets

Excess issue of complimentary tickets, contrary to the CGF's "no free ticket policy", was a major problem for CWG-2010. The OC EB prescribed certain norms on 23 September 2010 for issue of complimentary tickets after considering availability/ unsold tickets between 2-8 days before the event/ ceremony (with the Chairman authorised to take final decisions). However, we found that OC had instructed IRCTC on 25 September 2010 itself (i.e. well in advance) to print 2 lakh complimentary tickets

valuing Rs. 6 crore for sports session events.

For the opening and closing ceremonies,

- Against 77860 revenue seats for Rs. 82.54 crore, OC issued 22900 complimentary tickets worth Rs. 56.60 crore; one third of which (7525 tickets) were high denomination tickets of Rs. 50000 each.
- In addition, 584 tickets worth Rs.3 crore for the ceremonies were sold at 90 per cent discount to the "Business Club of

India”, which generated no sponsorship revenue whatsoever (as brought out in para 9.4.6).

Likewise for the sports events, against 13.35 lakh tickets, 5 lakh complimentary tickets valuing Rs. 15 crore were issued.

We found no evidence of a policy for free/ discounted tickets for school children, college students and other target groups, which would have had potential for promoting sports awareness.

It is not known on what basis or on whose authority such a large number of complimentary tickets were distributed. Such flagrant patronage at the expense of Government funds needs to be investigated as a deterrent for such indiscretionary acts in future. Accountability should be fixed, and where possible, amounts should be recovered.

8.8.5.3 High Ticket Prices

The price range of 50 times between the cheapest and costliest tickets (Rs. 750 to Rs. 50,000) for the opening and closing ceremonies was higher than the ranges of 5.9 times (AUD 100 to 590) and 7.8 times (£25 to £ 195) for the Melbourne and Manchester Games. The need to inflate revenue projections (which were not achieved) may have been a reason for this wide price range.



In our view, this wide range of ticket pricing, which was contrary to the recommendations of consultants, not only contributed to the low ticket sales (especially for higher denominations), but also facilitated issue of large quantities of complimentary tickets (purportedly on account of unsold stock).

8.8.5.4 IRCTC outlets not set up

Low ticket sales was compounded by the Chairman, OC's illogical decision of April 2010 that only sponsors' centres, locations and showrooms would be used for retailing tickets (despite the absence of any such conditions in the sponsorship agreements²⁴). This was contrary to the ticketing agreement with the IRCTC consortium. Ultimately, just 1 outlet of IRCTC and 41 outlets²⁵ through sponsors and OC's venue caterer were opened in Delhi/ NCR; no outlets were opened in the other metros/non-metro locations. The reasons offered by OC for not permitting IRCTC outlets - that these outlets were not approachable and accessible to the general public and also had security problems – are completely untenable, and also resulted in infructuous payment of Rs. 2 crore to IRCTC, without availing of their services.

8.8.5.5 Low attendance

On top of poor ticket sales, only 65 per cent (6.87 lakh) of paid and complimentary ticket holders (10.56 lakh) turned up for the ceremonies / events (as per ECIL's turnstile

²⁴ Except in the contract with Central Bank of India

²⁵ Hero Honda-6, Central Bank of India-20, Tata motors-1, Fast trax-13, Delhi haat -1

data reports); this could have been caused by poor attendance by complimentary ticket holders. Contrarily, there was substantial traffic on the ticketing website, with 40.36 lakh “hits”²⁶ between 4 and 14 October 2010; there were also media reports that people willing to buy tickets for events (especially for lower priced tickets) were unable to do so, as the website indicated that tickets had been sold out.

8.9 Donation/ Raffle

OC included a revenue target from donations of Rs. 300 crore in its revised revenue budget (July 2008). As has been stated earlier, in our view, this was done solely to maintain the claim of revenue neutrality. This was confirmed by the fact that as against this target, OC collected paltry sums of Rs. 0.75 crore from donations and Rs. 0.24 crore from raffle.

- OC made minimal effort for collecting donations. The only evidence of these efforts was a meeting with the Minister for Corporate Affairs where a request

was made for sponsorship and donations through PSUs and the corporate sector. Even an offer of Rs. 3 crore made by an industrialist²⁷ did not fructify for lack of follow-up by the OC.

- OC set a target of Rs. 120 crore²⁸ for generating revenue through a raffle and made cursory efforts, by approaching the Mizoram Government for conduct of online and paper lottery. The Mizoram Government selected a sole distributor for 24 months with minimum projected revenue of Rs. 203.86 crore (to be shared with it). This projected revenue was obviously overstated, optimistic and arbitrary, as 97 per cent of the revenue was projected from non-lottery playing states. All lottery operations in Mizoram were suspended in March 2010 pursuant to a Court order. Out of the reported revenue generation of Rs. 0.36 crore, OC had received Rs. 0.24 crore as of December 2010. No details of state-wise revenue and revenue realised were available with the OC.

²⁶ *i.e. visits to the website*

²⁷ *Shri Rahul Bajaj*

²⁸ *Projected by Ernst & Young for the revalidated budget*

Games Planning Consultancy and Overlays

Event Knowledge Services (EKS) was awarded five consultancy contracts relating to venue appraisal/ briefs, project monitoring, games planning and workforce (awarded to an EKS consortium) during 2005-08. Three of these contracts were awarded on nomination basis, facilitated by strong patronage from the CGF (with which EKS had a close link); tendering conditions for the other two contracts were tailored to suit EKS. We are also unable to verify the need for this multiplicity of contracts, and the possible overlap between the deliverables from different contracts.

Venue overlays are temporary facilities at various venues provided during the operational phase of the Games. Planning and scoping for overlays was critically delayed by the OC and completed only in June 2009, after which the responsibility for procurement of overlays items was transferred from the venue owners to the OC. The reliability of the overlays requirements is also open to question, since there were huge variations in successive budget estimates between September 2009 and January 2010 and there was a substantial curtailment in the awarded quantities (in view of the available budget provision), which did not apparently affect the overlays work.

The procurement process followed for award of venue overlays contracts was highly irregular. OC inexplicably shifted from an item-wise basis (followed internationally) to a venue-cluster approach, based on geographical locations. This cluster-based approach, along with tailored eligibility criteria (enormous annual turnover requirements and stipulated experience of only Olympics/ Asian Games/ CWG), was used to discourage competition by restricting the number of vendors. These criteria were then selectively and inconsistently applied to remove competitors, leaving a field of just four “technically qualified” consortiums – ESAJV-D-Art-Indo, Pico-Deepali, Nussli and GL-Meroform. The commercial bids of all four vendors were the lowest exactly for those clusters, which were their first and second preferences. Such coincidence points to collusion and the possibility of cartels among the vendors.

The overlays contracts were signed at exorbitant rates, causing huge financial loss to the OC (and the GoI). Based on the available records, we cannot fully quantify the true total loss. We have, however, come up with indicators of the financial loss in different ways, which give an idea of the exorbitant rates charged for individual overlay items:

- *By comparing item wise rate across clusters and across vendors;*
- *By comparing item wise rates for the same vendor across different clusters; and*
- *By comparing item wise rates with other supporting documents (e.g. rates declared to Customs, rates charged by CPWD and other agencies).*

9.1 Games Planning Consultancy – Role of Event Knowledge Services (EKS)

Event Knowledge Services (EKS), a Switzerland-based organisation, was irregularly awarded multiple consultancy

contracts related to CWG-2010 as summarised below:

Table 9.1 - Award of consultancy contracts to EKS

Area	When awarded	Amount	Organisation
Venue appraisal study	June 2005	Rs. 0.49 crore	DDA
Venue brief and preparation of site plan	July 2006	US\$ 1.16 million	OC
Project Scheduling Review and Monitoring and Delivery Review	November 2006	US\$ 3.24 million	
Games Planning Consultancy (EKS- Ernst & Young Consortium)	March 2008	Rs. 29.66 crore	
Workforce consultancy contract (EKS- Ernst & Young Consortium)	March 2008	Rs. 22.36 crore	

We found that the award of these contracts to EKS/ EKS Consortium was non-transparent and irregular in all cases. The first three contracts were awarded on nomination basis. Although the other two contracts (Games planning consultancy and workforce consultancy) involved tendering, the tendering conditions were tailored to suit EKS.

EKS had a strong CGF link, as its CEO, Mr. Craig McLatchey, was also a member of the CGF Co-ordination Commission, who was specifically entrusted with the responsibility of monitoring CWG-2010 arrangements in India. The appointment of EKS by OC was facilitated by strong patronage from the CGF, with clear statements discouraging global tendering and advising EKS appointment without tendering, for which CGF approval would be readily forthcoming.

There were serious deficiencies relating to the contract for project scheduling review and monitoring and delivery review:

- The contract was poorly negotiated; the final offer after negotiations was for the same amount of US\$ 3.24 million but for a shorter period (December 2006 to Games time), which was eight months shorter than the original offer (April 2006 to the Games time);
- Subsequently OC cut short this contract till April 2010, purportedly because it felt no further monitoring was necessary (which is inexplicable, since almost all the venues were still incomplete); and
- Consultancy contract of this nature are primarily dependent on deployment of specialist manpower for specified mandays. For the period from June 2008 to March 2010, we noticed deployment of only 3 professionals for a total of 279 mandays. Even assuming the highest

rate of US\$ 2,000/ day¹, the eligible payment for this period works out to just \$0.56 million, as against the actual payment of US\$ 1.38 million. This further confirms that the contract was awarded to EKS at highly inflated costs on a nomination basis, without adequate cost justification.

Although a tendering process was allowed for awarding the contract for Games Planning consultancy, there were serious deficiencies:

- The pre-qualification conditions were tailored to specify experience of Olympics/ CW Games/ Asian Games “in any capacity”, rather than experience “in the relevant area”. The EKS- E&Y consortium did not have experience in Games Planning and Project Management Consultancy;
- There was an unexplained delay of nearly four months from the receipt of the PQ bids in May 2007 to their opening in September 2007; and
- The recommendation of the OC commercial bid evaluation committee (headed by DG) for a reduction in the 5450 mandays as against 3950 mandays indicated by the other bidder, which would have resulted in savings of Rs. 11.69 crore, was not given effect to, primarily because of CEO, CGF's intervention against such a reduction.

Specific deficiencies relating to the workforce consultancy contract are discussed in Chapter 15.

¹ Applicable for CEO, EKS, Mr. Craig McLatchey

We are also unable to ascertain or verify the need for this multiplicity of contracts, especially the Games Planning consultancy contract awarded in March 2008, and the possible overlap between the deliverables from different contracts awarded to EKS/ EKS and E&Y.

Further, from August 2009 onwards, EKS requested for future OC payments to be made to a new company, EKS Private Limited in Mauritius; payments of Rs. 7 crore were made through this route. We are unable to ascertain the reasons as to why OC acceded to this unusual request, particularly because the shareholding pattern of this Mauritius company is not traceable/ verifiable.

9.2 Venue Overlays

9.2.1 Introduction

Overlays are temporary facilities at various venues provided during the operational phase of the Games. These include items like pre-fabricated structures, tents, furniture and fixtures, back-up power (DG Sets/ UPS), consumables etc.

9.2.2 Delays in Planning and Scoping of overlays

The planning and scoping of overlays involved the listing of items required, quantities and their specifications on a venue-wise basis. This work, which was entrusted in August 2007 to the OC by GoM, was critically delayed by the OC. Despite CGF indicating in July 2008 that overlays was an area of concern, the overlays functional area in the OC was set up only in February/ March 2009 and the overlays scoping was completed only in June 2009. The OC finally forwarded the Bill of

Quantities (BOQs) and overlay requirements of individual venues only in July 2009 to SAI in respect of its venues. In August 2009, SAI expressed its lack of technical knowledge to undertake procurement of overlay items. Consequently, the responsibility for procurement of overlay items was also entrusted to the OC.

These delays in planning were compounded by further delays in the procurement process, leading to signing of the overlays contracts only on 2 June 2010.

Table 9.2 - Chronology of events relating to award of venue overlays contracts

Date	Event
5 December 2009	Issue of EOI with last date 6 January 2010; 10 responses received and 4 vendors shortlisted
16 January 2010	RFPs issued to 4 vendors
15 / 26 February 2010	Opening of technical and financial/ sponsorship bids of 4 vendors
March – April 2010	1st and 2nd round of negotiations
2 June 2010	Signing of contracts with 4 consortia (Pico-Deepali, Nussli, ESAJV-D'Art-Indo, and GL Events-Meroform)

9.2.3 Budgeting for Overlays

The estimated cost of overlays, was not specified in the bid document (May 2003). It was stated as Rs. 200 crore in GoM meeting (August 2007) and was tentatively taken to Rs 400 crore (July 2009), by EFC. At this

point of time, these overlays were envisaged to be provided by the venue owners/ SAI.

After the transfer of responsibility for procurement, the OC submitted an overlays budget estimate of Rs. 870.41 crore in September 2009 to MYAS, indicating that this estimation was based on item wise rates obtained from different international suppliers as well as Indian suppliers/manufacturers, partially for procurement and partially for hiring. This estimate was reduced by OC in October 2009 to Rs. 687.06 crore (including contingencies of Rs. 40 crore). Finally, on January 2010, the EFC approved an estimate of Rs. 574.93 crore².

Such huge variations in budget estimates, even after scoping of overlays requirements, were indicative of “elasticity” in the estimating procedures and cast doubts on their reliability.

9.2.4 Unexplainable shift from item-wise contracts to 'cluster' wise contracts.

Internationally, overlay contracts are awarded on item-wise basis³. Contrarily, in August 2009, DG OC stated that, in a meeting attended by Chairman OC, it was decided that overlays work would be divided into different clusters, based on geographical locations. However, Shri Suresh Kalmadi, in his separate reply (March 2011), denied that the decision was taken by him.

² With an additional Rs. 53.23 crore for TSR, network, switches etc. and Rs. 58.9 crore for Image and Look.

³ Even OC's budget estimate of September 2009 was constructed, based on item wise rates.

The venues were then divided into seven clusters⁴, and tender documents prepared accordingly.

In our opinion, this “cluster-based approach”, along with other restrictive conditions, was used to discourage competition by restricting the number of participating vendors (due to the eligibility condition of exorbitant annual turnover on a “whole of cluster” basis, rather than item-wise basis, coupled with an initial stipulation of holding of at least 80 per cent stock of diverse overlay items). Competition was further restricted to just four vendors (by eliminating two bidders against the recommendation of the evaluation committee) by inconsistent application of PQ criteria; all four vendors bagged overlay contracts for one or more clusters. This cluster-based approach also gave ample scope to vendors to quote exorbitant rates for the same items supplied at different venues.

OC's response that this approach was adopted as per the Finance Sub Committee's suggestion is incorrect, since the tenders had already been floated on a “cluster” basis before FSC approval⁵.

⁴ This “cluster based approach” was also used in award of contracts relating to Cleaning and Waste Management, Image and Look . However the composition of clusters in these cases was not identical.

⁵ Incidentally, the FSC merely recommended consideration of a cluster-based approach amongst other alternatives to be explored.

9.2.5 Improper Eligibility Criteria and Evaluation

We found that the eligibility criteria were tailored to minimise competition:

- **High annual turnover requirement** – An enormous annual turnover requirement of Rs. 1075 crore was specified for bidding for all clusters. 9 out of 10 vendors submitting PQ bids (including three successful bidders – Nussli, ESA JV, and Pico-Deepali – out of four) did not qualify. We could not ascertain the rationale for this arbitrary figure, which is substantially higher than both the budget estimated and the total contract value.
- **Restrictive experience criteria** – The pre-qualification (PQ) criteria stipulated experience of providing at least one major multi-sport event (Olympics/ CWG/ Asian Games) and excluded other events of such scale, even though the overlay requirements (which are non-sporting in nature) were not significantly different. This criteria restricted participation of similarly experienced Indian and international vendors. Further, this criteria was, in our opinion, impractical, since a cluster-based overlays approach was not standard international practice, and experience of providing individual overlay items would not be relevant.
- **Inclusion and subsequent deletion of condition of holding 80 per cent stock** – The EOI of 5 December 2009 stipulated certification of 80 per cent holding of the stock (of diverse overlay items) by the bidders; this condition was deleted on 19 December 2009 with the intention of incorporation at the RFP stage (which

was not done). Only one of the successful bidders (GL Meroform) would have met this condition.

embassies) was not followed, which helped to limit competition for such huge items of work.

In addition, global tendering (by circulation through the Indian Trade Journal and Indian

Further, these criteria were selectively applied to restrict competition further:

Table 9.3 - Selective application of eligibility criteria

Criteria	Instances of Selective Application
Annual Turnover of Rs. 1075 crore for bidding for all clusters	<ul style="list-style-type: none"> ■ Nussli (with an annual turnover of just Rs. 418 crore) was irregularly allowed, at DG's instance, to bid for all clusters, and did not submit a solvency certificate ■ Pico was allowed to bid for all clusters on the basis of self-certification of annual turnover (instead of adopting figures from the annual audited accounts⁶)
Experience of providing overlays at one major multi-sports event	<ul style="list-style-type: none"> ■ The certificates of three successful bidders were deficient, but were accepted: <ul style="list-style-type: none"> ■ Nussli was allowed to bid, based on its experience of just providing a Grand Stand for the 2006 Doha Asian Games (which was not comparable to the scope of this overlays contract) ■ The certificate submitted by Pico for the Beijing Olympics 2008 did not specify the nature of work ■ GL Meroform's certificate for Doha Asian Games 2006 was for sponsorship for hospitality service, while its certificate for Beijing Olympics 2008 was from the Hong Kong Jockey Club (and not the Beijing Olympics OC). ■ By contrast, a similar approach was not adopted for two other bidders: <ul style="list-style-type: none"> ■ The experience certificate of Cityneon from the Doha Asian Games 2006 OC was found to be insufficient, without a specific justification; ■ Uniplan was not considered, as it could not furnish a certificate from a (now defunct) Beijing Olympics OC. <p>The OC Evaluation Committee recommended consideration of six vendors for issue of RFP (including Cityneon and Uniplan), but this was turned down by DG⁷.</p>

⁶ Even the balance sheet supplied (and purportedly examined by OC), as well as the solvency certificate, pertained to the Pico Group of Companies and not to the individual company (Pico HongKong Limited).

⁷ stated to be with CEO's verbal approval

9.2.6 Nexus, Cartelisation and suspected leaking of information

Our scrutiny shows that two of the successful bidders were aware of the conditions of the EOI, even before its publication on 5 December 2009:

- Nussli entered into a consortium agreement with Comfort Net Traders India Pvt. Ltd. and also with Minaean Habitat (India) Pvt. Ltd originally on **15 November 2009** for exactly the same scope of work as indicated in the EOI.
- While the consortium agreement of ESG Arena Group Joint Venture Ltd (ESAJV): D-Art: Indo Consortium was recorded to have been constituted on 29 December 2009, ESAJV wrote to the OC on 1 December 2009 that they had already formed a consortium with their Indian partners exactly for the same scope of work.

The four vendors were required to submit their order of preference for award of contracts for the seven different clusters. We found that the commercial bids of all the four vendors were the lowest exactly for those clusters, which were their first and second preferences. Such coincidence and precision of estimates, rarely seen in practice, points to collusion and possibility of cartels among the vendors.

Further evidence of the existence of cartel was noticed, when we found that Pico had sub-contracted public display systems (a significant overlay item) to MIC Electronic Limited for all 17 venues, although it was entrusted with overlays for only 6 venues.

9.2.7 Global Companies merely acting as Front

The need to involve experienced global companies along with Indian partners for provisioning of overlays was repeatedly reflected during the process for overlays planning⁸. The participation of Indian (and foreign) vendors had already been restricted through various clauses. We, however, found that in the cases of the successful bidders, the respective global companies were merely acting as a front, to enable pre-qualification eligibility and award of contract, and not for work execution.

The EOI stipulated that ***the turnover and the experience of (only) the lead partner of the consortium would be counted for pre-qualification eligibility***. We, however, found that the defined lead partners for the ESAJV consortium and the GL Meroform consortium – ESAJV and GL – had only 1 per cent and 0 per cent shareholding respectively in the joint venture companies⁹ formed for executing the overlay contracts; their contribution would therefore have been insignificant. However, the role and contribution of the lead partner in execution of overlay contracts was not verified and ensured by OC, by requiring submission of necessary legally binding documents.

⁸ In the EFC minutes and OC's FSC deliberations

⁹ In the case of the GL Meroform consortium, payments were made to a company named GL Litmus Events Private Ltd. (with 0 per cent shareholding of the "lead partner"; however, the agreement was signed with another company "GL Events – Meroform Consortium / CG 2010".

9.2.8 Award of Contracts

The quoted prices of the four bidders in respect of their “chosen” clusters amounted to a total of Rs. 1276 crores; consequently, two rounds of negotiations were held with the four bidders in respect of their chosen clusters. There was a reduction of 5.6 per cent in the first round; the “reduction” of

5.3 per cent obtained in the second round was not material, as the discounts were offered on items (e.g. fixed flood lighting poles, treadmills, cross trainers by GL) for which quantities had been reduced drastically. Contracts were signed with the four bidders as follows:

Table 9.4 - Award of Venue Overlays Contracts

(Rs. in Crore)

Name of the vendor	Clusters	Contract Amount
Pico Deepali	I & VI	209
Nussli	II & IV	128
ESAJV,D:Art, Indo Consortium	V	84
GL Events	III & VII	150

We found that the OC reduced the contract value from Rs 1276 crore to Rs 630 crore, (which was still higher than the budget provision of Rs.574 crore) mainly by curtailment of quantities in each of the clusters, which ranged in aggregate from 27.4 percent to 57.6 per cent. Since this drastic reduction does not seem to have affected the overlays work later on, it appears that the quantities were substantially inflated at the time of scoping and tendering. In response, the OC stated that they had not reduced the quantities of mandatory overlays items. This begs the question of a distinction between purported “mandatory” and “non-mandatory” overlays, which was never envisaged or mentioned at the time of scoping or budget estimation.

Even after four months of the Games, OC could not produce the final bill of quantity for items actually supplied, for our scrutiny. We, therefore, do not know what overlay items were actually delivered, whether these were actually required/ used, what

will be billed for, and how much financial loss GoI will ultimately suffer.

9.2.9 Exorbitant rates of Overlays

In our view, the overlays contracts were signed at exorbitant rates, causing huge financial loss to the OC (and the GoI). Based on the available records, we cannot fully quantify the true total financial loss. We have, however, tried to come up with indicators of the financial loss in several ways, which give an idea of the exorbitant rates charged for individual overlay items:

- **By comparing item wise rate across clusters and across vendors**
- **By comparing item wise rates for the same vendor across different clusters**
- **By comparing item wise rates with other supporting documents (e.g. rates declared to Customs, rates charged by CPWD and other agencies.**

It may be noted that there would be instances of overlap between these three kinds of comparisons and the losses quantified through these comparisons cannot be aggregated.

9.2.9.1 Instances of Different Rates across vendors and across clusters

We have compared the item-wise rates quoted by the four successful bidders for different clusters, and calculated the loss on account of just the difference vis-a-vis the minimum rates quoted. This (minimum) loss

works out to Rs. 199.37 crore (plus service tax of Rs. 20.53 crore).

We are unable to understand how OC failed to negotiate and obtain at least this minimum reduction. OC's response that each cluster had "unique" features, rates were worked out across items on "notional basis", and high O&M cost for individual items is unacceptable.

While the complete details are given in Annexe - 9.1, some glaring examples are given below¹⁰.

*Table 9.5 - Instances of widely varying rates for overlays items
(Note: BOH – Back of House; FOH – Front of House)*

Furniture

Item	Minimum rate (per unit in Rs.)	Maximum rate (per unit in Rs.)
Chair BOH	1,276	10,254
Chair Folding - Padded BOH	1,374	3,217
Chair Folding - Padded FOH	1,459	3,306
Chair Office BOH	1,318	4,535
Chair Office FOH	3,556	7,595
Chair Patio FOH	1,276	12,244
Chair Sofa 1 seater (Fabric) BOH	10,030	18,229
Chair Sofa 1 seater (Fabric) FOH	10,030	15,304
Chair Sofa 2 seater (Fabric) BOH	12,323	24,216
Chair Sofa 2 seater (Fabric) FOH	12,323	24,487
Chair Sofa 3 seater (Fabric) BOH	19,071	36,458
Chair Sofa 3 seater (Fabric) FOH	19,071	35,743
Chair Sofa Swivel BOH	7,112	12,152
Chair Sofa Swivel FOH	7,112	13,404
Cup Boards BOH	8,342	56,664
Press Table FOH	4,012	14,583
Refrigerator (Small) BOH	9,848	22,957
Refrigerator BOH Large.	13,129	49,864
Safe Small BOH	7,473	20,515
Safe Small FOH	8,973	20,515
Table Folding 1200x760 FOH	3,191	10,774
Table Folding BOH	3,191	10,774
Umbrella Patio (BOH)	1,304	5,137
Visitor Chair Stackable BOH	1,178	2,192
Visitor Chair Stackable FOH	1,542	3,476

¹⁰ For some items the quantity given in the contracts was 'Nil' but till date (March 2011), final Bills of Quantities (BOQ) are not firmed up and are not sure whether the actual quantity also remained 'Nil'.

Fitness equipment

Item	Minimum rate (per unit in Rs.)	Maximum rate (per unit in Rs.)
Adjustable Benches : Declined	24,306	1,55,763
Adjustable Benches : Inclined	24,306	1,38,456
Adjustable Benches : Normal	24,306	1,23,621
Cross Trainer	1,46,765	8,01,066
Gym Mirrors - Full Height	2,435	15,305
Multi Gym - 12 stations with pulley and leg extension cables	2,20,147	9,01,484
Skipping Ropes	480	1,268
Stepper	5,706	3,06,087
Treadmill	4,03,603	8,83,953
Twisters	3,803	29,353
Vibrators	15,215	49,864
Weights, Dumbels and Barbels (per Kg)	85	317

Industrial goods:

Item	Minimum rate (per unit in Rs.)	Maximum rate (per unit in Rs.)
Air conditioning HVAC - 11T	2,03,151	7,47,005
Air conditioning HVAC - 150T	16,21,809	2,08,87,833
Air conditioning HVAC - 2T	69,652	1,46,733
Air conditioning HVAC - 3T	92,869	2,64,120
Air conditioning HVAC - 5.5T	1,16,087	3,76,348
DG Sets 10 KVA - 415V, 50 Hz, 1500 RPM	1,82,291	2,53,991
DG Sets 1000 KVA - 415V, 50 Hz, 1500 RPM	15,84,719	1,45,83,305
DG Sets 125 KVA - 415V, 50 Hz, 1500 RPM	4,93,368	10,30,862
DG Sets 15 KVA - 415V, 50 Hz, 1500 RPM	1,82,291	5,87,747
DG Sets 2 KVA - 415V, 50 Hz, 1500 RPM	58,043	1,82,291
DG Sets 20 KVA - 415V, 50 Hz, 1500 RPM	2,43,055	3,52,608
DG Sets 200 KVA - 415V, 50 Hz, 1500 RPM	7,25,541	13,47,970
DG Sets 250 KVA - 415V, 50 Hz, 1500 RPM	9,28,692	16,45,016
DG Sets 300 KVA - 415V, 50 Hz	10,44,779	20,20,258
DG Sets 380 KVA - 415V, 50 Hz, 1500 RPM	10,22,864	23,90,195
DG Sets 40 KVA - 415V, 50 Hz, 1500 RPM	2,90,217	5,58,380
DG Sets 5 KVA - 415V, 50 Hz, 1500 RPM .	88,152	2,32,173
DG Sets 500 KVA - 415V, 50 Hz, 1500 RPM	18,22,913	29,29,651
DG Sets 62.5 KVA - 415V, 50 Hz, 1500 RPM	3,48,260	6,07,638
DG Sets 82.5 KVA - 415V, 50 Hz, 1500 RPM	4,06,303	8,81,620
Fuel Oil Tank for Diesel Storage - Steel Tank 1500 lts. with motor and pipes to fill diesel in DG set.	25,497	1,17,550
Generator auxiliary equipment	34,826	2,03,497
GI Pipe Earthing	5,040	9,496
ICE BOX, Large, 70L FOH	4,467	16,070
Power - 10kVA UPS -	4,86,110	11,27,726
Power - 180 kVA UPS -	14,54,100	60,76,377
Power - 1kVA UPS -	5,581	1,13,790

Industrial goods:

Item	Minimum rate (per unit in Rs.)	Maximum rate (per unit in Rs.)
Power - 200kVA UPS -	18,85,406	62,72,892
Power - 250kVA UPS -	20,73,947	72,91,652
Power - 2kVA UPS -	60,764	2,57,924
Power - 320kVA UPS -	23,75,612	2,43,05,508
Power - 400kVA UPS -	26,39,569	5,46,87,394
Power - 40kVA UPS -	10,36,653	14,99,000
Power - 5kVA UPS -	1,82,291	4,93,089
Power - 600VA UPS -	2,371	60,688
Power - 60kVA UPS -	12,13,758	17,46,715
Printer FOH	5,457	21,446

Other general/household items:

Item	Minimum rate (per unit in Rs.)	Maximum rate (per unit in Rs.)
Air Freshener	266	1,456
Automatic shower sprinklers	13,140	1,82,291
Bookcase FOH	4,518	12,153
Brush	65	1,841
Colour TV FOH	19,659	36,265
Designated Lane Marker Tapes	365	1,580
Disposable Glasses	1	37
Door Mats FOH	322	939
Fan - Pedestal, Commercial, 46cm High BOH	1,915	7,149
Fan Pedestal BOH	2,431	7,881
Fan Pedestal FOH	2,594	7,736
First Aid Kit	938	6,711
Garbage Bags	4	3,068
Liquid Soap Dispenser	187	9,379
Mirror Standing H:160 cm FOH	1,682	5,362
Mosquito Repellent	114	188
Office Stationary (Paper, Stapler, Resister, pens, pencils etc,)	657	9,246
Plasma TV FOH	28,460	72,917
Plastic Rope in 5m	38	2,762
Refrigerator Large FOH	13,129	56,210
Rubbish Bin 15 Ltr. Size	245	7,618
Soap Dispensers	187	9,379
Tissue Paper (Box)	84	295
Tissue Paper Dispenser	654	4,652
Tissue Roll	22	3,751
Toiletries	789	9,515
Umbrella Patio FOH	1,542	5,719
Wall Clock BOH	603	2,000
Washing Machine & Dryer FOH	13,940	61,218
Water Dispenser - 20 Lts.	1,776	32,986
Water Jug	152	1,944

Rates for power from DG Sets

OC had agreed to pay Rs.11/ unit to Pico Deepali towards per unit consumption of DG Power in cluster VI, while the rate agreed for other clusters ranged from Rs. 14 to Rs. 73. Thus the difference in rates was from 1.27 times to 6.63 times. Total excess expenditure for this one item alone was of Rs. 8.16 crore; details are given in Annexe-9.2

9.2.9.2 Instances of Different Rates by the same vendor

We have found bizarre cases, where there were substantial differences between the rates offered by the same vendor (Pico-Deepali) for the same item in different clusters. Losses on this account alone work out to Rs. 11.06 crore. Incidentally, we did not find such differences in respect of other two vendors viz. Nussli and GL Meroform who also got multiple clusters

While some items would be overlapping with the details given in the previous section, some glaring examples are given in the table below; (details are given in Annexe-9.3).

Table 9.6 - Widely varying item-wise rates from the same vendor (Pico-Deepali)

Item	Max. Rate	Min. Rate
ELECTRICAL ITEMS		
6A, 1 phase, plug points	359	305
16A, 1 phase, plug points	402	342
20A, 1 phase, plug points	1077	917
32A, 1 phase, plug points	1,148	977
32A, 3 phase, plug points	2,728	2322
4 Plug, 5A, 1 phase extension boards	646	550
Surge Protector	31,581	26,883
HOUSEHOLD ITEMS		
Fitness and Gym equipment		
Treadmill	5,35,654	4,59,879
Cross Trainer	2,65,531	2,27,968
Stepper	3,06,087	2,62,788
Weights, Dumbles and Barbels	153	131
Vibrators	30,609	26,279
Twisters	20,308	20,308
Skipping Ropes	559	480

Item	Max. Rate	Min. Rate
HOUSE HOLD ITEMS		
First Aid Kit	4,741	3,942
Tissue Paper Towels	1,580	1,314
Bathroom shelves	1,580	1,314
Disposable Glasses	2	1
Toiletries	948	789
Office Stationary (Paper, Stapler, Resister, Pens, Pencils etc.)	790	657
Garbage Solid Waste Container 6"x6"	1,16,446	91,976
Air Freshener	790	657
Tissue Paper Dispenser	1,897	1,577
Liquid Soap Dispenser	1,501	1,248
Water Dispenser - 20 lts.	11,852	9,855
PRE- FABRICATED ITEMS		
Prefabricated WC unit- Footprint-3.5mx3.0m	7,27,448	6,19,644
Prefabricated WC unit- Footprint-8.3mx3.1m	12,01,871	10,23,759
Prefabricated WC unit- Footprint-12.0mx3.6m	13,99,547	11,92,140

9.2.9.3 By comparing item wise rates with other supporting documents

In some cases, where the items were imported, we compared the CIF cost declared to the Customs authorities with the cost charged to the OC (only for temporary hiring and not purchase). In the

absence of final BOQs of items actually supplied, we could not work out the total monetary loss. However, we found differences between the CIF cost and the hiring charges to OC, ranging from 2 to 178 per cent. Some illustrative examples are given below (details are given in Annexe-9.4).

Table 9.7 - Comparison of lowest item-wise rates to rates declared to Customs authorities

Item	Lowest Rate (in Rs.)	Mkt. Rate/CIF value declared to Customs (in Rs.)	Vendor
Cupboard Pigeon Holes FOH	14,440	5,200	Pico
Bookcase 4 shelves BOH	7,655	2,840	Pico
Coffee Table 1200x400 FOH	3,830	1,500	Pico
Coffee Table 1200x400 BOH	3,830	1,500	Pico
Whiteboard Large BOH	3,365	1,420	Pico
Coat Stand 1800 high BOH	1,963	830	Pico
Bookcase 4 shelves FOH	8,206	3,470	Pico
Cabinet 1020 high FOH	8,314	3,520	Pico
Safe Small FOH	8,973	3,870	Pico
Table Patio 1540x1000 FOH	2,994	1,300	Pico
Witches Hats - Transport BOH	547	250	Pico
Notice Board BOH	3,101	1,420	Pico
Reception Counter 1800x460 H:1150 FOH	8,297	3,850	Pico
Visitor Chair Stackable FOH	1,542	720	Pico
Whiteboard Large FOH	4,038	1,890	Pico
Coat Stand 1800 high FOH	2,188	1,030	Pico
Table Patio 1540x1000 BOH	2,664	1,300	Pico
Cabinet 1800 high FOH	11,076	5,460	Pico

We also found some instances of sub-contracting (public display boards, UPS, and DG sets) by the vendors, which revealed huge differences of 152 per cent to 1140 per cent between the rates charged to the OC and the rates charged by the sub-contractors; details are given in Annexe - 9.5.

Incidentally, such sub-contracting was carried out irregularly by the vendors without OC's approval, as contractually required.

We also noticed other instances of exorbitantly priced overlays items, as summarised below:



Prefabricated Structures at JLN Stadium

OC paid rental - @Rs.4,250 per sqft (Vendor-Pico Deepali Consortium)

CPWD paid rental -@1,645 per sqft (Vendor – Deepali Designs & Exhibits)

Such excessive rental rate of pre-fabricated items was found in other clusters also. The excess expenditure on this account was to the tune of Rs.13.39 crore; (details are given in **Annexe 9.6**).



Water Dispenser of normal specifications hired by OC

Supply of Water Dispensers

OC hired 3120 water dispensers under overlays contracts, with rates ranging between Rs. 1,776 and Rs. 32,986 per unit. Excess expenditure (based on the lowest cost) worked out to Rs.3.82 crore. (**Annex 9.7**)

This item was infructuous, since Coca Cola was required to provide adequate mineral water to all the venues during the entire period of the Games, under the sponsorship agreement. Further, Delhi Jal Board (DJB) also made arrangements for provision of drinking water at venues by setting up its own water kiosks for dispensing water, for which an amount of Rs 0.26 crore was payable to the kiosk contractor.

In response to adverse media publicity, OC published a full page advertisement in several national newspapers at a cost of Rs. 0.34 crore on 10-11 November 2010. Among other aspects, the advertisement attempted to justify the prices of tissue rolls as “per box of 100 rolls” and not per roll.

We have verified this from the comparative evaluation statements, and found that the information in the advertisement was misleading. In response, OC has now indicated that “there were some problems in comparison”.

The main ceremonial events of CWG-2010 were the Queen's Baton Relay (containing a message of Queen Elizabeth – II) which was to be carried through the Commonwealth countries and different parts of India, and the opening and closing ceremonies which were to be signature events showcasing Indian culture and heritage. We note that the ceremonies were widely appreciated; in particular the opening ceremony was a spectacular success. Other ceremonial events included the Delhi capsule at the previous CWG, and the ceremonies at CYG-2008, Pune.

We found significant irregularities in the appointment of both Maxxam International as the consultant for QBR and Jack Morton Worldwide (JMW) as the event management agency for the QBR Launch Ceremony in London on 29 October 2009. Further, the scope of work for JMW was inexplicably reduced in October 2009 (with an increase in cost), and the OC made highly suspect payments of £ 386,237 to two little known entities – AM Films UK Ltd and AM Car and Van Hire Ltd – for diverse and unconnected services for the QBR Launch ceremony. The assignment of work and payments therefore were highly questionable; associated approvals and clearances were obtained and payments made with uncommon haste, and large amounts were also paid in cash, perhaps to avoid leaving a transaction trail. The role of Shri TS Darbari and Shri Sanjay Mahindroo, who were unrelated to OC's Ceremony Functional Area, in the QBR Launch Ceremony is also questionable.

We found that planning for the opening and closing ceremonies was inordinately delayed. Further, a multiplicity of agencies were engaged – Shri Bharat Bala as Creative Director/ Creative Consultant, Spectak Productions (Mr. Ric Birch) as International Consultant, Wizcraft as the Event Management Firm and 17 other consultants. There was considerable overlap between the roles and responsibilities of these multiple agencies. Further, the event agency charges of Rs. 16.09 crore paid to Wizcraft (in addition to a fixed ceremonies management fee of Rs. 5.40 crore) are, in our opinion not justified. We also found that Spectak Productions and Wizcraft had tied up with other experts well in advance of the award of the contracts. The engagement of the additional consultants (at a cost of at least Rs. 6.12 crore) by the OC amounted to a clear financial benefit to Wizcraft.

There were also major irregularities in procurement of accessories/ special items. The consultant for the band stand, Mr. Mark Fisher, got his full fee of US\$ 514,000, even though the idea of the band stand was abandoned. Mr. Fisher then presented a design for an aerostat, which was accepted; the fact that Spectak Productions and the aerostat vendor

were part of the same group was concealed. There were also serious irregularities in the technical evaluation and award of the lighting/ searchlight contract, as well as the award of the contract for video content.

Contracts for Rs. 16.49 crore for art direction and props for the opening and closing ceremonies were irregularly awarded to Blue Lotus Productions, even without having an approved list of props actually required. Huge quantities of props remained unutilised. Some props were not even received. Many of these props were exorbitantly priced.

OC went in for multiple forms of ground protection (ground protection tiles, ground cloth, and grass turf replacement) at a cost of Rs. 17.84 crore for the opening and closing ceremonies, which, in our opinion, was not adequately justified. There were major tendering irregularities; the quantities required were fixed and reduced arbitrarily, and large quantities of ground protection tiles and ground cloth remained unutilised.



10.1 Overview

The main ceremonial events for CWG-2010 were:

- A “capsule” at the Closing Ceremony of Melbourne CWG-2006, showcasing the next Games;
- The opening and closing ceremonies of the Commonwealth Youth Games – 2008 (CYG-2008), Pune, which was a sub-event of CWG-2010;
- **The Queen's Baton Relay (QBR)** - This was the ceremonial carrying of the baton (containing a message from the Head of the Commonwealth, Queen Elizabeth II) through the participating Commonwealth countries, and through different parts of India culminating in the Opening Ceremony of CWG-2010.
- **The opening and closing ceremonies** – These were to be the signature events

of the Games with large scale world-wide coverage, which would showcase Indian civilisation, history and cultural diversity.

- Other minor events and launches – e.g. “1500 days to go” and “1000 days to go”.

Organising such ceremonial events would normally require two players – a consultant to render advice on the creative concept, and an event management firm which delivers the ceremony in line with the approved creative concept. However, the OC ended up appointing a multiplicity of agencies for these tasks.

The original IOA bid of May 2003 indicated an amount of Rs. 30 crore for ceremonies. A comparison of the budget and expenditure of the OC for ceremonies till date is given below:

Table 10.1 - Budget and expenditure on ceremonies

(Rs. in Crore)

Event	Original budget (March 2006)	Revised Budget (July 2008)	Expenditure (December 2010)
Capsule for Melbourne CWG-2006 [#]	30	29.78	27.56
Opening and Closing Ceremonies for CYG-2008, Pune		22.06	21.76
Queen's Baton Relay	7	51*	26.00
Opening and Closing Ceremonies	85	106 [^]	240.00
Others		15.04	15.04
Total	122	223.88	330.36

Notes:

[#] Paid for by GNCTD; this was not part of OC's budget

^{*} While the overall QBR budget was reduced from Rs.51 crore to Rs.26 crore through re-appropriation in the OC, the budget for the QBR Launch ceremony at London was enhanced from Rs.2.20 crore to Rs.12.77 crore

[^] This was increased to Rs. 300 crore, through additional budget of Rs. 193 crore sanctioned in September 2010.

10.2 Capsule for Melbourne CWG-2006

We observed that Wizcraft International Entertainment Private Ltd. (Wizcraft) was appointed in September 2005 as the event management firm (EMF) for delivering the capsule of the next host city (Delhi) of CWG-2010 on “nomination” on the basis of past experience. For this, the EOI released in July 2005 (against which five proposals were received) was abandoned. Further, Wizcraft submitted a budget for Rs. 15.05 crore for production and execution expenses (excluding their commission of 15 per cent), which was approved and paid without any independent analysis and scrutiny by OC .

Incidentally, Wizcraft was also appointed as the Event Management Firm for the ceremonies for CYG-2008, Pune and the main CWG-2010 ceremonies – the opening and closing ceremonies. These appointments involved deficient tendering and award. Wizcraft was also the event manager for the ceremonies of other IOA-associated sporting events – the Afro-Asian Games -2009 (Hyderabad); the SAF Winter Games – 2010 (Dehradun); and the National Games – 2011 (Ranchi).

10.3 Opening and Closing Ceremonies for CYG-2008, Pune

Wizcraft was appointed in August 2008 as the event management firm for the opening and closing ceremonies for CYG-2008, Pune, after a deficient tendering process. After floating an RFP in March 2008, to which two responses were received, Wizcraft¹ was

¹ The other technically qualified bidder was Alternate Brands Solution Ltd.

declared T-1 in technical evaluation and only a single commercial bid was opened and selected.

Interestingly, the contract with Wizcraft for Rs. 12.77 crore was signed on 1 August 2008, well before:

- submission of rates by Wizcraft on 5 August 2008, and
- submission of a note on 25 August 2008 by the evaluation committee for EMC's approval;

In our view, the evaluation committee's report appears to have been just a formality to legitimise a decision already taken informally.

Further, the contract required approval by the EB, which was not obtained.

We also found excess payment of Rs. 0.22 crore to Wizcraft on account of artists, whose names were indicated in the response to the original RFP but excluded from the final contract; demonstrating clear favouritism.

10.4 Queen's Baton Relay (QBR)

The QBR represented an opportunity for the OC to generate significant international publicity and promotion in advance of the Games. The QBR involved different segments:

- the formal QBR launch at London by Queen Elizabeth II on 29 October 2009;
- the international leg of the QBR from 29 October 2009 to 25 June 2010 through the Commonwealth countries; and



- the domestic leg of the QBR through 35 States/UTs before arriving at JLN Stadium for the Opening Ceremony on 3 October 2010.

10.4.1 Consultancy Services for QBR

We found that Maxxam International was irregularly awarded the contract for consultancy services for QBR in February 2008, as summarised below:

- The process from issue of EOI (May 2007) to award of the contract (February 2008) took an unduly long period of eight months;
- There was no global tendering, and adequate time was not provided for potential bidders. Maxxam International was also allowed to submit its bid on 25 September 2007 after the due date for submission;
- E-mails seeking presentations from technically qualified bidders were sent to Maxxam on 27 September 2007 but to the other two bidders only on 29 September 2007, providing them just 5 days for preparation;
- Maxxam was the highest cost bidder at Rs. 8.01 crore, but was awarded the contract on the basis of a newly evolved criteria – cost per manday (rather than total cost), which was not mentioned

earlier. Further, OC did not possess information on the actual mandays of consultancy services provided by Maxxam and made full payments, evidently without considering this aspect; and

- Contrary to the RFP provisions, OC agreed to bear the service tax liability of US\$ 0.24² million (Rs. 1.08 crore), irregularly benefiting Maxxam to that extent.

We found that payments of \$ 25,850 (Rs. 1.16 lakh) were made to Maxxam for November-December 2007, even before the issue of the Lol to Maxxam in January 2008.

It appears that OC had already informally decided to award the contract to Maxxam, and the evaluation process was just a charade.

10.4.2 Design and manufacture of batons for QBR

As per the Host City Contract, the OC was required to supply two batons for the QBR - a route baton (which was to be carried throughout the route) and a ceremonial baton (into which Queen Elizabeth II's message was to be transferred for the opening ceremony). We found that there was a delay of 15 months in obtaining CGF approval for the baton design, due to the OC's failures.

² @ 1 US \$ = Rs. 45

10.5 QBR Launch Ceremony

The QBR was to be launched in London by Queen Elizabeth-II and the President of India on 29 October 2009. In May 2009, the OC increased the budget for the QBR launch ceremony from Rs. 2.20 crore to Rs. 12.77 crore, purportedly on account of the visit of the President.

10.5.1 Event Management Agency for QBR Launch at London

For the QBR launch ceremony at London on 29 October 2009, OC appointed Jack Morton Worldwide (JMW) on 24 September 2009 at a cost of Rs. 1.50 crore (£ 1, 99,982³).

We found the integrity of the process of award of the QBR event management agency contract to JMW was suspect:

- Global tendering was not followed, nor was sufficient time provided to potential bidders;
- Technical evaluation was flawed, since weightage was given to bidders who submitted themes, drawings and plans, which was contrary to the RFP (which indicated such themes and concepts as a deliverable of the firm, in liaison with the OC). Thus, bidders who potentially had advance knowledge of this requirement were at an advantage;
- One technically qualified bidder withdrew from the process, questioning the evaluation criteria adopted and also indicating that no time was available for proper execution. Interestingly, this bidder questioned the evaluation criteria a day after the purported date

of the meeting of the technical evaluation committee which decided these criteria. In fact, these evaluation criteria were not even communicated to the bidders; it is thus not clear on what basis these criteria were questioned.

Inexplicable reduction in scope of work of JMW

Less than 20 days after award (and with less than 20 days to the QBR launch), OC revised the work order to JMW on 10 October 2009, removing work relating to outdoor video display screens, transport and logistics (which were later awarded to AM Films and AM Cars & Van Hire Ltd) and simultaneously increasing (rather than decreasing) the cost to Rs. 1.87 crore (£ 2, 49,739). This reduction in scope and increase in cost is inexplicable.

In addition, excess payments, amounting to £ 30531 (Rs. 22.90 lakh) were made to JMW at the instance of Chairman and SG, OC as detailed below:

- **Increased Scope of Work due to visit of President** - In October 2009, DG-OC and Chairman OC approved an additional payment of £ 10350 (Rs. 7.76 lakh) to JMW proposed by Shri Sanjay Mahindroo, DDG, purportedly due to increased scope of work on account of the visit of the President of India. In fact, this visit was known to the OC in May 2009 itself, well before the award of the contract to JMW. Neither Chairman nor DG, while approving the payment,

³ 1£= RS.75

questioned Shri Mahindroo regarding the reasons for change of scope of work. Further, during execution of the work, OC hired certain extra items from JMW, for which £ 2370 (Rs. 1.78 lakh) was purportedly paid in cash by Shri Mahindroo to JMW.

- **Trafalgar Square Function** - OC scheduled a function at Trafalgar Square, London, which was later cancelled and JMW intimated about this cancellation. Subsequently, JMW raised a bill of £ 31000 (Rs. 23.25 lakh) for this event, claiming that they had already incurred these expenses. Curiously, this issue was dealt with directly by the Chairman and SG. The instruction to work on this function was given from the Chairman's Secretariat, and the SG agreed to pay half this amount; ultimately £ 17811 (Rs. 13.36 lakh) was paid to JMW.

Role of Shri Darbari and Shri Mahindroo in QBR Launch

Interestingly, the expenses for the QBR London launch were not approved by the QBR functional head. These expenses were handled by Shri TS Darbari, JDG (Revenue Marketing & Chairman Secretariat) (who was appointed by Chairman, OC, although without a formal office order, as in-charge of the London launch) and Shri Sanjay Mahindroo, DDG (Technology and Marketing) (who was closely involved without a formal role).

10.5.2 52 member delegation for QBR Launch Ceremony

On 21 October 2009, Chairman, OC approved a 52 member delegation for the QBR Launch Ceremony, which was at variance to the 36 member delegation approved by MYAS on 19 October 2009⁴; reasons for non-adherence to the MYAS approval, and the criteria for selection of delegates, were not documented. Consequently, the OC booked 56 rooms, and incurred excess expenditure of £ 22,910 (Rs. 17.18 lakh) for the persons in excess of the MYAS-approved delegation. We also noticed:

- Extra expenditure of Rs. 14 lakh on account of travel booking of extra members (including Smt. Meera Kalmadi⁵ and Smt. Ranjan Mukherjee⁶) and relatives of baton bearers, who were not in the approved list;
- OC failing to deduct TDS amounting £ 18898 (Rs.14.17 lakh), while making two part payments to the hotel;
- Excess payments totalling £ 2084 (Rs. 1.56 lakh) on account of double charging for two rooms, and a superior room beyond entitlement; and
- Excess advance payment of £ 3399 (Rs.2.55 lakh) by the OC to the hotel.

⁴ Based on a proposal from the OC for a 37-member delegation

⁵ Shri Kalmadi (ex-Chairman, OC) stated that Smt. Meera Kalmadi bore her own travel expenses, without however providing supporting documents. However, OC confirmed that the ticket in the name of Smt. Meera Kalmadi was booked by OC.

⁶ Wife of OSD to LG Delhi

10.5.3 Hiring of AM Films UK Ltd and AM Cars & Van Hire Ltd for various services

We found that the OC made payments of £ 386,237 (Rs.2.90 crore) during October 2009 to two little known entities, AM Films UK Ltd. and AM Car and Van Hire Ltd, for diverse and unconnected services for the QBR Launch Ceremony:

- £ 146,869 for hiring of large outdoor video display screens and £ 1275 for postage, photocopy, paper, cartridges etc;
- £ 238,093 for transport facilities, branded cars & buses, driver services, power generation facilities, mobile toilets, telephone charges etc.; this included a payment of £ 100,625 due to AM Cars and Van Hire Ltd but actually made to AM Films UK Ltd.

These services were originally to be provided by the QBR Event Management Agency, JMW, but were taken away from JMW's scope of work just 20 days before the QBR Launch ceremony for unexplained reasons.

In our view, the assignment of work to AM Films UK Ltd/ AM Cars and Van Hire Ltd and payments therefore were highly questionable; associated approvals and clearances were obtained and payments made with uncommon haste, and large amounts were also paid in cash, perhaps to avoid leaving a transaction trail.

10.5.3.1 Hiring of AM Films UK Ltd. for large outdoor video display screens

We observed the following:

- Three bids were purportedly obtained by Shri Mahindroo without any advertisements being issued; it is not known how these bids were obtained;
- One of the bidders (3 Dots Vision Ltd.) was not registered with the UK Registrar of Companies; we also verified that the agency did not exist at its stated address;
- The credentials of AM Films UK Ltd. appear suspect, since the company registration and VAT registration numbers indicated in its advance invoice were false;
- The committee, consisting of Shri Jeychandran, JDG (F&A), Shri Mahindroo, DDG (TM) and Shri Sudhir Verma, DDG (Communications) which evaluated the quotes and selected AM Films UK Ltd at a total cost of £ 146,869 (Rs. 1.10 crore) and recommended 100 per cent payment in advance, was different from the originally formed committee. The minutes of the committee meeting purportedly held at London on 23-24 October 2009 were signed by Shri Jeychandran, who was actually in Delhi on these dates and processed the payment to AM Films Ltd.
- AM Films Ltd. submitted an advance invoice for £ 146869 (Rs. 1.10 crore) on 23 October 2009. Approval was obtained by Shri Mahindroo from the Chairman and communicated to Shri Jeychandran by e-mail / fax and processed, the OC CA's certification of payment of foreign currency obtained,

and funds transferred to AM Films Ltd – all on 24 October 2009 with undue haste by the OC.

In a separate response, Shri Kalmadi indicated that he gave his in-principle clearance, on account of urgency and the threat of cancellation of the QBR launch (as informed by Shri Mahindroo), and also expressed his dissatisfaction on the manner in which this issue had been handled. He also indicated that many of these aspects were approved/ processed by other officials – Shri Bhanot, Shri AK Mattoo and Shri Jeyachandran. In our view, the Presidential visit was known well in advance, and there should have been no occasion for such “emergent” action.

- Payment of £ 1275 (Rs. 0.96 lakh) was also purportedly made in cash by Shri Mahindroo to AM Films for unrelated postage/ stationery services, which appears unusual.

10.5.3.2 Hiring of Services of AM Cars and Van Hire Ltd.

AM Car and Van Hire Ltd. was hired for diverse and unconnected services, including power generation and video equipment (including LED), mobile toilets, barriers and first aid provision. We found that this agency was hired on the basis of a proposal by Shri Mahindroo on 20 October 2009, who stated that he had learnt about the firm during his visit to London in September 2009 through the High Commission of India and the Mayor's Office. Shri Mahindroo's claim was false, as he had earlier utilised the services of the agency in August 2009. Further, the selection of a transport solutions company for various event management services lacks credibility.

Payments of £ 238,093 (Rs.1.79 crore) were made for these services as follows:

- Even before the agency submitted three invoices⁷ for £ 100,625 (Rs. 75.47 lakh) on 21st October 2009, the payments were processed and DG and Chairman's approval was obtained on 20 October 2009 itself; the payment was transferred to the account of AM Films UK Ltd. (and not AM Cars and Van Hire Ltd.) on 22 October 2009⁸. This payment included £ 49,803 (Rs. 37.35 lakh) for power generation purportedly required by SIS Live⁹, but no correspondence with SIS-Live was documented.
- A subsequent payment of £ 36,612 (Rs. 27.46 lakh) was made on 26 October 2009, on a proposal by Shri Mahindroo which was processed for payment by Shri Jeychandran after a “talk with the Chairman”.
- A cash payment of £ 100,856 (Rs.75.64 lakh) was made by Shri Mahindroo, purportedly for various services and works. There seems to be no reason for such large cash payments, except to avoid a transaction trail.

10.5.4 Gift Plaques for QBR Launch Ceremony

OC placed an order on 23 October 2009 for 91 silver and gold plated plaques at a cost of Rs. 14 lakh as gift items for the QBR Launch

⁷ For branded buses and taxis, transport services and other services (barriers, toilets etc.)

⁸ OC informed the Westminster City Council that AM Films (and not AM Cars and Van Hire Ltd.) had been hired for providing these services. This was either misinformation or indicated that the two entities were identical or the same.

⁹ The contractor of Prasar Bharati, the Host Broadcaster for CWG-2010.

Ceremony. 72 small plaques were to be supplied, but only 52 plaques had been taken to stock; there are no records of actual distribution of these plaques. Further, only a payment of Rs. 5 lakh had been paid till December 2010.

10.5.5 Other Miscellaneous Expenditure incurred by Shri Mahindroo

Besides the above payments, Shri Mahindroo also incurred expenditure of

£ 28,301 (Rs. 21.23 lakh) on miscellaneous items, including food bills, alcohol charges, Chairman's party, phone charges, tips to hotel staff etc. and also expenditure without documented justification and/or reasons.

Incidentally, Shri Jeychandran and Shri Mahindroo drew advances of £ 65,000 (Rs. 48.75 lakh) each from the OC. Although they had submitted their adjustment bills in December 2009 and February 2010 respectively, these had not yet been settled.

10.6 Opening and Closing Ceremonies



We note that the ceremonies were widely appreciated; in particular, the opening ceremony was a spectacular success. Our concerns, as described below, focus on delayed planning, lack of assurance that funds were expended economically, and numerous instances of non-compliance with procedures to ensure due diligence and transparency.

10.6.1 Delays in planning

There were huge delays in planning for the opening and closing ceremonies.

- The manning of the Ceremonies Functional Area commenced only in January 2008 (against the original deadline¹⁰ of October 2006), and no personnel from the Ceremonies FA formed part of the delegation to Melbourne CWG-2006.
- The process for engagement of the international consultant and the event management firm was suspended by the OC in December 2008 on the orders of MYAS (since the GoM had started examining this issue), and restarted only in May 2009 (after the appointment of a Creative Director in line with the GoM's directions).
- The first creative concepts for the opening and closing ceremonies were presented only in September and December 2009 respectively, against the stipulated timeline of October 2008.

10.6.2 Overlapping roles of agencies

For handling the opening and closing ceremonies, multiple sets of agencies were appointed:

- Shri Bharat Bala Ganapathy was engaged in February 2009 as the Creative Director on the recommendation of a panel of experts¹¹ (including Shri Bharat Bala himself) constituted by the GoM. From November 2009, he was appointed as “Creative Consultant”;
- Spectak Productions (headed by Mr. Ric Birch) was engaged in September 2009 as the international consultant for ceremonies;
- Wizcraft was appointed in December 2009 as the Event Management Firm; and
- 17 consultants (one Indian and 16 international) were appointed for the period between February and December 2010 for various services.

There was considerable overlap between the roles and responsibilities of these multiple agencies, as summarized below:

Table 10.2 - Overlapping roles of different agencies

Role of Shri Bharat Bala	Role of Spectak Productions (Shri Ric Birch)	Role of Wizcraft
<p>(Phase I – Creative Director February – October 2009)</p> <p>Ideation and development of creative concept for opening and closing ceremonies</p>	<p>Adequate support for planning of creative story/ boards/ scripts and designs, logistics and production plans/schedules (including audio-visual, sound/music, lighting, props, décor, aerial rigging, pyrotechnics etc.) along with timely and high quality implementation of all creative and production aspects of the ceremonies.</p>	<p>Rendering the service of creatively enhancing, coordinating, organizing, producing, directing, managing, executing and successfully delivering the opening and closing ceremonies.</p>
<p>(Phase II – Creative Consultant - November 2009 – October 2010)</p> <p>Advice and work for overall development of concept theme</p>	<p>Help to access the most appropriate talent, technology and specialist consultants and contractors from across the world.</p> <p>Provide timely advice to ensure that the preparations and delivery of ceremonies are meticulously planned.</p>	<p>Sourcing ceremonies procurement for technical arrangements, performers and other creative elements.</p>

¹⁰ As indicated in the General Organisation Plan of the OC.

¹¹ The other members were Shri Javed Akhtar, Shri Prasoon Joshi and Shri Shyam Benegal.

Consultant	Work
Mark Fisher	Production Designer
Piers Shepperd	Technical Director
Durham Marengi	Lighting Designer
Laurence Estrin	Communications Designer
Andrew Garrod	Associate Technical Director
James Lee	Production Rigging
Ian Baldwin	Technical Systems Manager
Scott Willsallen	Audio Designer
Sarah Grubb	Master Scheduler
Ola Melzig	Technical Director
Stage Safe	Health & Safety Consultant
Aaron Felker	CAD Manager
Richard Hartman	Scenic Engineering and Scenic Rigging Manager
Knut Stockhusen	Roof Loading Study
Linus Lopez ¹²	Power Consultant
Stage One	Rigging consultant
Laura Thatcher	Show Caller

The need for a multiplicity of agencies with roles, which are prima facie overlapping, is not clear; we found instances of Shri Bharat Bala rendering advice on areas within the remit of Wizcraft. At best, two agencies – one as a consultant/ advisor, and another for execution (on a turnkey basis) could be justified.

We also noticed that the working relationship between Shri Bharat Bala (who was appointed on the directions of GoM) and the other agencies – Wizcraft, Spectak Productions and other consultants were often discordant. OC's documentation reveals complaints by Mr. Ric Birch about the lack of live stage experience of Shri Bharat Bala. We are unable to comment on the differing perceptions of Mr. Ric Birch and Shri Bharat Bala as to their performance/ experience on the basis of available records.

¹² Only Indian Consultant

10.6.3 Engagement and Performance of Shri Bharat Bala

We found that no contract, specifying his scope of work and terms of remuneration, was signed with Shri Bharat Bala from February 2009 till February 2010. Shri Bharat Bala unilaterally decided his own scope of work for the first phase. Shri Bharat Bala also unilaterally determined his own remuneration:

- Initially in June 2009 at Rs. 40 lakhs per month from May to August 2009 and Rs. 10 lakh per month thereafter; and
- Revised in July 2009 to Rs. 50 lakhs per month from May to August 2009 and Rs. 12.50 lakh per month thereafter.

He was paid a total of Rs. 3.09 crore till October 2010 (including an advance payment of Rs. 0.25 crore).

As against the original timeline of August 2009, Shri Bharat Bala presented the creative concepts for the opening and

closing ceremonies only in September 2009 and December 2009 respectively. Further, the creative concept for the opening ceremony was largely a rearrangement of ideas presented by Wizcraft in August 2009 (as part of the technical evaluation for the event management firm¹³).

We are not clear about Shri Bharat Bala's role in Phase-II as Creative Consultant – “advice and work for overall development of concept and theme”, when the creative concepts had already been presented and an event management firm (Wizcraft) appointed to deliver the ceremonies.

10.6.4 Engagement of Spectak Productions (Mr. Ric Birch¹⁴)

We found that:

- Global tendering procedures were not followed for engagement of the international consultant;
- The tendering process commenced with an EOI in September 2008, was suspended in December 2008 (on the directions of MYAS), and restarted in May 2009. After evaluation in July 2009, an Lol was issued in September 2009 to Spectak Productions for Rs. 10.33 crore and the agreement signed in December 2009.
- The performance guarantee obtained from Spectak Productions was faulty, as it could be invoked only with its prior approval. Consequently, OC was unsuccessful, when in December 2010 (after a review), it tried to invoke the performance guarantee.

¹³ Shri Bharat Bala was present during the technical evaluation.

¹⁴ CEO, Spectak Productions

- OC favoured Spectak Productions by agreeing to take on the service tax liability of Rs. 1.06 crore (when the RFP clearly indicated that the consultant was to indicate costs inclusive of all taxes).

10.6.5 Engagement of Wizcraft as Event Management Firm

We found that:

- The tendering process was initiated in September 2008, suspended in December 2008, and restarted in May 2009. After evaluation in August 2009, the contract with Wizcraft was signed only in December 2009.
- The scope of work of Wizcraft was not adequately clear, as OC also appointed other consultants and contractors, whose scope of work fell within the same areas as indicated in Wizcraft's scope of work.
- No milestones were indicated in the scope of work, and the schedule of payments was not linked to deliverables.
- In the EOI, the contract was to be given on a turnkey basis on the lines of Melbourne CWG-2006; this was changed through a corrigendum issued on 30 September 2008. In the RFP, the Event Management Firm was not to get agency commission on procurement done by OC directly. However, in the contract, OC agreed to pay a fixed ceremonies management fee of Rs. 5.40 crore and event agency charges on a sliding scale depending on the procurement amount, (even on OC's direct procurements) which eventually amounted to Rs. 16.09 crore. This pattern of remuneration was on the

lines of Melbourne CWG-2006. However, OC did not follow the turnkey business model followed at Melbourne, and appointed staff/ consultants and made procurements on their own.

In our view, the event agency charges of Rs. 16.09 crore to Wizcraft were not justified. OC's response that Wizcraft was providing BOQs, drawing up scope of work, and sourcing vendors/ artists etc. is not tenable, since these activities were undertaken by Shri Bharat Bala, Spectak Productions and the other 17 consultants engaged by the OC.

10.6.6 Inappropriate Engagement of Other Consultants

OC appointed 17 other consultants for various ceremony-related activities for the period February to December 2010; Rs. 6.12 crore had been paid till February 2011¹⁵ to these consultants. 16 out of these 17 consultants were appointed on nomination basis (largely on the advice of Mr. Ric Birch and Event Management Firm), with one consultant appointed through limited tender.

Our review of the EOI documents submitted by Wizcraft revealed that five of these consultants (Mr. Piers Shepperd, Mr. Durham Marengi, Mr. Mark Fisher, Mr. Laurence Estrin and Mr. Richard Hartman) had addressed consent letters dated 1 June 2008 to Mr. Ric Birch, wherein they indicated that:

- They would provide their services on an exclusive basis to Spectak Productions

for submitting a creative proposal for the CWG-2010 ceremonies;

- It was understood that Spectak was providing their consulting services to Wizcraft; and
- Should Wizcraft be appointed as the producer for the ceremonies, they confirmed their availability and willingness to participate in the creative production group.

Further, the website of Spectak Productions also indicates that Mr. Ric Birch and 10 Spectak contractors provided services for CWG-2010.

Nexus between Mr. Ric Birch (Spectak Productions), Wizcraft and other consultants

This correspondence involving Mr. Ric Birch (Spectak Productions) and the additional consultants (with references to Wizcraft's role) took place on 1 June 2008, while the EOIs resulting in appointment of Spectak Productions and Wizcraft were issued only in September 2008. We conclude that:

- **Mr. Ric Birch and Wizcraft had a high level of confidence of being awarded the contracts for the CWG-2010 ceremonies, and had tied up with other experts well in advance. Incidentally, the other respondents to the EOI did not indicate evidence of such tie-ups.**

¹⁵ Final payments were yet to be made to two consultants.

- **These consultants, who expressed their willingness in June 2008 to work for Wizcraft, were appointed by the OC in 2010. Evidently, the cost of engaging these consultants was to be paid by Wizcraft, and not by the OC. OC should not have appointed these additional consultants, and their engagement at a cost of at least Rs. 6.12 crore amounted to a clear financial benefit to Wizcraft.**

Further, the terms and conditions of the contracts with the 16 foreign consultants did not safeguard OC's interests:

- The mandays to be spent on-site in India were not provided in 10 cases, and there was no formal system of periodic monitoring and reporting in all cases.
- We found three specific instances of overlapping scope of work – show caller/ stage manager, rigging manager, and master scheduler – between the consultants and Spectak Productions, Wizcraft and another consultant.
- No performance related provisions were incorporated in any of the contracts (despite OCFC's recommendations), which prevented OC from taking adequate action in June 2010 against Mr. Shepperd and Mr. Marengi. Further, no clauses regarding refund of advances (for breach of contract or non-delivery of services) were incorporated; consequently, OC could not take action against four consultants, who resigned mid-way.

- 12 out of 17 contracts did not specify the liability for service tax; OC finally bore the liability for service tax of Rs. 0.52 crore. In the case of Mr. Mark Fisher, OC failed to deduct service tax of Rs. 1.23 lakh.

We also found overpayments of Rs. 0.43 crore to Mr. Shepperd and Mr. Marengi, as well as an unexplained reduction in the scope of work of Mr. Andrew Garrod¹⁶ on 4 October 2010.

10.6.7 Theme song

Shri AR Rehman was engaged for composing and performing the theme song for the Opening Ceremony. The theme song was launched on 28 August 2010 and the video shoot completed only on 11 September 2010, as against the contractual date of 15 August 2010 for release at a press conference. This delay resulted in lack of adequate exposure and publicity for the theme song. No action could be taken for the delay, due to absence of penal provisions in the contract.

10.6.8 Music Composer and Director

OC engaged Shri Ranjit Barot as music composer and director for a turnkey solution for the opening and closing ceremonies at a total cost of Rs. 1.75 crore plus taxes. Contrary to the Fast Track Committee's direction, OC did not obtain the cost break-up for each sequence, nor did it constitute a negotiation committee. Further, we noticed overpayment of Rs. 0.18 crore to Shri Barot; OC also incurred expenditure of Rs. 0.73 crore for royalty and license fees for music (which should have been borne by Shri Barot).

¹⁶ Who was paid \$ 102,700 (Rs. 0.46 crore)

10.6.9 Procurement of accessories/ special items

In order to present spectacular opening and closing ceremonies, OC entered into various contracts for accessories/ special items. We found that the tendering/ award process in most of these contracts were deficient; details are summarized below.

Consultant for Band Stand

With the approval of GOM, OC engaged Mark Fisher Studio, London in October 2009 at a fee of USD 514,000 excluding taxes (Rs. 2.31 crore) for providing architectural designs and drawings for a centre stage pavilion (band stand) in the JLN Stadium for the opening ceremony.

We found that Mark Fisher Studio¹⁷ was engaged directly by the EMC (without OCFC's approval¹⁸).

Subsequently, Mr. Mark Fisher managed to get

- his scope of work revised to cover only “preliminary” designs and drawings”, rather than complete designs and drawings, and
- revised terms for 100 per cent payment in advance.

When the GoM decided in December 2009 to dispense with the bandstand, full payment had already been made; the CEO's efforts to subsequently review the work done by Mr. Mark Fisher were unfruitful.

¹⁷ Mr. Mark Fisher had attended two creative workshops hosted by Shri Bharat Bala; he was also one of the consultants, who submitted a consent letter to Mr. Ric Birch to work with Wizcraft for CWG-2010.

¹⁸ The proposal was, post-GoM approval, remitted to the OCFC, who refused to comment on it at that stage.

10.6.9.1 Hiring of Aerostat

After the idea of the band stand was dropped, Mr. Mark Fisher presented a design for an aerostat in January 2010. A turnkey contract for the aerostat was awarded to K-Events at a cost of € 5.87 million (Rs. 35.81 crore). We found that Mr. Ric Birch had claimed that after having surveyed 51 agencies for different aspects of the aerostat¹⁹, K-Events was the only respondent. Further, Mr. Ric Birch falsely claimed that he had no corporate or commercial relationship with K-Events; in fact, Spectak Productions and K-Events were part of the same group, the Filmmaster Group.

Further, OC showered other undue favours on K-Events:

- It hired two consultants and equipment for this work and paid Rs.2.23 crore; and additionally spent Rs. 0.23 crore for expenses on customs duty and electric generator, as well as necessary approvals; these were within the remit of the turnkey contract awarded to K-Events;
- OC also provided undue benefits worth Rs. 1.13 crore on account of travel, accommodation and other charges.

Further, one out of the five parts (sausages) of the aerostat was not utilized for the ceremony.

10.6.9.2 Pyrotechnic supplier

OC hired Howard & Sons in June 2010 as the pyrotechnic supplier at a cost of US\$ 0.75 million (Rs. 3.38 crore). We found that the supplier was selected through a limited

¹⁹ No evidence of such communications with these 51 agencies was available on record.

tender issued to firms recommended by Mr. Ric Birch, contrary to the Fast Track Committee's direction for an open tender²⁰; Also, we found excess payment of Rs. 0.23 crore on account of non-adjustment of freight charges.

10.6.9.3 Lighting and Searchlight

OC awarded a contract for lighting and searchlight to PRG, Belgium at a cost of US\$ 3.5 million (Rs. 15.75 crore). We found that the tendering/ award process was irregular:

- Limited tendering was adopted, contrary to the recommendations of the Fast Track Committee for open tendering. Further, the firms for the RFP were recommended by the Technical Director (Mr. Piers Shepperd) and not the lighting designer (Mr. Durham Marengi).
- The last date for submission of the bid was extended on PRG's request, as they had not prepared the bank drafts for processing fee and EMD.
- The contract was originally envisaged as two separate RFPs for lighting and searchlight, but a single contract was awarded on the basis of a post-bid proposal by PRG for a composite contract. However PRG did not provide the details of the equipment, they were going to supply.
- The technical evaluation was faulty, as another bidder, BeiAo Events, China with relevant experience was technically disqualified through incorrect evaluation.

Dubious Technical Evaluation of Lighting and Searchlight RFPs to favour PRG

Our review of the papers relating to termination of the services of Mr. Durham Marengi indicated an e-mail from Mr. Durham Marengi to a PRG official, who then complained to the OC against Mr. Marengi's attempt to "frighten" them.

In his e-mail, Mr. Marengi alleged:

- vigorous efforts by Wizcraft to rate PRG as top of the list, and mark down another bidder (Agora) for the lighting RFP,
- PRG failing to meet the bid requirements for the searchlight RFP.

Mr. Marengi then indicated that he and PRG could then "*play our collaboration card... so that OC has their preferred one stop shop*" and Wizcraft "*had their obviously preferred company in place*". Mr. Marengi also offered to "*assure everyone of the absolute integrity of PRG's actions in Delhi*" if PRG sub-hired a part of the contract from the other bidder, Agora, "*which would keep them from feeling aggrieved*".

Mr. Marengi also drew reference to the need to be "*especially squeaky clean as we head towards the infinitely politically correct procurement process that we will find in the UK (2012 Olympic) Games opportunities coming up soon.*"

On the basis of PRG's complaint (enclosing Mr. Marengi's e-mail), the OC terminated Mr. Marengi's contract.

²⁰ Later in March 2010 OCFC agreed for limited tender.

Subsequently, OC re-evaluated the selection of PRG. However, the re-evaluation committee, consisting of Shri Sanjiv Mittal, JDG (Procurement), Shri KUK Reddy, DDG (F&A), Shri Jeyachandran, JDG (F&A), Shri Ram Mohan, DDG (Legal), Ms Indu Anand Director (Ceremonies) and representative of Wizcraft found the selection of PRG to be correct. Interestingly, the committee re-evaluated the contract for lighting (which was the main focus of Mr. Marengi's e-mail) and not the searchlight contract.

We also found other instances of undue favour by the OC to PRG:

- Irregular payment of € 225,000 (Rs. 1.37 crore) to PRG on account of damage to equipment, although risk insurance for such eventualities was contractually PRG's liability;
- Short-deduction of TDS of US\$ 1.13 million (Rs. 5.09 crore), contrary to the advice of OC's CA; and
- Provision of 136 air flights free of cost, instead of 60 (as contractually stipulated).

10.6.9.4 Video Content²¹

We found the OC irregularly awarded a contract of Rs. 3.8 crore for video content to Prime Focus (the L-3 bidder), after negotiations with them, on the basis of Shri Bharat Bala's "strong belief in his capabilities", to reduce their rates to the L-1 rates. Incidentally, no tenders were floated, and only proposals given by Wizcraft were evaluated.

10.6.9.5 Audio Systems

OC awarded the contract for audio systems at a cost of US\$ 1.15 million (Rs. 5.17 crore) to Norwest Production and Sound.Com. We found the award process to be irregular:

- Although an open RFP was stated to have been issued in June 2010, the successful PQ bid was not available on record;
- Norwest submitted two options in its bid, one as per OC's criteria and the other on alternative criteria. During evaluation, OC revised its criteria and opted for the alternate option given by Norwest, thus selecting Norwest and not PRG²² who was L1 as per OC's RFP criteria; and
- While the work was awarded to Norwest through tendering, the contract was signed with Norwest and Sound.com and payments were equally divided between them.

²¹ To be projected on the aerostat

²² Who had just been awarded a composite contract for lighting and searchlight.

Appointment of Shri Omung Kumar (Blue Lotus Productions) as supplier of props for ceremonies

OC engaged Shri Omung Kumar (Blue Lotus Productions) as Art Director for the opening and closing ceremonies and manufacturing of props. The proposal for appointment of Shri Omung Kumar was initiated on the recommendation of Wizcraft, Mr. Ric Birch and Shri Bharat Bala; a separate tender process for manufacturing of props was scrapped at the commercial evaluation stage. The scope of work was finalized in April 2010 with Shri Omung Kumar, bypassing the Fast Track Committee, which was considering this issue. Initially, OC signed a turnkey contract for Rs. 11 crore plus taxes (for props and art direction for the opening ceremony) in July 2010. Subsequently, Shri Kumar was given additional work and props for Rs. 1.45 crore plus taxes, contrary to the principle of a "turnkey contract". This was further expanded on 10 October 2010 to cover props of Rs. 4.04 crore plus taxes for the closing ceremony (which was just four days away). All these works were awarded without an approved list of props required. The need for such high volumes of expenditure on props is, thus, questionable.

The props included vehicles of different categories, ownership for which was not transferred in OC's name. Further, props worth Rs. 3.09 crore for the closing ceremony and Rs. 0.36 crore for the opening ceremony remained unutilized. In addition, props worth Rs. 2.38 crore were not received at all.

We also noticed that the props procured from Blue Lotus Productions were exorbitantly priced, as is illustrated below:

DESCRIPTION OF PROPS AND PRICES CHARGED

Podium (Rs.50000/- per piece)



Polo Circles (not used) - just a ply piece covered with cloth (Rs.13425/- per piece)



DESCRIPTION OF PROPS AND PRICES CHARGED

**Ashok Chakra painted on cloth
(4 metres diameter) (Rs. 150000/-)**



**Placard for each CGA
(Rs.3521/- per piece)**



**Sugarcane Truck
(Rs.10 lakh)**



**Chinese fan
(Rs. 11,000 per piece)**



DESCRIPTION OF PROPS AND PRICES CHARGED

Mobile flag holder - Used to hold the flags for all CGAs (Rs.2254/- per piece)



Garland with stand used as a show piece (Rs. 46833/- per piece)



Bangles for Namaste (Rs.22,950- per piece)



Chagada – Gujarati style (Rs. 2.5lakh)



Tiffin trays for dabbawalas (Rs.8,141/- per piece)



Milk Churn with Bicycle (Rs. 8,000 per set)



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Committee

DESCRIPTION OF PROPS AND PRICES CHARGED

Small truck (Tata 407-1996 model) Rs.4.47 lakh



Car (Ambassador-2001 Model) Rs.3.45 lakh



Though the EB asked OC to dispose off these props by selling them in order to earn revenue, Chairman OC approved the proposal for handing over the props and costumes to artist and schoolchildren.

10.6.10 Ground Protection and restoration FOP



Ground Cloth Closing ceremony Lying in JLN Stadium (Picture Taken 1 March 2011)



Ground cloth Opening ceremony Lying in JLN Stadium (Picture Taken 1 March 2011)

OC incurred a total expenditure of Rs. 17.84 crore on various forms of protective coverage for the ground at JLN Stadium for the opening and closing ceremonies. This included:

- Rs. 7.87 crore on procurement of ground protection (temporary flooring tiles to take heavy loads);
- Rs. 2.71 crore on ground cloth (thick carpets) for the opening and closing ceremonies; and
- Rs. 7.26 crore for rolling out grass turf replacement for the Field of Play in the stadium (where grass had initially been laid by CPWD at a cost of Rs. 0.40 crore).

We found that the need for multiple forms of ground protection was not adequately justified. In addition:

- The area to be covered was fixed after the RFP were issued; this area was subsequently reduced and even the reduced supply (of ground protection tiles and ground cloth) was utilised only partially²³ (leaving 4500 tiles worth

Rs. 2.02 crore as well as 16 rolls of ground cloth worth Rs. 0.20 crore, unutilised).

- Ground cloth for the closing ceremony was merely optional, but the OC still went ahead with procurement.

Further, the procurement of all these items was irregular:

- Procurements were done without following global tendering and also not providing adequate time for bidders to respond.
- The ground protection contract was initially floated on hiring basis in March 2010. Out of three qualified bids, the L-1 bidder (Signature Fencing and Flooring Systems) and L-2 bidder (Signature Fencing jointly with Jubilee Sports Technology Ltd.) were essentially the same. After the L-1 bidder withdrew its offer for Rs. 7.87 crore (purportedly

²³ The original requirement of ground tiles of 23,000 sq. meter was reduced to 16,900 sq. meter, but only an area of 11,970 sq. meter was covered.

because it refused to bear the withholding tax), the scope of work was reduced (from 23,000 sq. meter to 16,900 sq. meter) and awarded in June 2010 to L-2 (since Jubilee Sports agreed to bear the tax). Then, Jubilee Sports refused to bear the tax, and the contract was awarded on procurement basis to Rs. 7.87 crore to Signature Fencing. Incidentally, Signature Fencing supplied only one layer of ground protection (against the contracted three layers of protection)

- The ground cloth contracts for the opening and closing ceremonies were awarded on the basis of single responses to GeoFabrics, UK and Lalit Art Studio at costs of US\$ 387,695

(Rs. 1.74 crore) and Rs.0.97 crore. Further, Lalit Art Studio supplied ground cloth of the wrong colour (white against black and sand colour), but OC accepted the cloth.

- OC awarded the contract for rolled grass turf replacement in June 2010 at Rs. 7.26 crore to Hortus Consultants Ltd, after re-tendering. In addition, OC also awarded a service agreement for Rs. 0.48 crore in September 2010 to supply water proof membrane for levelling of ground and filling of sand for the Field of Play, which was actually the responsibility of CPWD. There was no evidence that CPWD refused to undertake this work.



Unused Ground Protection Tiles (March 2011)

OC was responsible for providing catering services at the Games Village and venues for athletes and team officials, CGF/ CGA officials, VIPs, technical officials and media persons, volunteers, workforce, contractors and spectators.

We found inexplicable delays in planning for catering services, as well as in the execution of various catering-related activities. The catering contracts for CWG-2010 were awarded only between May and August 2010, in contrast to the scenario for Melbourne CWG-2006 and London Olympics 2012 where these were awarded more than a year in advance.

There were numerous irregularities in the award of the Games Village catering contract. The process of award took 14 months, with two rounds of tendering, both on single financial bids. The cancellation of the first tender by the Chairman, OC was not only against the recommendations of OC officials, but was also done after opening the single financial bid on the Chairman's verbal orders. This decision to re-tender weakened the OC's negotiation position vis-a-vis the vendors and resulted in frantic activity upto June 2010 for conclusion of four separate contracts/ agreements.

The process for award of venue catering contracts was also flawed, with unusual delays. This witnessed one round of cancellation of tenders, and floating of three new RFPs as late as July 2010, with compromises on transparency, quality and economy (due to insufficient competition). Consequently, there were numerous complaints about the venue catering services, resulting in emergency arrangements during the Games time.

11.1 Planning for Catering Services

Catering for all the under mentioned categories of persons was an activity which was solely the mandate of the OC.

- athletes and team officials;
- CGF/CGA officials and VIPs;
- technical officials and media persons;
- volunteers, workforce, and contractors; and
- spectators.

We found totally inexplicable delays in planning for catering services:

- The catering functional area in the OC was activated only in January 2009 (against the original deadlines of June 2007) with the appointment of an Assistant Project Officer.
- The first draft operational plan for catering was prepared only in March 2009; also, a comparison of the sequence of actual catering-related activities vis-a-vis the operational plan revealed substantial deviations, raising serious doubts as to the actual implementation of the plan.



11.2 Contrast between CWG 2010 and Melbourne 2006 and London Olympics 2012

The catering contracts for CWG-2010 (Oct 2010) were awarded only between May and August 2010. By contrast, the contracts for Melbourne CWG-2006 (Mar 2006) were awarded in February 2005. The contracts for the London Olympics 2012 (July 2012) have already been awarded in February 2011.

Only one tie-up between the catering contracts and sponsors in the catering area could be arrived at, due to the enormous delays and uncertainties in finalisation of contracts for both sponsorship and catering. By contrast, the roles of the Olympic sponsors (McDonalds, Coca-Cola and Cadbury) vis-a-vis other catering service providers (incumbent and future) for London-2012 were clearly identified as early as in December 2009.

Catering requirements were divided into 11 tender packages, based on their location, size and scope –

- one for Catering for the Games Village (CGV);
- eight for clusters of venues; and
- two for non-venues (airport/ International Broadcasting Centre).

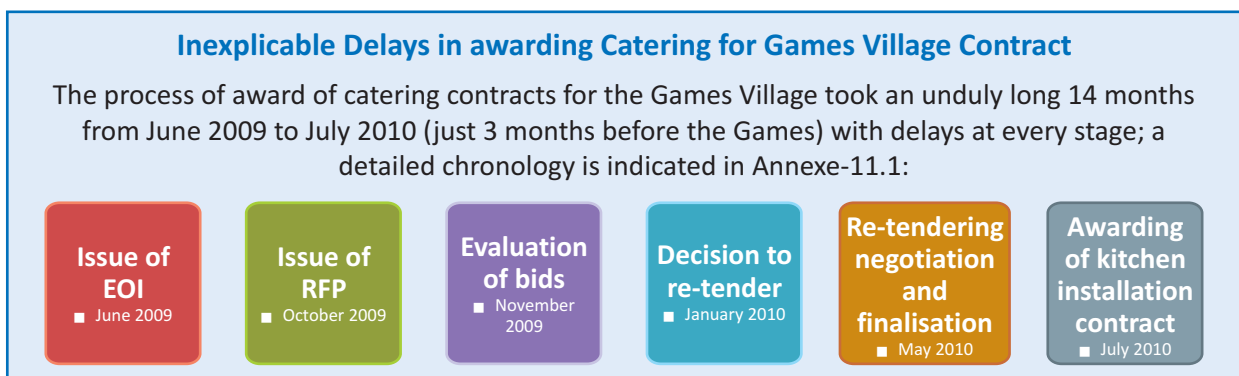
EOI were issued in June 2009 for all 11 tender packages; the Games Village package was processed first. The RFPs for the other 10 packages were staggered.

11.3 Award of Catering for Games Village (CGV) Contract

As per the HCC, the OC was to provide a variety of meals to all athletes, round the clock, in the Games Village. The food in the Games Village was to be prepared taking into consideration the special needs of high performance athletes, as well as national and religious habits and traditions of the competitors. More than 8000 athletes and officials were expected to stay in the Games village and to have food there. The catering contract was envisaged in two parts:

- Part A – for provision of catering services; and
- Part B – for kitchen design and construction

Figure 11.1 — Award of Games Village Catering Contract



We found serious deficiencies in the tendering/ award process:

- Global tendering, requiring issue of advertisement in the Indian Trade Journal and consultation with Indian embassies abroad and foreign embassies in India, was not followed at any stage.
- Although four bidders were technically qualified (after evaluation of responses to the June 2009 EOI), only one party – Delaware North Company Australia (DNC) submitted a financial bid¹.

Questionable Decision by Chairman to re-tender

The Evaluation Committee noticed that DNC had not submitted the EMD with its technical bid, but still decided to continue with technical evaluation. The Committee recommended, in December 2009, condonation of non-submission of EMD and opening of the commercial bid. The CEO recommended EB approval for such condonation. However, on verbal orders of the Chairman on 11 December 2009, the commercial bid of DNC was opened.

A month later, on 12 January 2010, the Chairman ordered re-tendering, due to non-submission of EMD². Despite SDG Catering's advice of 13 January 2010 that such re-tendering would take about 3-4 months with disastrous consequences and a subsequent e-mail from 19 January 2010 from DNC confirming that it was committed to depositing the EMD, the decision to re-tender was communicated to DNC on 2 February 2010. OC informed (December 2010) us that the Chairman was requested repeatedly for immediate decision on the DNC bid, but “due to reasons known to him” decided to re-tender the contract.

This was based on a reversal of opinion by Shri Jeychandran, JDG (F&A) and Shri Ram Mohan, DDG (Legal) (who were part of the evaluation committee recommending condonation), now agreeing with the Chairman's decision to retender. CEO's direction to submit this decision for OCFC's consideration was rebutted by the views of Shri Jeychandran and Shri Ram Mohan that the Chairman was the competent authority. The decision was never put up for the approval of either the EB or the OCFC.

As described below, the decision to re-tender unleashed frantic activity between March and June 2010 for tendering, negotiation and conclusion of four separate contracts/ agreements - with DNC for catering, PKL for procurement of kitchen equipment; Balmer-Lawrie for airlifting of kitchen equipment, and Constellation-Aster for kitchen installation and additional equipment. At this stage, every delay (howsoever minor) weakened the negotiating position of the OC, leaving it at the mercy of vendors.

In a separate response, Shri Kalmadi indicated that it was incumbent on the OC to reject the bid in the light of non-submission of EMD, and there was no occasion to seek the approval of the EB for enforcement of stipulated tendering conditions; hence, his decision was not questionable. We do not agree, for the reasons indicated above.

¹ In consortium with TajSATS and PKL London

² As already pointed out (Annexe 7.3 F), in three other previous contracts, the OC took a contrary position by condoning the non-submission of EMD.

- After re-tendering in February 2010, only one bidder (DNC) was found technically qualified, and its financial bid opened on 26 March 2010 (in their presence). However, on 30 March 2010, DNC stated that PKL, their partner for kitchen design and construction had refused to participate (*“due to frustrations and concerns about OC's processes and procedures to meet deadlines”*) and asked OC to directly negotiate with PKL (while also stressing that only PKL should be appointed as the equipment supplier).
- We did not find evidence of a valid consortium between DNC and PKL/ TajSATS (whose staff strength was included in DNC's bid document to meet the manpower requirements stipulated in the RFP). Further, the re-evaluation of technical bids after change in scope of work (removal of kitchen design and construction) was not done. Despite several deficiencies in the DNC bid, OC had no choice but to go ahead with the contract with DNC, nor was it able to enforce any penal measures against DNC for suddenly backing out from part of the bid. This was because the sequence of delays had left OC with no options in this regard.
- OC separately negotiated with PKL, who offered only outright purchase of the ex-hire (used) kitchen equipment (rather than hire), which was done in May 2010. At this stage, OC was in a weak negotiating position, which was exploited by DNC and PKL.
- Due to the delayed finalisation of the kitchen equipment contract with PKL, OC was forced to airlift the kitchen equipment in July 2010 from London at

a cost of Rs. 8.59 crore through Balmer-Lawrie.

- OC awarded a separate contract in June 2010 for purchase of additional equipment and installation of kitchen equipment purchased from PKL to a consortium of Constellations and Aster Technologies. A time limit of just 10 days (which was not extended) was provided for submission of bids. Further, Constellation did not qualify on its strength; Aster Technologies, whose role was not indicated in the bid, was evidently included only to meet the criteria of annual turnover of Rs. 15 crore. Incidentally, Shri Sunil Khanna, who was appointed in May 2010 as a consultant in the OC's Catering Functional Area, was already associated with Aster Technologies; this clear conflict of interest was not documented before award of the contract. Shri Khanna resigned from the OC on 13 June 2010³ citing his association with Aster Technologies. It appears that his sole interest in the OC was to facilitate award of the contract to the Constellations – Aster Technologies consortium.
- The kitchen was ultimately handed over by the OC to DNC only on 9 September 2010 (as against the contractually stipulated date of 15 August 2010). OC attributed this delay to DDA's failure to hand over the kitchen area in time.

In response, OC accepted that *“the decision making authority kept on postponing the decision. The merry go round of the SFC-*

³ Shri Khanna purportedly joined on 24 May 2010. However, the head of OC's Workforce Functional Area indicated that he learnt of Shri Khanna's joining only on his resignation.

EMC-EB-EMC-Chairman-EB took a heavy toll on precious time.” OC also agreed that a prompt decision in April 2010 could have ensured transportation through shipping instead of airlifting, but stated that “taking

prompt decision was never a strong point with OC”.

The financial implications of the numerous changes in the Games Village Catering Contract are summarised below:

Table 11.1 – Financial implication of changes to Games Village Catering Contract

November 2009	March 2010	May - July 2010	December 2010 (Payments)
DNC's Original Financial Bid	DNC's Revised Financial Bid	Contract with DNC - Rs. 66.59 crore	Rs.57 crore
Part A – Rs. 52.20 crore	Part A – Rs. 57.96 crore	Procurement from PKL - Rs. 8.63 crore	Rs.8.63 crore
Part B – Rs. 18.95 crore	Part B – Rs. 21.10 crore	Contract with Constellations/ Aster - Rs. 9.50 crore	Rs. 9.50 crore
		Airlifting of kitchen equipment by Balmer Lawrie - Rs. 8.59 crore	Rs.8.59 crore



View of the dining area in the Games Village

From the available documentation, we are unable to explain how the purchase price of equipment from PKL (Rs. 8.63 crore), even after clubbing with the Constellations/ Aster contract (Rs. 9.50 crore), was lower than the corresponding components of DNC's original and revised financial bids (which were on hire basis).

In response, OC indicated that there would be substantial savings of Rs. 9.4 crore on the DNC contract. Although the 527,227 meals provided exceeded the estimate of 480,435 meals, there were savings on account of overhead charges on actual basis, office space provided by the OC and Value-In-Kind (VIK) sponsorship from Coca Cola.



Kitchen equipment lying in packed condition post-Games

OC has still not been able to either dispose of the kitchen equipment or transfer/ redeploy it to a Government/ semi-Government body or institution. We recommend that the OC and MYAS take immediate action on this account, as the value of such equipment is continuously depreciating with time. Meanwhile the equipments are lying in the Games Village.

In our opinion, the lack of adequate competition for the Games Village Catering Contract from organizations with requisite global experience and credentials⁴ is strange, to say the least. DNC was the only truly eligible bidder with global experience in both rounds of tendering and it was, in a sense, inevitable that the contract would be awarded to DNC without financial competition.

From the documentation made available to us, we found no evidence of OC systematically having identified the large global players who had relevant experience over the last 10 years or so, or having encouraged such players to respond to the EOI (so as to promote adequate competition). Lack of competition was further accentuated by the OC's delays in planning and tendering/ approval, which left little time

- both for the catering agency to finalise its operational and logistical plans and for the OC to scout around for alternatives.

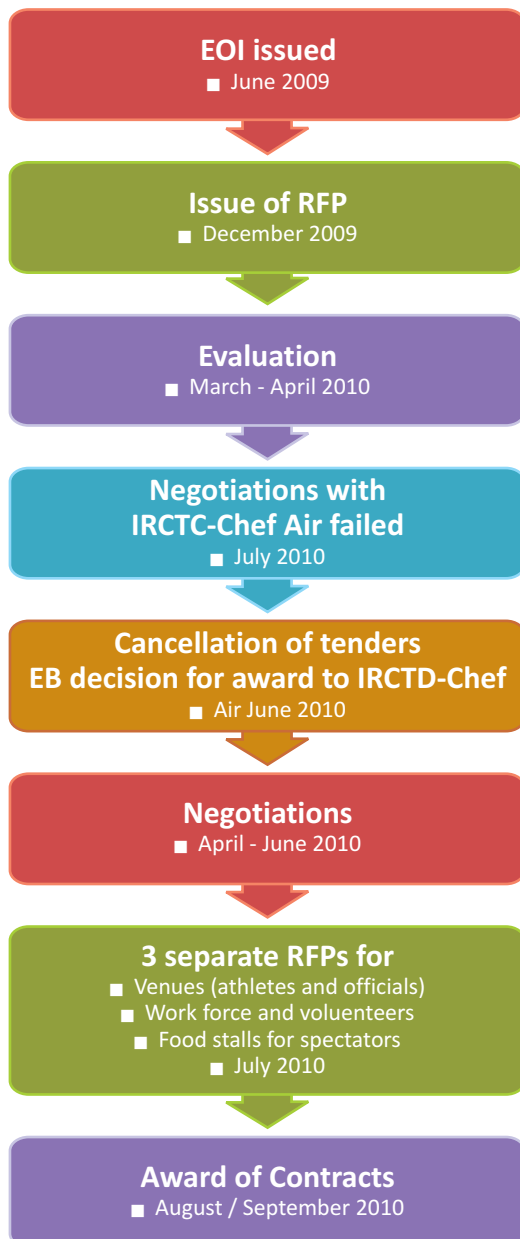
11.4 Catering at venues and non-venues

Although a common EOI was issued in June 2009 for the Games Village package and ten other catering packages (8 venue clusters and 2 non-venue clusters), the RFPs for the Games Village package and the other packages were to be issued in a “staggered manner”, purportedly to ensure proper framing of the Scope of Work. This merely ensured more delay for the venue and non-venue clusters; 13 out of 16 bidders were qualified, and RFPs issued to them only in December 2009.

⁴ e.g. Aramark, the largest food caterer in the US, which provided catering services at the Beijing Olympics 2008 did not show any interest, even at the EOI stage.

Inexplicably, catering for spectators at venues was not planned specifically as a revenue generation activity, and was clubbed with other catering services (which were cost centres, to be paid for by the OC). Further, the scope and range of catering services for spectators and others (and consequently the pool of potential service providers) were quite different; this was also not considered at the planning stage.

Figure 11.2 – Award of catering contracts for venue/ non-venue clusters



The process of award of catering contracts for the venue/ non-venue clusters took an even longer 15-16 months from June 2009 to August/ September 2010, with several flip-flops; a detailed chronology of events is listed in Annexe 11.2.

In our view, the delays and frequent changes are indicative of complete ad hocism:

- The RFP for venues/ non-venues was issued in December 2009, a full six months after the EOI, purportedly to ensuring proper framing of the scope of work. However, the last date for submission of bids to the RFP was extended twice due to changes in templates and the size of the work, indicating extremely poor estimation of requirements;
- In the first round of bidding, IRCTC submitted bids for all venue clusters⁵, with four other bidders for selected clusters;
- The first attempt by the Chairman, OC to cancel the tendering process took place in March 2010 after the technical evaluation, when he indicated that many reputed firms like ITDC had not participated. However, the commercial evaluation was allowed to proceed on the SDG Catering's advice that delays would escalate cost and make it difficult to meet deadlines;
- Multiple rounds of negotiations were carried out over three months (April-June 2010) with the five bidders for the clusters where they were L-1. The total estimated expenditure came down from Rs. 77.94 crore to Rs. 68.46 crore.

⁵ There were no bids at all for the two non-venue clusters.

- The results of these negotiations were nullified in June 2010, when the Chairman suggested cancellation of all tenders and nomination of IRCTC-Chef Air, which was endorsed by the EB; and
- After negotiations, though IRCTC agreed for a total amount of Rs. 43.83 crore, OC decided in July 2010 not to accept the IRCTC offer and float new RFPs. At this point of time, Shri Jiji Thomson SDG Catering clearly expressed his strong objection to floating new RFPs with diluted eligibility criteria and service levels (which would result in taking on board contractors with no proven experience in catering to such mega events) and requested that he be relieved of the responsibility of the Catering Functional Area, as he wanted to distance himself from such a move⁶. Subsequently, the responsibility for this functional area was handed over to Shri Sanjiv Mittal, JDG (Procurement) (with SDG Catering to continue to “supervise” the work), and new RFPs were floated.

11.5 Floating of three “new” RFPs in July 2010

Three separate RFPs were issued on 19 and 24 July 2010 for appointment of:

- Agency for operating food stalls for providing food and beverages to spectators as “user pay service” at 8 venue clusters;
- Caterers for all lounges (for athletes, officials and VIPs) in competition and training venues; and

⁶ Interestingly, this file was returned by the Chairman's Office only in December 2010 to the Catering Functional Area.

- Caterers for supply and distribution of food packets to workforce, volunteers, security personnel at all venues (except the Games Village).

The RFPs provided just 6-10 days time for bidding, thus restricting participation (as pointed out by SDG Catering).

11.5.1 Agency for operating food stalls for spectators

In August 2010, OC selected Fast Trax, which was the H-1 bidder offering Rs. 0.93 crore for all eight venue clusters, as the agency for operating food stalls for providing food and beverages to spectators. The MoU was signed only on 27 September 2010 and was badly drafted⁷.

Safety of Food for Spectators

Initially, the RFP stipulated submission of lab test reports for the last three months; this was relaxed to submission of food safety certificates (HACCP/ ISO 22000) in lieu thereof. Further, Fast Trax's bid for catering at the lounges (for athletes, officials and VIPs) and provision of food packets for workforce and others was rejected due to non-submission of HACCP certificate. In fact, Fast Trax's offer of Value-in-Kind sponsorship of Rs. 8 crore for food packets was rejected on this account.

Clearly, while the OC was unwilling to compromise on food safety standards for the Games Family (and association of the Games brand with non-HACCP agencies for such catering), it did not accord the same priority to food safety for spectators.

⁷ The MOU indicated the date of payment of the second installment as 23 September 2010, which had already elapsed.

The entire amount was to be paid in advance – 25 per cent on signing of the MoU, 50 per cent by 23 September 2010, and 25 per cent by 2 October 2010. However, as of December 2010, OC had received only Rs. 0.38 crore. In response, OC indicated they were taking legal recourse for recovery of the balance amount.

11.5.2 Caterers for Lounges at Competition and Training Venues

We found significant deficiencies in the tendering process for catering for lounges:

- For two venue clusters – 1 and 2, multiple bids were received, and the contracts were awarded by the Fast Track Committee to the L-1 bidders - Graviss Hospitality and IRCTC, at Rs. 5.2 crore and Rs. 1.7 crore respectively. For cluster 4, a single bid was received from Seven Seas at Rs. 2.0 crore and accepted. However, IRCTC's single bids for clusters 3, 7 and 8 (at Rs. 1.40 crore, Rs. 0.80 crore and Rs. 3.2 crore) were rejected on being found “very expensive”. Clusters 5 and 6 received no bids, but received fresh bids for Rs. 1.90 crore and 1.20 crore from Graviss (under a new clause of “right of first refusal” for technically qualified bidders evolved by the Committee); these were, however, rejected.
- The Committee cancelled the bidding for clusters 3,5,6,7 and 8, and called for “snap bids” in 24 hours from the same three bidders (IRCTC, Graviss and Seven Seas). After this round of “snap bidding”, cluster 6 was awarded to Graviss at Rs. 0.74 crore, and clusters 3,5,7 and 8 to Seven Seas at Rs. 1.20 crore, Rs. 0.90

crore, Rs. 0.78 crore and Rs. 1.38 crore respectively.

- Additional work of providing hot meals to athletes and team/ technical officials for lawn bowls venues was awarded to Graviss at Rs. 0.36 crore.

OC followed an arbitrary approach in this process. In the first round, Seven Seas was awarded a cluster on single bid, but IRCTC did not receive the same consideration for three clusters where it was a single bidder. Instead of negotiations with all single bidders for reducing the costs, OC evolved an unusual and irregular practice of “snap bids”, which involved complete lack of transparency.

Interestingly, while the catering rates for the lounges for athletes and technical officials ranged from Rs. 450 to Rs. 600 per head per day, the corresponding rates at the lounges for the VIPs and Games Family ranged from Rs. 1190 to Rs. 2356.

11.5.3 Caterer for supply and distribution of food packets

Out of seven responses, OC found five firms technically qualified and awarded the work to the L-1 bidder, AFP Manufacturing Co. Pvt. Ltd (a manufacturer of namkeen, snacks and bakery products), at a cost of Rs. 8.75 crore. However, we found that AFP Manufacturing was ineligible and was irregularly qualified by the OC:

- They did not provide details of catering processes, equipment details, manpower, transport, kitchen equipment etc., as stipulated in the RFP. Instead, they submitted an MOU dated 30 July 2010⁸ with Co-ordinators, who

⁸ Last date of submission of bid

also did not provide such details but merely indicated a list of recent clients.

- The HACCP certificate for AFP Manufacturing was for their unit at Bhiwadi, manufacturing namkeen and bakery products and not for any catering services. This issue was flagged by the catering consultant and SDG Catering. Subsequently, AFP submitted an HACCP certificate for hospitality and catering for Ekta Shakti Foundation, a body under the “umbrella” of AFP with experience of supplies for the Mid-day Meal Scheme⁹.

OC's failure to examine AFP Manufacturing's capability for such large scale catering services before awarding the work to it resulted in total chaos. AFP's base kitchen was not found satisfactory during OC's inspection on 25 September 2010. Further, OC's estimation of the requirement of meals also went up by more than 100 per cent, and AFP was found incapable of serving such large requirements. AFP also indicated their inability to provide packed lunch and dinner before 1 October 2010. OC was forced to make alternate arrangements:

- Engagement of 19 new caterers (in two phases);
- Engagement of Kohinoor Foods for retort¹⁰ food as a back-up solution;
- Use of vehicles and manpower of AFP; and
- Buffet solution (along with on-site packing) at JLN Stadium, and provision of dry snacks from AFP.

⁹ By contrast, Fast Trax was declared ineligible for want of the HACCP certificate.

¹⁰ Food in a flexible sealed pouch or package which can be stored for long periods without spoiling

Besides additional expenditure of Rs. 4.23 crore, the arrangements for catering for the work force turned out to be chaotic, with numerous complaints about non-service and unhygienic food from various categories of users.

Incidentally, OC had engaged TQS for food audits at all locations at a cost of 0.88 crore. Although the food audit reports were available on OC's records, there were numerous complaints about food quality. Further, food audit of the base kitchens of some of the caterers could not be conducted, as even JDG/SDG Catering were not aware, till the last minute, of the source of food supply for each venue.

11.6 Catering at Airport

Catering at the airport originally constituted Cluster 11 at the stage of the initial EOI of June 2009. This aspect was not considered subsequently till 20 September 2010, when the need for providing meals at the airport from 23 September 2010 to guests and workforce was flagged. After discussions with Delhi International Airport Ltd. (DIAL), OC appointed two existing caterers at the airport – Premium Port Lounge Management and Global Gourmet – out of the five caterers suggested by DIAL. OC incurred a total expenditure of Rs. 0.75 crore for catering at the airport.

Successful organisation of the Games required several integrated technical solutions – a Timing, Scoring and Results (TSR) system, a Games Management System (GMS), a Games Time Website, and supporting IT, telecom and network infrastructure.

The TSR system is required for capturing and disseminating the detailed results of a competition. We found that planning for TSR was badly delayed and initiated only in January 2009. The tendering and award (including re-tendering) process took an unusually long period of 13 months from March 2009 to March 2010. There was an abnormal six months gap between the 1st EOI in March 2009 and the issue of the RFP (for the 2nd tender) in October 2009. There were clear and repeated interventions at different stages to steer the TSR contract towards Swiss Timing Omega and eliminate MSL, Spain.

- *The technology consultant recommended award of the contract on nomination basis to Swiss Timing Omega.*
- *The RFP (for the 2nd tender) favoured Swiss Timing Omega by stipulating experience in Asian Games, CWG or Olympics during the last five years with “end-to-end service”; this was further amended to change the service requirements from “Timing, Scoring and/or Results” to “Timing Scoring and Results”.*
- *MSL, Spain was irregularly disqualified at the PQ stage, overruling objections from two members of the Evaluation Committee. MSL, Spain and Swiss Timing Omega had jointly provided TSR solutions for Melbourne CWG-2006, Doha Asian Games-2006 and Beijing Olympics 2008. Both MSL and Swiss Timing Omega were equally qualified / unqualified as to the “end-to-end service requirement” or the requirement to provide Timing, Scoring and Results. Further, the fact that MSL had been appointed for providing TSR for 2010 Asian Games Guangzhou was not considered.*

OC was thus left with a single financial bidder, effectively eliminating any opportunity for competitive pricing of TSR. This facilitated award of the TSR contract to Swiss Timing Omega at an exorbitant cost of Rs. 135.27 crore (compared to just Rs.39.84 crore equivalent at Melbourne CWG-2006 from the same vendor).

There were several deficiencies in the performance of TSR. TSR was not tested either during the test events, or in a real-time Games situation. The Commentary Information System (CIS) and remote CIS did not function properly during most part of the Games. The Games Information System (provided as Value-in-Kind sponsorship by Swiss Timing Omega) also did not function properly.

The award of the Games Management System (GMS - the primary IT application for administration of the Games) was also flawed. As in the case of TSR, the RFP conditions were unduly restrictive by stipulating experience in Asian Games, CWG or Olympics during the last five years. Three out of four bidders were disqualified, with MSL, Spain being eliminated through a biased evaluation. However, Gold Medal Systems was declared eligible, despite not submitting any documentation in support of its financial strength and finally awarded the GMS contract at a total cost of Rs. 25.29 crore (compared to just Rs. 4.15 crore equivalent at Melbourne-CWG from the same vendor).

Inexplicably, OC failed to consider the need for a Games Time website (the main Internet platform for disseminating real-time information on sporting events during the Games) till June 2010. The award of the contract to HT-Hungama was flawed and irregular. In the absence of bids being received in a sealed cover, associated complaints, and a cash discount (which we cannot confirm if it was received with the bid) making the L-3 bidder into L-1, the award procedures appeared to lack transparency. In addition to adverse media reports about the website's performance, the CGF President also confirmed serious problems with the website; documentation with OC on this aspect was, however, sparse and unreliable.

In October 2009, OC appointed Telecommunications Consultants India Ltd. (TCIL), a PSU, as a turnkey implementation agency for telecom, IT and networking projects and paid Rs. 18.66 crore. We found that the engagement of TCIL was unjustified, and TCIL's contract was not implemented in turnkey mode (with OC remaining in full control of approval of individual contracts).

Further, TCIL's consulting services/ advice was only taken in a selective manner, and not used at all for telecom services.

OC had not properly planned the decommissioning of technology and IT equipment. Rs. 21.04 crore of leased equipment was yet to be returned to the vendors, while procured items were still lying with the OC.

12.1 Overview of Technology Requirements

The main technology requirements for successful staging of the Games covered:

- A Timing, Scoring and Results (TSR) system for capturing details of the results of the sporting events, and other associated systems/ modules;
- A Games Management System (GMS) for supporting administration of the Games;
- A Games Time Internet website for enabling public access to full details of sporting results; and
- IT, telecom and network infrastructure to support the above systems and normal office automation applications.

12.2 Management of Technology Functional Area

We found that there was lack of adequate leadership, advice and continuity for the Technology Functional Area:

- There were as many as nine key persons associated with the functional area at different points of time:

Table 12.1 — Key persons associated with Technology Functional Area

People associated	Period
VK Gautam	September 2007 to October 2009
SK Dass	January – April 2008
Sujit Panigrahi	October 2008 – December 2009
Sandeep Arya	November 2009 – December 2009
Ajit Sirohi	December 2009 – February 2010
Sunil Arya	February – November 2010
Harsh Kumar	February 2010 till date

- Shri Brian Nourse prepared the Functional Area report for technology in August 2007 on behalf of EKS, and was subsequently appointed twice as Consultant by the OC – from December 2007 in intermittent spells, and continuously from September 2009 to October 2010¹. On both occasions, his scope of work was not clearly defined, timelines were not given, and payments were not linked to achievement of deliverables.

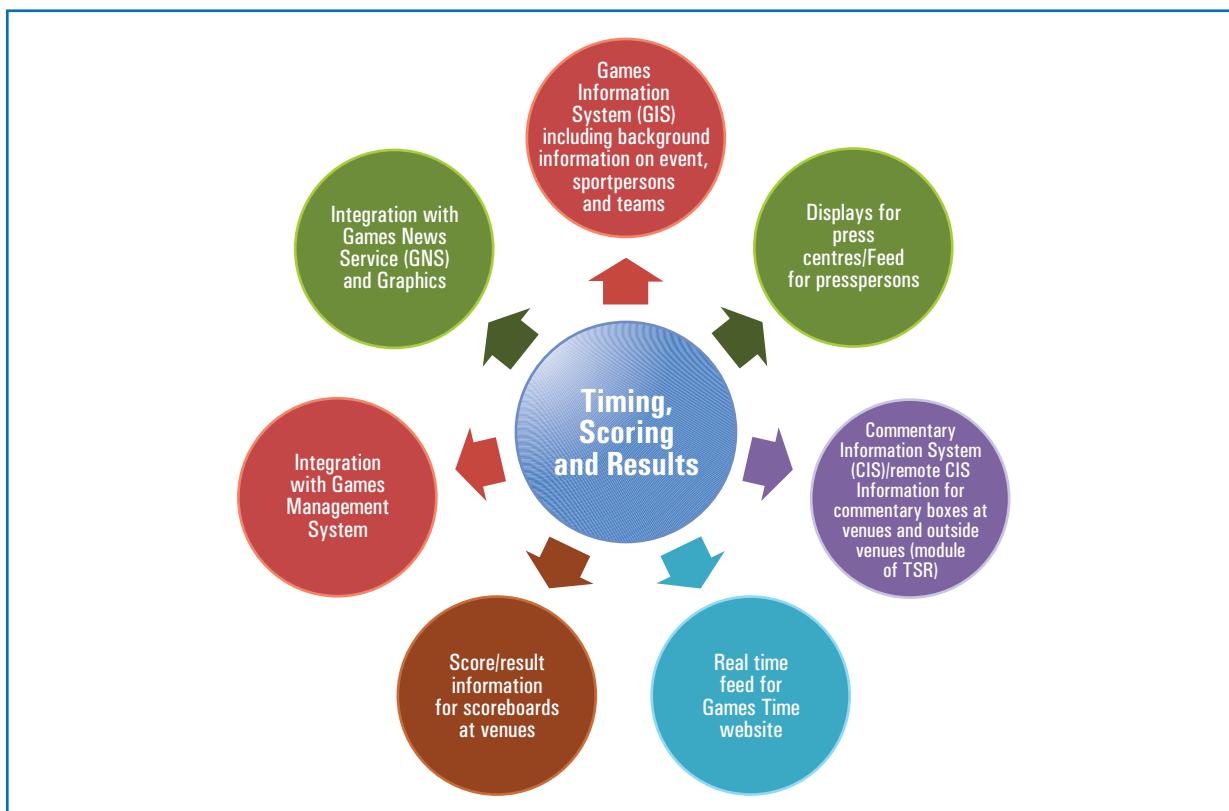
12.3 Timing, Scoring and Results (TSR) System

12.3.1 Overview

The Timing, Scoring and Results (TSR) system captures the detailed results of a competition, both during and at the conclusion of the session, and distributes this information, while ensuring consistency in results, outputs and graphics. An overview of the TSR system and integration with other systems is depicted below:

¹ Shri Nourse's contract was terminated by the OC in March 2010, in order to enable him to commence work for Glasgow CWG-2014.

Figure 12.1 – Overview of TSR System and integration with other systems



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OC procured the TSR system from Swiss Timing Omega at a cost of Rs. 112.45 crore (CHF 2,49,90,000) with an additional liability of Rs 22.82 crore for service tax (Rs. 11.58 crore) and withholding tax (Rs. 11.24 crore).

12.3.2 Delays in Planning

We found that planning for TSR for CWG-2010 was badly delayed and the first draft of the scope of work for TSR was prepared only in January 2009². By contrast, planning for TSR services for London Olympics-2012 started four years in advance. The delays at the planning stage were primarily attributable to lack of internal expertise and complete reliance on the consultant.

² Shri Bhanot, however, announced at a meeting of the Centralised Co-ordination Committee in December 2008 that Swiss Timing Omega would be providing the TSR equipment, even before the TSR scope of work was prepared.

12.3.3 Budgeting

The original budget for TSR-related activities of Rs. 57.53 crore was increased to Rs. 109.53 crore by the EFC in October 2009. The total cost of TSR of Rs. 135.27 crore exceeded the budget by Rs. 25.74 crore, despite the absence of any additional budget allotment / re-appropriation.

Abnormally high cost of TSR in CWG-2010 as compared to Melbourne CWG-2006

OC procured the TSR system at an abnormally high sum of Rs. 135.27 crore from Swiss Timing Omega in March 2010, as compared to Rs 39.84 crore³ (AUD \$12 million) spent for Melbourne CWG - 2006 for procuring the system from the same manufacturer i.e. Swiss Timing Omega. This additional cost is abnormally high and calls into question the reliability of the contracting procedure.

³ 1AUD=Rs.33.20 (as on 1.1.2006)

Originally, TSR was envisaged as a legacy item to be procured centrally by an agency to be designated by MYAS out of the budget provision of venue owners⁴. It is only in the EFC meeting of October 2009 that Shri VK Verma, DGOC stated that the TSR equipment would be on “lease in- lease out” basis. However, the budget for TSR was still given as a grant, rather than a loan.

When the final accounts of the OC are drawn up, this should be treated as a loan for accounting purposes, although the ultimate deficit will necessarily have to be borne by Gol.

12.3.4 Award of TSR Contract

We found unduly long delays in the tendering and award of the TSR contract:

Figure 12.2 – Undue delays in tendering and award of TSR contract



There was an abnormally long gap of six months between the first EOI (March 2009) and the issue of RFP (October 2009), which was punctuated only by the consultant's discussion paper (May 2009) making a case for engaging Swiss Timing Omega on nomination basis.

Such unwarranted and unexplained delays, particularly at a stage in organizing the Games when shortage of time was a critical concern, suggest considerations other than ensuring fair and transparent practices in award of the contract which are borne out by our findings.

⁴ As clarified in the December 2008 meeting of the Centralised Co-ordination Committee.

We observed that there were clear and repeated interventions to steer the contract towards Swiss Timing Omega and eliminate MSL, Spain and other potential bidders

through biased technical evaluations to restrict competition that resulted in a single financial bid with no scope for competitive pricing:

Table 12.1- Chronology of events relating to TSR contract

Timeline	Stage	Intervention
December 2008	Centralised Co-ordination Committee Meeting	<ul style="list-style-type: none"> Announcement by Shri Lalit Bhanot that the hardware for TSR would be supplied by Swiss Timing Omega
March 2009	EOI	<ul style="list-style-type: none"> The EOI listed five eligibility criteria and stated that '<i>only Swiss Timing Omega meets all the above criteria</i>'. Shri VK Gautam, COO opposed the process, as the Technology FA was not involved.
April-May 2009	Responses to EOI	<ul style="list-style-type: none"> Two responses were received from TechnoVision SPA (Italy) and Mondo (India) Shri Bhanot, however, constituted an evaluation committee, which rejected both bids. Shri Bhanot recommended Swiss Timing Omega for TSR to the MYAS. No further action was taken.
May 2009	Consultant's Discussion Paper to Shri Bhanot	<ul style="list-style-type: none"> The consultant recommended a single supplier approach for all TSR components and suggested confirmation of the scope of work and direct negotiations with Swiss Timing Omega.
October 2009	RFP (2 nd round of tendering)	<p>The RFP clauses restricted competition and favoured Swiss Timing Omega</p> <ul style="list-style-type: none"> Experience of providing TSR systems in Asian, CWG or Olympics during the last five years – despite objections of the then ADG (Technology) and Shri Gautam about its restrictive nature and suggestions to include Pan-American or other similar multi-sporting events, the clause was retained by Shri VK Verma, DG-OC, without recorded reasons. The scope of work required “end to end service” associated with CWG (incidentally, neither Swiss Timing Omega nor MSL, Spain fulfilled this criteria on their own). The RFP was amended to change the service requirement from 'Timing, Scoring and/or Results' to 'Timing Scoring and Results'. This change formed the basis for rejecting MSL.

Timeline	Stage	Intervention
October - November 2009	Responses to RFP and Pre-Qualification	<ul style="list-style-type: none"> ■ Two bidders responded to the RFP – Swiss Timing Omega and MSL, Spain. ■ The bids were to be evaluated in three stages – pre-qualification (PQ), technical and commercial. However, MSL, Spain was disqualified at the PQ stage itself. While two members of the Evaluation Committee – ADG (Technology) and ADG (Revenue) recommended that both bidders be qualified – they were overruled by the other two members (with the support of Shri VK Verma, DG-OC) on the grounds that MSL did not have experience as an end-to-end provider and had never provided the timing function in the specified events. ■ Incidentally, Swiss Timing Omega and MSL, Spain were jointly providing TSR systems for Melbourne CWG-2006, Doha Asian Games -2006, and Beijing Olympics 2008 – with the timing element being provided by Swiss Timing Omega (the main contractor), the results software and the Games Information System by MSL, Spain, and the scoring element being provided jointly by both parties. Further, OC was aware that MSL had already been appointed for providing TSR for the 2010 Asian Games, Guangzhou. Hence, the rejection of MSL, Spain was questionable. ■ We conclude that if MSL was not experienced in providing end to end solution, neither was Swiss Timing. However the evaluation was just steering towards selection of Swiss Timing Omega .

OC was left with a single financial bidder (by irregularly disqualifying the only other serious competitor - MSL, Spain), effectively eliminating any opportunity for competitive pricing of TSR, which facilitated acceptance of the exorbitant rates quoted by Swiss Timing Omega.

OC took another 4 months to complete a (now meaningless) technical and commercial evaluation and award the contract to Swiss Timing Omega only in March 2010; this further delay is inexplicable.

Interestingly, OC also took advice on MSL, Spain's eligibility from TCIL and Shri Mike Hooper. TCIL advised disqualification of MSL, Spain, though it had no association or technical knowledge on the specific aspects of the TSR tender. Shri Mike Hooper relied largely on TCIL's opinion.

Swiss Timing Omega offered VIK (value in kind) of 3 legacy scoreboards and Games Information System (GIS)⁵ besides a cash

⁵ OC had also floated a separate tender for GIS in October 2009 to which MSL, Spain had responded; this tender was terminated on acceptance of Swiss Timing Omega's offer of GIS as VIK for the TSR contract. Incidentally, MSL, Spain was providing the GIS in previous Games as a partner of Swiss Timing Omega

sponsorship of Rs. 4.50 crore and a cash discount of Rs. 1.18 crore. This was accepted by the OC. OC extended several undue favours to Swiss Timing Omega:

- **Liability for Tax:** OC took an additional liability of Rs.22.82 crore on account of taxes on behalf of Swiss Timing Omega, contrary to the RFP provisions. This variation was neither discussed by the commercial evaluation committee nor brought to the notice of the OCFC.
- **Cost of TSR systems for test events:** The RFP was modified by keeping costs relating to test events out of the commercial bids, though this formed a part of the original scope of work. Accordingly, Swiss Timing Omega in its commercial bid asked for an additional 33 per cent for providing TSR for test events, which was not considered by the OC.
- **No clause for Liquidated Damages:** The contract had no clause for levying liquidation damages on Swiss Timing Omega for non-achievement of milestones or non-performance.
- **Terms of payment:** The contract provided for payment of 95 percent amount even before completion of the game, thus leaving no foothold for the OC in case of poor performance.

12.3.5 Performance of TSR

We found several deficiencies in the performance of TSR:

- TSR was not tested during the test events (due to reduction in scope of work) and was not tested at all in a real-time games situation.

- The final user acceptance of TV graphics (to be superimposed on live video feed) was to be completed by July 2010, but the graphics were not approved till 24 September 2010.
- Commentary Information System (CIS), a module of TSR, provides real time information to commentators and sports presenters of Prasar Bharati and other international broadcasters. For most part of the Games period, the CIS and remote CIS⁶ did not function properly. The dissatisfaction with the service was such that some broadcasters sought refunds from OC for non delivery of CIS services and the Australian RHB even wanted removal of the logo of TSR provider from the telecast as a penalty.
- Games Information System (GIS) (provided by Swiss Timing Omega as VIK) was the link between results generated by TSR and its distribution to broadcasters, media persons and other users. This did not function properly during CWG-2010 and the broadcasters lodged complaints in this regard.
- Despite CIS and GIS not functioning, OC did not revoke the performance guarantee of Rs 5.63 crore provided by Swiss Timing Omega, which was valid till 31 October 2010.

⁶ This was meant to provide CIS information at other than venue locations

12.4 Scoreboard Structures

Besides the TSR equipment, Swiss Timing Omega also provided 39 scoreboards 36 of which were rental and 3 were legacy items. OC had to erect structures for mounting these scoreboards. The contract for execution of these structures was awarded to Advance Tech Engineering at a cost of Rs. 3.40 crore. We found the following deficiencies in the approval process:

- The RFP was issued in May 2010 without global tendering; and
- Various corrigenda effecting changes in scope of work, eligibility criteria of turnover, consortium related conditions and documentation to be submitted by bidders were purportedly issued. We do

not find evidence that these changes were duly approved and advertised.

The execution of the contract and its monitoring was also deficient as:

- Scoreboards could be installed at only 10 out of 33 venues by the deadline of 1 September 2010;
- There was no provision for levy of liquidated damages;
- Proper testing for certifying the safety of the structure was not carried out; and
- In case of a Rugby 7s venue, the location and site was changed at the last moment by Swiss Timing Omega. During testing, the scoreboard structure came crashing down and was re-installed subsequently.



12.5 Games Management Systems

The Games Management Systems (GMS) is the primary application that deals with the

administration of the Games. OC procured this system from Gold Medal Systems for Rs 21.02 crore with an additional liability of Rs 4.27 crore towards taxes.

Figure 12.3 – Overview of GMS

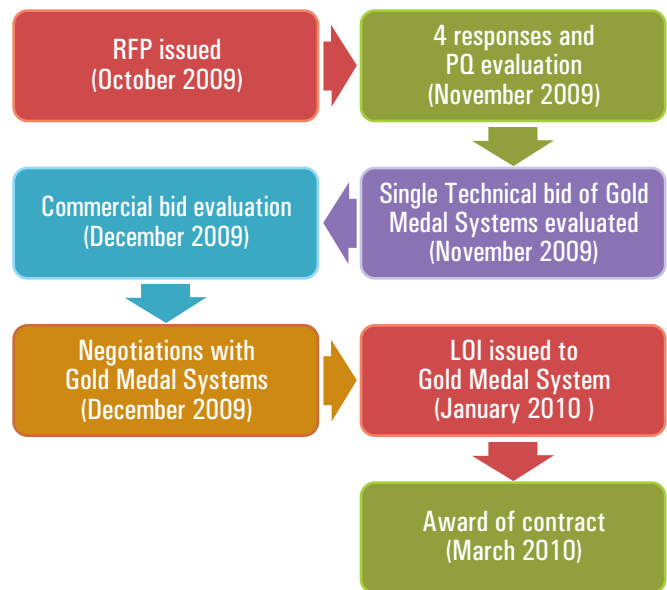


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12.5.1 Delays in Planning

For CWG 2010, the process for procuring GMS was initiated only in October 2009 and the contract could be signed just six months before the Games (March 2010). In contrast, CWG-Melbourne 2006 had awarded the GMS contract 18 months prior to the start of the Games. This created a squeeze on the delivery schedule and, combined with lack of competition, led to a 500 per cent increase in costs, with the supplier virtually dictating all the terms.

Figure 12.4 – Undue delays in award of GMS Contract



12.5.2 Elimination of competition

We observed that the bidding process was tailored to eliminate competition and facilitate Gold Medal System's emergence as a single financial bidder:

- Global tendering was not resorted to and sufficient time was not given for responses. The RFP could not generate adequate competitive tension, as two major players in the field, Atos Origin⁷ and Sangyong⁸, did not even respond to the EOI.
- The RFP was restrictive in ensuring competition as it asked for experience of providing GMS in Olympics, Commonwealth or Asian Games in the last 5 years and could effectively have had a maximum of just 3 qualified bidders.
- Out of the four bidders, three bidders were disqualified on grounds of inadequate experience, processing fee and supporting documentation. MSL Spain, which was disqualified for the TSR contract was once again disqualified in the PQ evaluation for GMS, although it had better credentials than Gold Medal Systems. It had provided all the five modules of GMS directly in the past, whereas Gold Medal Systems could provide only two out of five modules on its own and was dependent on multiple partners for delivering the other modules. Incidentally, Gold Medal Systems also did not furnish any document evidencing its tie up with its local partner, Tristar Enterprises.

⁷ supplier of GMS for Beijing Olympics 2008

⁸ supplier of GMS for Doha Asian games 2006

- Although MSL Spain had not provided GMS in Olympics, Commonwealth or Asian Games in the last five years, it had provided GMS for Asian Games 1998. This was not considered, due to the restrictive RFP clause.
- The PQ evaluation is even more questionable as Gold Medal Systems did not submit the required documentation in support of its purported financial strength; whereas MSL Spain had done so and had strong financials in comparison to Gold Medal Systems.

Evidently, the restrictive clauses in RFP and biased evaluation of bids resulted in elimination of competition, and ensured that the financial bid of Gold Medal Systems was the only bid to be opened. With no financial competition, and on the plea of shortage of time, OC accepted the highly priced bid of Gold Medal Systems. This bid was five times the amount (Rs. 4.15 crore) charged for Melbourne CWG-2006 by the same vendor.

As in the case of the TSR contract, OC also unduly favoured the vendor for GMS in several ways:

- **Liability for Tax:** OC took an additional liability of Rs.4.27 crore on account of taxes on behalf of Gold Medal Systems, contrary to the RFP provisions. This variation was neither discussed by the commercial evaluation committee nor brought to the notice of the OCFC.
- **No clause for Liquidated Damages:** The contract had no clause for levying liquidation damages on Gold Medal Systems for non-achievement of milestones or non-performance.

- **Performance Guarantee** - There was no provision for performance security in the contract, despite OCFC's instructions in view of the unascertainable financial condition of Gold Medal Systems.
- **Increased Rates** - A clause for payment at increased rates for additional work was added after EB's approval.

12.6 Official Games Time Website

12.6.1 Planning

The Games Time website was effectively the main internet platform for CWG2010 to disseminate real time information on sporting events during the Games. Although the Games Time Website is a standard and predictable feature of all multi sport international events, this was not planned or considered till June 2010, when, after CGF criticism, the proposal for creating a Games Time Website was initiated. OC also failed to exploit the opportunity for revenue generation from the Official Games Time website through advertisement revenue due to deficient and delayed planning.

12.6.2 Irregular Award of Contract to HT-Hungama

The bidding process was squeezed and completed within two months, leading to several irregularities in the award of the contract to HT-Hungama at Rs. 2.95 crore in August 2010:

- Global tendering was not followed and only 10 days time was given for responses;
- The RFP stipulated past experience in international multisport events as a pre-

qualification. A day before the final bid submission date, this criterion was relaxed on the grounds that no bidder might qualify on these criteria. We have no evidence of this corrigendum being published on the website/newspapers. Three bids from HT-Hungama, HCL Info systems- NDTV Convergence and TCS-Sports interactive were received; interestingly, all three did not have such experience but were termed as technically qualified under the relaxed criteria;

- The documentation from Hungama regarding its consortium with Hindustan Times was deficient, but was ignored by the technical evaluation committee;
- Despite complaints that bids were received in loose sheets, unbound and unsealed, Hungama's bid was accepted;
- Although Hungama's commercial bid was L-3 at Rs. 7.94 crore, it was declared L-1 by taking into account a cash discount of Rs. 4.65 crore offered by them. We cannot confirm whether the offer of cash discount was actually received along with the bid. This L-1 bid was reduced further to Rs.2.95 crore after negotiations.

The bids were not received in a sealed cover as is the stipulation. This evidently led to complaints. Further, audit has seen no proof of the cash discount reportedly offered by Hungama actually accompany the bid to convert it into L-1. There was relaxation in the RFP criteria also. Such infirmities in the award to Hungama lack transparency and lead to the conclusion that the process was tweaked in their favour.

12.6.3 Performance of the Website

While there were adverse media reports on the performance of the website, quoting problems of speed and non availability of real time information, the documentation at the OC's end was sparse and unreliable. Even the CGF head, Shri Mike Fennel stated that *"there is certainly a big problem with the Official Games Time Website"*.

OC's vetting of the content hosted on the website was also deficient, as the list of participating nations incorrectly included Korea, Japan, Philippines and even the US. Even the archival CD/DVD of the fully functional website, which was to be provided by November 2010, had not been given by the vendor till March 2011.

Despite these facts, OC failed to encash the performance guarantee of Rs. 0.29 crore; there were no other contractual provisions for penalties in case of non performance.

12.7 Telecom, IT and networking projects

12.7.1 Appointment of TCIL on nomination basis

Telecommunications Consultants India Limited (TCIL), a Public Sector Undertaking, was appointed without any recorded justification as the turnkey implementation agency for telecom, IT and networking projects on nomination basis in October 2009. This was approved ex-facto by the EB in January 2010.

OC had a 139 strong technology team (excluding 4 consultants/advisors) since October 2009. Out of the 42 technology related contracts worth Rs 247 crores, only 12 contracts of Rs 92.17 crore were

awarded through TCIL on behalf of the OC; for which OC paid Rs. 18.66 crore to TCIL as commission and tax. Considering that the Technology functional area could handle technical contracts like TSR and GMS on its own, engaging the services of TCIL for 12 routine contracts is grossly unjustified. Further, many other contracts e.g. of Wi-Fi services, data cards, official website and IPTV were awarded by OC directly. Interestingly, TCIL was never consulted in contracts related to telecom or IT services.

Further, the contract with TCIL was not implemented in practice in turnkey mode. At different stages of the contract from negotiations to bid evaluation, contracts were sent to OC for approval.

Also, it was noticed that TCIL's 'selective' advice was taken on other technical issues e.g. in the TSR contract at the pre bidding stage for declaring MSL, Spain ineligible.

12.7.2 Supply of Audio Video Equipment for Venues

OC had to provide audio video equipment⁹ at all competition and non competition venues for media and international broadcasters. The estimation of requirements was faulty, went through revisions, and resulted in over provisioning; the equipment was finally procured from Samsung India for Rs 3.79 crore.

The first round of tendering commenced with the issue of the RFP in March 2010 (without budgetary approval) and resulted in the issue of a purchase order for Rs. 5.20 crore to MIRC Electronics (ONIDA) in June 2010. This was cancelled as there were

⁹ TV, TV mounts, DVD/CD, Data Projector (desktop), Digital Video Camera, Tripod for Digital Video Camera (Still), PA system etc.

substantial reductions in quantities and duration of renting (on the instructions of the Fast Track Committee) and the vendor revised the terms and conditions, which TCIL refused to accept. This proposal was neither seen by the Chairman, nor ratified by the EB at any stage.

After MIRC's refusal, on 7 September 2010, the Fast Track Committee recommended approaching Samsung India and LG India for outright purchase or rental of the equipment. However, OC chose to approach only Samsung India (and not LG India) on nomination basis on 8 September 2010 and issued the LOI on 13 September 2010 of Rs 3.78 crore for outright purchase of the equipment excluding PA Systems, DVD recorder and Portable CD players. There were no recorded reasons for initial inclusion and subsequent exclusion of these items.

12.7.3 Procurement of Computer Hardware

OC purchased/leased 3302 laptops and desktops for Rs 9.80 crore in several batches during April to September 2010 to meet IT requirements at competition and non-competition venues. Strangely, the quantities required were not assessed at one go and nearly 50 percent (1638) of these computers were leased. We could find no documented criterion for deciding whether to procure or lease. Further, the option of getting suitable sponsorship from IT companies for such a large requirement was never explored by the OC at any stage.

Interestingly, leased computers were always taken through TCIL, while purchases were done directly by OC. The lease rent charged was 76 percent of the cost, and with an

additional 9 per cent as commission and 10.33 per cent as leasing charges for TCIL, OC ended up paying 95 percent of the purchase cost of equipment. In addition, OC spent Rs. 2.92 crores for purchasing software licenses for these leased computers.

12.7.4 Maintenance of inventory, decommissioning and legacy planning

OC procured IT equipment worth Rs. 6.46 crore and rented Rs. 58 crore worth of IT equipment for the games. The documentation on inventory, distribution and decommissioning was incomplete and there were substantial delays in ascertaining the location of all equipment. The leased equipments were to be decommissioned and returned to the respective vendors; we found that Rs. 21.04 crore of leased equipments was yet to be returned. OC has not planned for disposal of the owned assets. There was no policy for warehousing and legacy use of the equipment after the games. After MYAS turned down OC's initial proposal for offering this equipment to its employees at discounted rates, no action has been taken and the equipment is lying in MDC stadium and OC headquarters (March 2011).

12.8 Provision of IT services – Other contracts

12.8.1 Wi Fi services in Games Village

Without involving TCIL, OC decided in March 2010 to provide free wi-fi internet service at the Games Village. While the initial proposal was for services in only selected parts of the Games Village, the

scope of work was extended significantly, raising the estimated cost from just Rs.15 lakhs to Rs. 3.50 Crore. Based on a single response received, the contract was awarded to Radius Infratel at a cost of Rs.2.75 crore. Incidentally, several complaints were received from international broadcasters about the non-functioning of Wi-Fi services and OC was compelled to provide for alternative services. OC stated that necessary deductions were being made for non performance.

12.8.2 Provision of data cards for media

OC provided 1400 data cards from Tata Teleservices and Reliance and took another 1264 data cards on lease from MTNL at a total cost of Rs.0.8 crore, after wireless internet access was barred for security reasons. Records of usage, distribution and return of these datacards are very scanty. Also, when some data cards did not function, OC had to make alternative arrangements.

12.8.3 Fixed line broadband connection for media persons

The work of providing high speed Internet bandwidth for media press Operations was awarded to Tata Communications Ltd. on nomination basis in September 2010 at a cost of Rs. 11.28 crore. OC stated that this was resorted to when CERT guidelines disallowed Wi Fi services in media tribunes, and the option of datacards could not fulfil this requirement. According to the OC, prior approval from financial authorities was not sought due to paucity of time.

12.8.4 IPTV for Games village

OC awarded a contract for Rs. 0.60 crore on 21 September 2010 to Bharati Airtel on nomination basis for provision of IPTV, without recorded reasons for the change from Cable TV. Records on actual delivery of services were not available.



BALJIT

2

DELHI 2010

COMMONWEALTH GAMES

16

Life

SPRINT

The Sport Functional Area was responsible for organisation of sporting events, maintenance of results records, and presentation ceremonies; it was also assigned the responsibility of purchase of sporting equipment.

There were several deficiencies in the procurement of sports equipment, such as not following global tendering procedures and purchases on single tender basis. We also found purchase of a boxing ring with older specifications, half the badminton shuttlecocks crossing the shelf life even before the events, and huge quantities of procured equipment lying unused in stores, raising doubts on the reasonableness of the assessment of requirements (in particular, trampoline sets procured for an event not scheduled in the Games).

The procedures followed for hiring Shri Greg Bowman and his company, Great Big Events (GBE), for a multiplicity of contracts relating to sports presentation ceremonies were questionable. One contract was, in effect, de-activated in September 2010, and re-awarded at exorbitant rates to GBE. We also noticed fraudulent payments to GBE for false claims of personnel assignments (when they did not even visit India), which were certified by OC officials.

Audio video equipment for sports presentations were hired at exorbitant rates, through a highly flawed process. Our enquiries revealed that the quoted prices for purchase of the same equipment was about half the hiring cost.

13.1 Overview

During the Games, 272 events in 17 sporting disciplines were to be organized. The Sports Functional Area was responsible for organisation of each event including its regulations and conduct; maintenance of the timing, scoring and results records; the presentation ceremonies and announcements.

13.2 Procurement of Sports Equipment

13.2.1 Overview

After venue owners indicated their lack of expertise in procurement of sporting equipment, MYAS assigned the overall responsibility for procuring sports equipment for both competition and training venues in October 2009 to OC and released a budget of Rs. 25 crores in May 2010, in addition to OC's existing sanctioned budget of Rs. 5.42 crores.



We do not find sufficient evidence that requirement assessment for sports equipment was done with due diligence. Although OC stated that after initial listing of items, comments were invited from the national sports federations, we found that most federations did not make any comments. Thus, the procurements – both the items and brands, as well as quantities - were effectively decided by the OC, which apparently had no expertise in this area.

OC awarded 93 contracts for procurement of sports equipments between February 2010 to September 2010 for a total amount of Rs 27.22 crore. We found several deficiencies in the procurement:

- Global tendering procedure was not followed at all;
- Performance guarantee was not obtained from the successful bidders in any case;

- In 5 cases, supply orders of Rs 3.95 crore were issued even before approval of the competent authority(EMC);
- In 19 cases, purchases worth Rs. 3.17 crore were made on single tender basis. Interestingly, in 14 such cases, the single tenderer was the same agency i.e. Swatantra Stores, Patiala¹. In cases where only one tender was received /found eligible, the option of re-tendering was not exercised by OC, despite reasonable time being available.
- While processing the award for purchase of boxing equipment, OC irregularly shifted from item wise processing of bids to processing the procurement as a single package after technical qualifications of the bidders had been evaluated and commercial

¹ Which is essentially a sports equipment store and not manufacturer

bids opened. Consequently, the purchase order was placed to a party who was not the L1 bidder for all items.

Selected instances of irregularities in procurement are detailed below:



13.2.2 Purchase of Athletic Equipment

Out of the five IAAF² approved companies who bid for this work, three did not submit the usage certificates³ from the international federation as required in the RFQ and the only qualified bid of DIMA Sports was opened in March 2010. After an inexplicable delay of 3 months, the supply order was issued in June 2010 to the firm at a cost of Rs. 2.78 crore. In July 2010 DIMA

² International Association of Athletic Federations

³ Usage certificate is given by the International Federation for the usage of any equipment in any previous international event.

expressed their inability to deliver the items in time due to vacations in Europe. OC maintained that the delays were on account of their waiting for other bidders to give the required usage certificates. We, however, noticed that in August 2010, after cancelling the earlier supply order, OC divided the order and procured the equipment at higher rates from UCS Inc(USA) and Nordic Sports AB(Sweden) which resulted in additional expenditure of Rs. 0.95 crore. Surprisingly, both the companies never submitted any usage certificate.

13.2.3 Purchase of Boxing Equipment



The International Boxing Federation changed its boxing ring specifications in January 2010 from 7.5 m x 7.5 m to 7.8 m x 7.8 m for all AIBA approved events⁴. OC, however, ordered 2 competition boxing

⁴ The new specifications were notified 2 years in advance; existing rings with old specifications were considered valid only till December 2010.

rings for Rs. 0.18 crore in February and June 2010 with the old specification.

Significantly, the evaluation committee dealing with the purchase of boxing rings did not have any member from the national boxing federation, or sportspersons associated with boxing. OC stated that though their specifications were incorrect, in one case the supplier changed it to new specification. The other boxing ring is however, unfit for use in AIBA-approved events.

13.2.4 Purchase of shuttlecocks

Of the 2000 dozen shuttlecocks purchased for badminton events, 1000 dozen shuttlecocks had crossed the shelf life⁵ even before the events were held. Significantly, 1392 dozen shuttlecocks (i.e. 68 per cent of the procurement, including the ones which had crossed the shelf life) valuing Rs 0.16 crore remained unutilised.

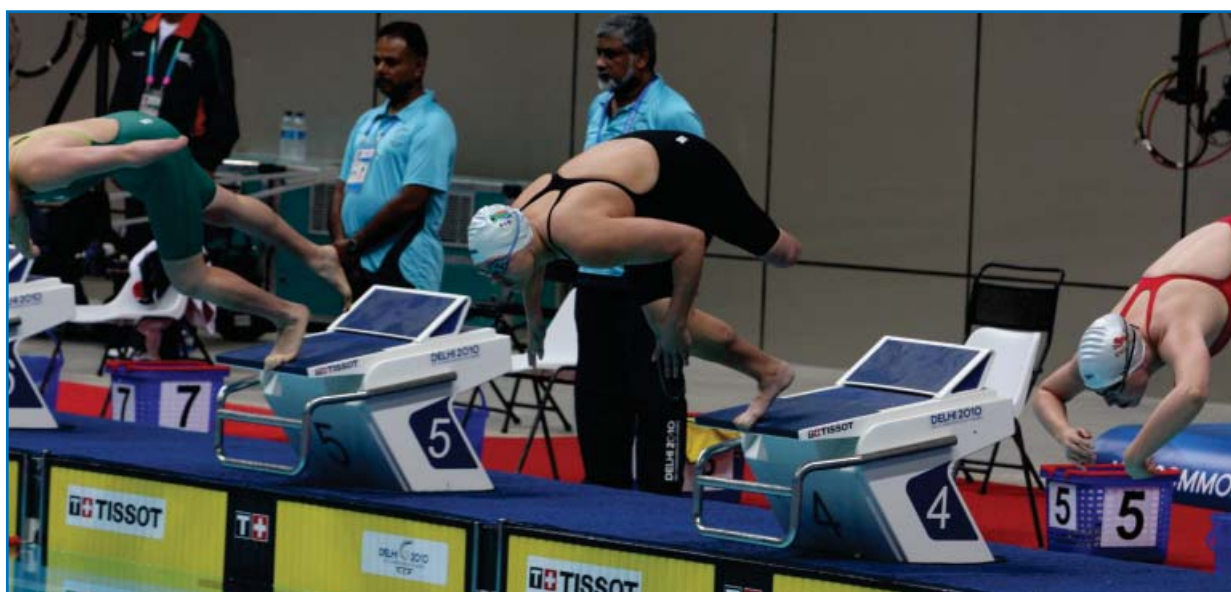
Further, while OC placed an order with Sunrise & Company for providing 300 dozen of Speed-1, 400 dozen of Speed-2 & 300 dozen of Speed-3 i.e. total 1000 dozen

Yonex shuttle cocks, the vendor supplied 1000 dozen of shuttle cocks of only two speeds i.e. speed 1 & 2. OC accepted the supply, though it was at variance with the supply order.

13.2.5 Delayed supply of equipment for test events and training

Imported sporting equipment for gymnastics and aquatics worth Rs. 4.56 crore and Rs.1.08 crore respectively was required to be delivered before the test events scheduled in July-August 2010, but was delivered only in August-September 2010. This led to cancellation of test events in the disciplines of synchronised swimming and high board diving. Also, in the absence of the new equipment, some equipment had to be transported from Pune and Ranchi⁶.

Four training boxing rings (Rs 0.35 crore) ordered for the practice session of the Indian team scheduled from 23 September to 3 October 2010, were received only on 29 September 2010 and could be installed just one day before the events began.



⁵ as prescribed under the standards of the IBF

⁶ Out of the equipment procured for CYG-2008, Pune and National Games 2011, Ranchi

13.3 Procured equipment lying unused

We found huge quantities of sports equipment lying unused at various locations even after the Games had concluded, raising doubts on the reasonableness of the assessment of requirements. Some instances are given below:

- Sports equipment worth Rs 1.35 crore (Details in Annex 14.1), was lying unpacked in the ITPO store as of November 2010;



Non-use of trampoline during CWG 2010

- Out of 17 venues, equipment usage records of only 7 venues were received. In these venues, sports equipment worth Rs 0.93 crore (Details in Annex 14.2) was lying fully unused.
- 10 trampoline sets procured for aquatics at a cost of Rs 0.34 crore were kept unused at the ITPO store.
- 2 trampoline sets procured for gymnastics at a cost of Rs 0.11 crore were procured wastefully, as there was no trampoline event scheduled in the Games. These were lying packed in the IG Stadium store throughout the Games.



Use of trampoline during Beijing Olympic 2008

- 16 storage trolleys, which were neither in the list approved by MYAS nor requested by the Sporting Federation, were procured at a cost of Rs. 0.25 crore as part of aquatic equipment, but were never made available at the Dr. SPM Aquatics Complex, the aquatics venue. Eight of these trolleys were kept at the Games Village and the rest remained in the store.

13.4 Sports Presentation Ceremonies

13.4.1 Overview

Sports presentation is the showcasing of a sport for venue spectators and broadcast audiences. This is the ceremony where the medal winners are presented with medals in recognition of their achievement and their countries are honoured by raising their national flags and playing the national anthem of the gold medal winners.



OC incurred a total expenditure of Rs. 13.62 crore for sports presentation:

- Rs 5.68 crore on Shri Greg Bowman/ Great Big Events (GBE);
- Rs 6.75 crore on hiring of audio video equipment;

- Rs 0.19 crore on hiring of sports presentation managers and announcers; and
- Rs 1.00 crore for miscellaneous expenses on GBE consultants.

OC awarded several contracts to Shri Greg Bowman and his company, Great Big Events (GBE), as summarised below.

Table 13.1 – Contracts awarded to Shri Greg Bowman and Great Big Events

Timeline	Vendor	Work	Contract Amount	Actually Paid (Rs. in Crore)
October 2009	Greg Bowman	Sports presentation consultant	USD 17,200 per month	0.77
January 2010	Great Big Events	Sports presentation core team	USD 502,000	1.47
July 2010	Great Big Events	Supply of sports presentation managers (17) and victory ceremony producers (3)		Bidding cancelled
September 2010	Great Big Events	Sports presentation workshop & Basic Music/Video Pack Service Agreement	USD 850,000	3.44



We found that these contracts were awarded and managed by OC in complete disregard of the norms of propriety and without safeguarding its financial interests.

13.4.2 Hiring of Greg Bowman and Great Big Events

In October 2009, OC hired Shri Greg Bowman as consultant for sports presentation on nomination basis. He was overall in-charge for the delivery of the sports presentation programme across all competition Venues.

Shri Bowman was also responsible for selecting the Sports Presentation Team. Accordingly, he hired his own company, Great Big Events (GBE) on nomination basis in January 2010 for a period of 10 months at a cost of USD 502000 (Rs. 2.26 crore) for assisting the consultant (Shri Bowman) and for the creation, deployment and delivery of the Sports Presentation programmes for the Games.

In July 2010, OC advertised for the “supply of sports presentation manager (17) and victory ceremony producers (3).” The two tenders received were from Great Big Events and Fun and Games Limited, which was submitted by Shri Radley Foxon, an

employee of GBE. Shri Greg Bowman did not inform OC of this interconnection and advised OC to accept the bid of GBE. This bid was however cancelled as both bids were found to be unsealed.

Seven months into the January 2010 contract and after receiving payments of Rs 1.47 crore (65 per cent), GBE sent a notice of termination in August 2010 to OC. OC did not terminate this contract, but initiated an EOI for a new contract for “supply of sport presentation managers and victory ceremony producer”, although the contract was awarded for a different scope of work⁷. The entire process of bidding was miraculously completed within 16 days as follows:

Table 13.2 – Award of second contract to GBE

1 September 2010	Issue of EOI (in newspaper)
7 September 2010	Last date of receiving EOI
7 September 2010	Opening of single bid from GBE
12 September 2010	Negotiations with GBE
13 September 2010	Approval of Fast Track Committee
16 September 2010	New contract signed between OC and GBE

After hurried negotiations and approvals of the Fast Track Committee on 13 September 2010, on 16 September 2010 OC once again entered into an agreement with GBE at a

⁷ Sports Presentation Workshop and Basic Music/Video Pack Service Agreement

total fee of US\$ 850000 for 29 days. The cost of this contract was absolutely unjustified as it essentially amounted to an enormous upward revision of rates, after paying Rs 1.47 crore under the earlier contract.

Further, till August 2010, despite progressing 70 percent on timeline and release of 65 percent of the amount contracted earlier, GBE had neither assisted in the recruitment of sports personnel nor trained them before the test events as was required under the January 2010 contract. We find that, OC's negotiations for the re-hiring of GBE were highly questionable, as, besides the exorbitant rates, the scope of work included items already done under the initial contract by GBE or by OC on their own e.g.

- **Conducting interviews for Indian announcers** - 42 of the 55 announcers finally selected were engaged prior to signing of the second contract.
- **Hiring of presentation personnel** - 30 sports presentation personnel were already engaged directly by OC.

OC also failed to utilise the services of GBE as per the contract. In early September 2010, OC was processing the award of tender for hiring of audio/video equipment and even before GBE could finalise the venue wise requirements, tendering was already done. It would appear that the OC officials handling the award of the contract allowed unwarranted expansion of scope of work to justify payments of substantial sums of Government money.

Fraudulent payment to Great Big Events (GBE)

As per the January 2010 contract, GBE was to assign 9 personnel for contract related activities. While three of them were to stay in India for the entire duration of 10 months, the other six had to stay for specified number of days. Fees were accordingly prescribed on monthly and daily basis for these two categories.

We ascertained that the three GBE executives required to stay in India did not do so for the entire stipulated period as one executive did not even visit India and was paid @ 7500 USD per month for 7 months. OC officials actively colluded by duly certifying their payment invoices and work, despite their absence from India. Shri ASV Prasad, JDG (Sports) even certified⁸ the presence of one executive Ms. Kate Campbell⁹, who never visited India.

The entire claim for the periods that the executives were not available in India could be termed as fraudulent. However, even on a proportionate basis, such fraudulent payments amounted to Rs 40.13 lakh (USD 89186).

While OC indicated that they would make deductions from the remaining 10 percent payment, the balance with OC would not cover the excess payment.

⁸ The attendance sheet for the month of May and June 2010 was authenticated by DDG (Sports) and countersigned by JDG (Sports) stating that Kate Campbell was present full time in India.

⁹ Incidentally, we found a draft agreement signed by Greg Bowmen (for GBE) where in place of Kate Campbell, the name of Ms. Kavita Sontakay (who was an employee of OC till 2 weeks after this contract was signed with GBE) is mentioned.

GBE's performance under the contract entered in September 2010 was also deficient:

- Against a commitment to conduct at least six training workshops with sports presentation managers/ assistants and announcer, GBE conducted only four workshops.
- GBE was to provide audio systems, audio production systems, video production equipment and communication equipment at all venues, including nine Instant Replay machines at cost of USD 25953¹⁰. While the advance payment to GBE was increased to 50 percent on this pretext, there was no evidence that they provided these equipments. Instead, OC hired these equipments separately at a cost of Rs 6.75 crore.

13.4.3 Exorbitant Hiring of Audio video Equipment for Sports presentation:

Despite hiring expensive consultants for sports presentation, OC realised its requirement for renting of audio and video equipment only on 4 September 2010, when a tender was floated. The contract was awarded to Modern Stage Pvt. Ltd at a cost of Rs 6.75 crore. We found the award process to be flawed:

- The newspaper advertisement only gave notice of a detailed advertisement on the OC's website which was not available till 9 September 2010. The website advertisement was available only for one day (10 September 2010) and the technical bid was opened on 11

September 2010. Interestingly, the newspaper advertisement did not even mention whether the equipments are to be hired or purchased.

- OC added a restrictive clause of experience of CWG, Asian, Olympics or World Mega Sports Competition, thus ensuring even less competition.
- Only two responses were received; after negotiations, the contract was awarded at a total cost of Rs 6.75 crore.

Further, the vendor raised an additional bill for Rs 1.28 crore, on account of a claim of supplying additional equipment (after keeping GBE informed); OC had no knowledge of this additional supply.

To evaluate the reasonableness of the hire charges, we invited quotations for purchase of the audio, video equipments hired by the OC from the Modern Stage Pvt. Ltd. In response, two quotations were received. The quoted price for purchase was around Rs. 3.5 crore, as opposed the hire charges of Rs 6.75 crore paid by OC. Clearly, the hiring process was non-transparent and the charges exorbitant.



¹⁰ For this, freight charges @ USD 15000 were also paid to them.



Games branding essentially involved running the Games News Service (GNS) and other press operations, communication and marketing, and “image and look” (i.e. promoting a unique Games look and identity through banners and graphics); this was handled through three separate functional areas.

We found that the appointment of Shri Manish Kumar as Director, Press Operations and his subsequent promotion was irregular. Despite numerous complaints about his behaviour, no action was taken till late-September 2010, when he was transferred out of Press Operations, just eight days before the Games.

The exorbitant cost of Rs. 10 crore for the Games News Service (GNS) contract (against the initial budget of just Rs. 0.56 crore) was due to a decision to go in for outsourcing (as against the internally developed option used at Melbourne-CWG 2006) and also on account of flawed tendering procedures (with re-tendering) resulting in award on a single financial bid to Infostrada Sports. GNS failed to perform satisfactorily during the Games, as the Games news content was inaccessible from 5 to 8 October 2010 and was rectified subsequently using makeshift arrangements.

The selection of the “Games Look Provider” for preparing banners was marked by a cluster-based approach (as in the case of overlays). Further, on the pretext of urgency, a snap bidding process was used. As in the case of the venue overlays contracts, OC allowed several ineligible vendors to bid, while disqualifications were made on a selective basis; we also found the same vendor quoting different prices for the same items across clusters.

The Communications Functional Area was hampered by bad planning, drastic curtailment of the budget for advertising campaigns, and award of works on ad hoc basis to selected TV channels and media houses.



14.1 Overview

Games Branding essentially involved three aspects:

- **Press Operations** – Running the Games News Service (GNS) for providing the editorial content for the GIS, managing the main and venue press centre and facilities for media persons;

- **Communication** – Creating awareness about the games; and
- **Image and Look** – designing logos and promoting a uniform games identity through graphics and banners.

14.2 Press Operations

14.2.1 Appointment and Removal of Shri Manish Kumar as Director, Press Operation

The appointment of Shri Manish Kumar as Director, Press Operations was irregular:

- In September 2008, Shri Manish Kumar was appointed as Director, Press operations.
- After 15 days of his appointment, Shri Kumar informed Shri Lalit Bhanot that he was unwilling to accept the post at the remuneration offered.
- OC kept the post vacant for another 6 months and then interviewed Shri Manish Kumar again, offering him a considerably higher salary. The post was neither advertised openly nor any other interviews conducted.

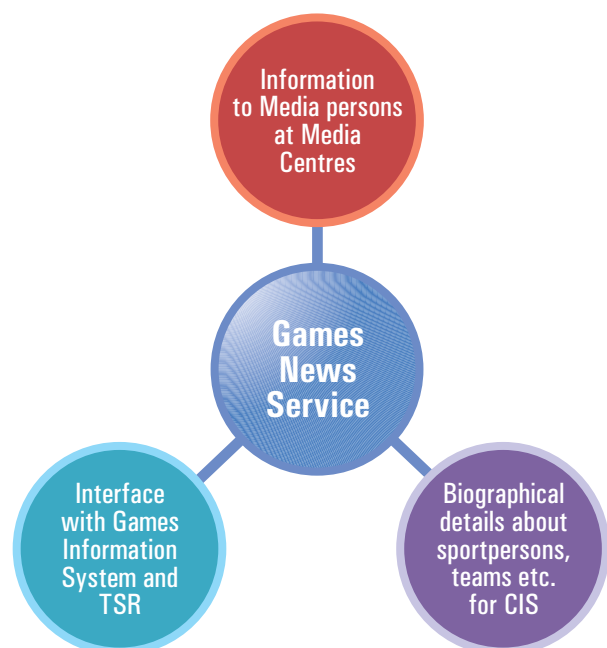
Due to complaints regarding his behaviour, Shri Manish Kumar was transferred out of Press Operations just 8 days before the commencement of the games to the Sustainability and Environment Functional Area office without any specific charge. Earlier in August 2010, a foreign hire of the OC, Shri Gnanapragasam, responsible for press operations across all venues, had left the organisation, complaining about Shri Manish Kumar's misbehaviour, but OC did not conduct an inquiry into these complaints. Shri Manish Kumar was also

instrumental in procurement of media kits without due financial approval, where he also revised the quantities and items on his own, at the time of placing the order. CEO, OC declined to give ex-post facto approval and ordered for recoveries from the concerned officials.

Interestingly, though Shri Manish Kumar's performance in Press Operations was far from satisfactory, he was promoted from Director to DDG. Further on his transfer, Shri Manish Kumar did not hand over records to his successor. Thus, during the Games, the Press Operations FA had no access to its own records, including the GNS contract documents (and the obligations of the GNS provider). Although the matter was brought to the notice of higher management, no action was taken on this issue.

14.2.2 Games News Service

Figure 14.1 – Games News Service



The Games News Service (GNS) supplies the editorial content for the Games Information System (GIS) i.e. athlete biographies, records, background, reviews, previews from the competitions etc. OC awarded the GNS contract to Infostrada Sports in June 2010 at a cost of US \$ 20.60 million. We found that the award was irregular:

- An RFP was issued in January 2010 only on the OC's website, and without presenting any last date for submission; global tendering was not followed. Only one bid from Infostrada Sports was received.
- OC retendered the work in March 2010, but again received only one bid from Infostrada Sports.
- After three months, in June 2010 OC awarded the GNS contract to Infostrada Sports:

OC also showed other favours to Infostrada Sports:

- OC deducted only Rs. 5 lakh as performance security against the required amount of Rs 45.30 lakh.
- OC made payments in foreign currency (USD), without approval, resulting in additional financial burden of at least Rs. 58.09 lakh due to currency fluctuations. Even the conversion rate applied at the time of negotiation was incorrect.
- OC accepted the liability for service tax payment of Rs 0.94 crore without the EB's approval, although the LOI stipulated otherwise.
- The terms of payment were also varied materially from the commercial bid in

favour of the vendor. The vendor had demanded 30 per cent payment till the first delivery (with 20 per cent within 10 days of signing of the contract) while the OC agreed to pay 50 percent (with 20 per cent within 10 days of contract signing). The contract also irregularly provided for advance payment of 70 percent.

The initial budget of Rs. 0.56 crore for GNS was based on the internal development model adopted for Melbourne CWG-2006. However, OC incurred Rs. 10.00 crore (inclusive of taxes) on an outsourced GNS. OC chose not to take action on SDG (Press Operations)' opinion recommending engaging journalists and university students for this task; the relevant notings of the SDG were missing from OC's records. Further, Infostrada hired most of its manpower requirement for GNS locally.

We found that the exorbitantly priced GNS failed to perform satisfactorily during the Games, as the Games news content was inaccessible from 5 to 8 October 2010 due to technological glitches. The GIS, which was supplied by Swiss Timing Omega and was to receive editorial content from GNS, did not perform satisfactorily, as pointed out in Chapter 12. OC confirmed that the information could not be displayed because no testing was carried out prior to the event. Finally on 8 October 2010, a makeshift arrangement was made to provide electronic access to GNS information in PDF format. Even Shri Mike Hooper, CEO CGF confirmed the difficulties experienced by broadcasters and media-persons due to the malfunctioning of GNS.

14.3 Image and Look



The successful execution of the Games required building and ensuring consistency in the image and look for CWG-2010.

14.3.1 Graphic Design

OC issued a limited RFP in June 2008 for appointment of a Graphic Design Agency, in response to which two bids were received. OC declared the L-2 bidder, Idiom Design and Consultancy to be “technically superior” (after opening of commercial bids) and issued the LOI to it in July 2008, to match the L-1 bid. OC finally signed the contract with Idiom Design and Consultancy only in November 2008 on further relaxed¹ payment and performance guarantee terms.

Further, the visual identity concept for Games (logo, mascot, colour palette, pictogram, sub-graphics and sub brands) could be finalised only in July 2009, delaying other milestones for image and look activities.

¹ *Idiom Design and Consultancy asked for separate payment for approval of design (art work) and reduction in performance guarantee.*

14.3.2 Selection of “Games Look Provider”

OC hired two consultants on nomination basis only in October 2009 for scoping and costing Games branding.

The Games Look Provider was to promote a uniform game identity and look through graphics, banners etc at all venues. Although scoping was completed in October 2009, for inexplicable reasons, tendering for this work was taken up only in June 2010, encouraging deficient tendering procedures on pretext of urgency .

OC replied that considerable time was spent in reworking the entire BOQ for venues and cities to fit within the re-appropriated budget which was received in June 2010.

OC adopted a “cluster” based approach (on a similar pattern as venue overlays), with work divided in 9 clusters covering all venues and non venues. OC stated that this approach was adopted with OCFC's approval in view of cost effectiveness, ease

of operations and paucity of time. However, we found that this cluster based approach led to several irregularities and increased cost:

Table 14.1 – Chronology of events for selection of Games Look Provider

June 2010	RFP Issued
July 2010	Out of nine bids, two were rejected in pre-qualifications. After technical and commercial bidding, cluster-wise, L1 selected for nine clusters Three rounds of negotiations held with L1 bidder
July and August 2010	Fast track committee approved the negotiated prices for cluster 1,2,3,7,8 and called for “snap bid” for the other 4 clusters to all 7 bidders and awarded work on the basis of these snap bids

- The draft RFP initially contained an unusual clause for “snap bids” which was deleted at the insistence of Director(Procurement) These snap bids were later called for from four clusters where the deviation in prices was more than 10 percent of the estimated cost, resulting in undue benefit to two vendors (Peacock Media and Hannu Advertising) who were not L-1 before the snap bids but were finally awarded the contract. In retrospect, this appeared to be a pre-meditated strategy to favour selected vendors.
- Ambiguity on the turnover eligibility criteria for bidding for multiple clusters
- was not rectified², leading to lower competition. It was not clear whether annual turnover of Rs. 4 crore or more was required in each of the three preceding financial years or any one of them.



² despite being pointed out by Director (Procurement).

Consideration of ineligible vendors

Mirroring the overlays contract, OC entertained several vendors who could not supply the required documents or were ineligible. We also found that disqualifications were made selectively.

While two bidders were disqualified for not submitting certificate of factory license/ certificate from the Pollution Control Board, OC accepted a temporary license from another bidder (Peacock Media) and even a certificate in the name of a sister concern from yet another bidder (Hannu Advertising), both of whom were finally awarded contracts.

Further, Roop Sign and Graphics, a bidder who had submitted multiple bids, one independently and one in consortium, was given an opportunity to select and propose its preferred bid and was awarded a contract.

As in the case of the venue overlays contract (refer Chapter-9), the annual turnover of Pico Hong Kong was accepted on the basis of self certification, and they were allowed to bid for all clusters.



- As per the conditions of snap bids, all technically qualified firms were required
- to submit the order of preference for award of contracts for different clusters. We found that bids of different bidders and L-1 prices for their preferred clusters matched with almost unreal precision, indicating existence of a cartel.

As in the case of the venue overlays contracts, successful vendors for different

clusters had quoted different rates for same items and OC accepted it. Also, the same vendor (Design Dialogue) quoted different prices for same items in the different clusters. Had OC negotiated rates in different clusters to match the lowest item wise rates, across clusters, they could have achieved savings of Rs 2.04 crores across the clusters (details in **Annexe- 14.1**).

14.3.3 Execution of Games Look Provider Contract

Although the works were awarded for Rs 25.94 crores, after further physical verification, the scope of work was reduced to Rs 20.33 crores; finally, the work executed by the vendors was limited to only Rs 14.45 crores. This decrease was largely due to OC's failure in ensuring timely accreditation and permissions, coupled with limitation of time available for execution.

14.4 Communications Functional Area

14.4.1 Overview

Although the Communication functional area was operating since 2007, its operation plan was prepared only in April 2009, revised twice, and finalised in March 2010. The functional area was required to create awareness about the Games; promote ticketing, merchandising and sponsorship for the Games; and create Games time build up to support spectator services.

These objectives could not be achieved due to:

- Bad planning;
- Reduction of the budget from the initial amount of Rs. 82.02 crore to Rs.68.34 crore to Rs.38.34 crore in June 2010. This forced curtailment of advertisement campaigns for the QBR domestic leg;, ticket marketing; test events; Pre Games, Games and Post Games advertisements; internet campaign and direct media relations;
- Initial reluctance on the part of senior management of OC for marketing efforts

(as it was anticipated that the CWG tickets would sell on their own); and

- Award of works on ad hoc basis to selected TV channels and media houses.

Internal controls in the Functional Area were very weak as there was no institutional memory and the files and records made available to audit were incomplete.

14.4.2 Award of contract on ad hoc basis to selected TV channels

OC awarded contracts for Rs. 3.78 crore for production and broadcasting of commercials for promoting of CWG-2010 to CNN-IBN and NDTV. An arbitrary approach was followed, with no planning for specific channels and time slots, cost benefit analysis, benchmarking of rates and tenders. Proposals were considered, in an ad hoc manner, as and when a proposal was received; no form of competitive tendering was adopted. We had no assurance about the competitiveness of the rates quoted by these channels and the need and usefulness of the proposals.

From March 2010 to June 2010, the entire pre games publicity and sponsorship publicity was done only on NDTV and CNN-IBN.

Further, although OC had rights to telecast commercials produced by these channels (particularly for celebrity films, special episodes on development of games) it never used these commercials. Instead, it separately spent Rs.0.81 crore on the production of films during Games time.

14.4.3 Non-utilization of VIK worth Rs. 16.20 crore during the Games

As part of the international broadcasting contracts³, OC got VIK (Value in Kind) sponsorship in the shape of commercial spots for promotion of the Games. While some of these channels broadcast their own films for Games publicity, the VIK on other channels was not utilized during the Games. Instead, OC awarded separate contracts worth Rs. 0.73 crore for promotion of games internationally following deficient tendering processes to BBC, Google, MSN and Yahoo. Incidentally, inadequate publicity was one of the reasons for low sale of tickets in other participating countries.

14.4.4 Empanelment of Advertising Agency

In 2007, OC empanelled three advertisement agencies, namely, JWT, Quantum, and Mercantile for effective publicity and communication and for handling all indoor and outdoor publicity. Work of Rs.10.76 crore was executed by these agencies. **Records regarding selection of these firms were not furnished by the OC.** In December 2009, a fresh empanelment of advertisement agencies was considered, and approved, but not pursued further.

14.4.5 Non-utilisation of audio and visual commercial valuing Rs. 1.27 crore

OC failed to utilise audio and video segments produced at a cost of Rs. 1.27 crore as it revised its media plan to cover only the print media for the launch of logo and promotion on the “1000 days to go” campaign.

Abnormally high specification restricting competition

OC floated a RFP for appointment for sports consultant in the Communication Functional Area in June 2010. Although the estimated value of the contract was only Rs. 2 crore, the RFP stipulated pre-qualification criteria of an abnormally high turnover of Rs. 250 crore, ignoring DDG(Procurement)'s advice . Only two out of three bids received met this criterion, and the work was awarded in July 2010 at a negotiated cost of Rs. 1.90 crore to Percept Limited. This arbitrary turnover requirement of Rs. 250 crore was, in our opinion included to restrict competition.

³ with Network Ten, TVNZ and South Africa Broadcasting Corporation.

Workforce and Other Supporting Activities of the Organising Committee

We found serious deficiencies in the award of the workforce consultancy contract to a consortium of E&Y and EKS. The tendering process was clearly tailored to favour EKS. There were several deficiencies in the contractual clauses, which tended to favour the interests of the consultant, as well as in the execution of the contract.

We found that the OC managed the workforce in an arbitrary and ad hoc manner, leaving ample scope for patronage, favouritism and nepotism in the appointment and promotion of officials. Security and reference checks were not carried out for most employees, and certain employees, whose past records should have rendered them unfit for appointment in the OC, were nevertheless appointed. Further, the OC was grossly understaffed till 2009, but was grossly overstaffed by September 2010 (with this overstaffing being regularised post facto by the EB).

Regarding the Accommodation Functional Area, we found arbitrariness in hiring of apartments for OC's consultants and employees and one case of potential conflict of interest in hiring flats. OC had nominated Ashok Hotel as the flagship hotel for CWG-2010. Though between 155 to 399 rooms were vacant in Ashok Hotel on a daily basis, OC was inexplicably unwilling to accommodate technical officials in the same hotel where guests/officials were accommodated, and booked accommodation for them in 11 other hotels, resulting in infructuous expenditure of Rs. 1.15 crore.

We found 492 persons who had not received security clearance were incorrectly listed by the Accreditation Functional area in the data for the Integrated Security System, which indicated that the accreditation system was not followed strictly. We also found procurement of 1.5 lakh lanyards¹ at a cost of Rs. 0.68 crore with an inexplicable fire retardant requirement of 800 degrees Celsius.

Contracts for venue cleaning services were awarded irregularly, using a cluster-based approach, to just two contractors. Restrictive eligibility criteria were applied in a biased manner. 8 out of 9 packages went to A2Z Maintenance and Engineering Services, which was also engaged by OC for office automation services.

Although a separate logistics contractor was hired (with VIK sponsorship), most of the Functional Areas made separate arrangements. This resulted in information on the location and distribution of assets not being available with the OC. The Procurement Functional Area was also equally underutilised.

We found undue favour in awarding the insurance brokerage contract to Marsh/ Trinity, as also in the selective clauses for appointment of insurance companies (which favoured the interests of Marsh/ Trinity, rather than the OC).

¹ A lanyard is a rope or cord generally worn around the neck to carry identity cards and similar objects.



15.1 Workforce

15.1.1 Appointment of Workforce consultant

To build capable and well-managed workforce and to define transparent, implementable and appropriate human resource policies, OC signed an agreement in March 2008 with the consortium of Ernst and Young (E&YS) Pvt. Ltd. and Event Knowledge Services (EKS) for workforce consultancy services at a cost of Rs. 22.36 crore.

15.1.1.1 Selection of consultant

As in the case of other contracts with EKS (refer Chapter 9, Para 9.1), we found serious irregularities in the award of this contract, with clear intent to favour EKS:

- Global tendering procedures were not followed. Instead, in May 2007 OC floated an EOI with restrictive clauses

with regard to an annual turnover of Rs. 50 crore in foreign currency, and experience of providing advisory services to at least two multi-sport events of the stature of Olympics, Asian Games or Commonwealth Games.

- Only 2 out of four bidders qualified; EKS responded as an independent entity, and was found ineligible.
- At the RFP stage, OC relaxed the criteria² and issued RFP to three agencies viz. Price Water Coopers, Ernst and Young Pvt. Ltd. and Homes Glen Institute of Tafe, Australia. Only two responded with bids, both of which were technically qualified. EKS was allowed to form a consortium with E&Y after the EOI evaluation, which ensured its technical eligibility; the other bidder was Price Waterhouse Coopers.

² One year experience in advisory capacity for workforce

- OC took recourse to the RFP stipulated condition of considering only the “technically superior” bidder, and opened only one financial bid - that of EKS-E&Y consortium, which was awarded the work in March 2008. This clause in the RFP is against the extant CVC guidelines and GOI rules, and was evidently put in to ensure that OC could predetermine the winning bid.

15.1.1.2 Faulty contract with consultant

We found that the contract with EKS- E&Y included many clauses which were detrimental to the interests of OC:

- **Absence of schedule for delivery of services:** While the contract had a detailed list on deliverables from OC, it did not indicate the deliverables from the contractor and associated timelines.
- **Wasteful expenditure of Rs. 0.31 crore for compensation structure of OC employees** - The consultant's report on compensation structure, costing Rs. 0.31 crore, was redundant, since OC already had an EB approved compensation structure in place since January 2008. Further, OC's compensation structure was not altered in the light of the consultant's report.
- **Preferential terms of engagement for the consortium member:** Instead of dealing with the lead partner the two partners of the consortium were paid separately and in different currencies as per the contract. Rs. 7.23 crore was to be paid to EKS in foreign currency. Separate and higher out of pocket expenses were also allowed for EKS. They were allowed Rs. 2.20 crore for out

of pocket expenses as against Rs. 0.69 crore to E&Y the lead partner.

- **Full payment scheduled before the completion of work:** While the contract was till 15 November 2010, the final payment to the consultant was to be made by April 2010.

15.1.1.3 Irregularities in execution

We noticed several regularities in the execution of the contract:

- **Non utilization of output documents:** Although the consultant had submitted 73 policy documents (including Functional Area operational plans), we found no evidence of their actual use. Most FAs were not even aware of the timelines prescribed in these operational plans.
- **Release of payment due to misinformation:** At the time of release of a payment instalment In June 2010, when the CEO inquired about terminating the contract of EKS-E&Y, he was misinformed by Shri Abrar Hussain, DDG Establishment that the contract was to end in July 2010 and 90 days notice is required to terminate the contract. He therefore, recommended that there was no option but to release the payment, which was done. However, for inexplicable reasons, the next instalment was not released to EKS.
- **Non revocation of bank guarantee:** Though the consultant failed to deliver the “Post Commonwealth Games Delhi Report” and two HR reports (costing Rs. 2.82 crore as per the commercial bid), OC did not invoke the performance bank

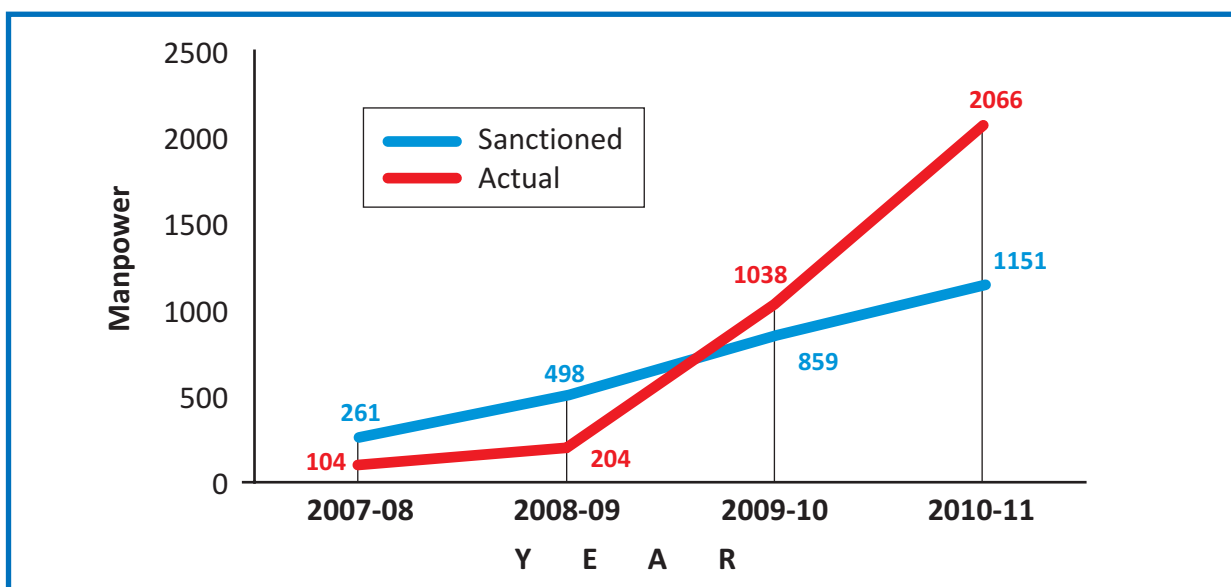
guarantee of Rs. 2.23 crore, which was valid till 15 November 2010.

- **Short deduction of TDS amounting to Rs. 3.06 Crore:** OC deducted income tax of US \$ 2.11 lakh @ 10 per cent, instead of 42.23 per cent as applicable to a Permanent Establishment (PE). This resulted in short deduction of income tax of Rs. 3.07 crore.

15.1.2 Arbitrary and Ad hoc Workforce management

While the General Organizational Plan of OC established the management structure of the OC and had timelines for hiring of staff clearly laid out, we found that the OC went about workforce management in an arbitrary and ad hoc manner, leaving ample scope for patronage, favouritism and nepotism.

Figure 15.1 – Excess Appointment of Staff at OC



15.1.2.1 Excess Appointment of Staff

Till 2009, OC lacked critical manpower as per its requirements. However, by September 2010, it had 2066 personnel in position, against the sanctioned strength of 1151. This was regularised post facto by the EB in a meeting held just 12 days before the Games. Incidentally, the proportion of excess staff at higher levels was substantially higher. There were 40 excess personnel at DDG level where sanctioned strength was 9 and 5 were excess at JDG level where sanctioned strength was 2. Further, the posts of DG, JDG, and COO were equated, facilitating distribution of

perquisites and higher salaries to a larger number of officials.

15.1.2.2 Irregularities in the appointment of Personnel

The maintenance of personnel files was extremely poor, and no files were maintained in respect of the Chairman, Secretary General, Vice Chairman and Treasurer. Our scrutiny of 191 personnel files in the rank of Director and above revealed several irregularities:

- **Identification of requirements:** The stipulated process for identification of requirements for subsequent

recruitment was rarely followed. Further, we could not find position briefs, job profile and desired qualifications in our sample of personnel files.

- **Competitive sourcing of candidates:** While OC appointed three recruitment agencies³ for sourcing of candidates, less than 5 percent of OC's staff was hired through them. Newspaper advertisements for recruitment were also rarely followed. We found that in 167 out of the 191 sampled personnel files, only one person was considered for the particular post and selected.
- **Appointment of personnel not having the requisite qualifications:** EKS-E&Y prepared job descriptions (with roles

and responsibilities), and required educational qualifications and experience for each unfilled position as of 2008. However, OC did not take note of these job descriptions, and appointed persons without the requisite qualifications and experience. We noticed incomplete or missing educational and experience certificates in 175 out of 191 personnel files.

- **Security and Reference Checks:** We found details of security/ vigilance checks and reference confirmations in only 18 and 2 files respectively out of 191 files. An illustrative list of employees, whose past records should have deterred their appointment in the OC, is given below:

- **Shri VK Verma:** In July 2008, after resignation of the then DG-OC, OC appointed Shri V.K. Verma as Director General on nomination basis. There was no advertisement or interview for the post, and only an unsigned single page bio data of Shri Verma was available in the personnel file. Even the dates of employment were not mentioned in the bio-data. While it was indicated that Shri Verma belonged to the Indian Railways Service of Mechanical Engineers (IRSME), there is no information regarding his retirement, NOC from his former cadre and re-employment information. We ascertained that there was a vigilance inquiry against Shri Verma, while he was working as Commercial Director in Air India, where he was "warned" for indiscretion and error of judgment. This information was not available in his personnel file.
- **Shri T.S. Darbari :** Well before his formal appointment with OC, Shri Darbari was, in August 2007, part of the evaluation committee for bids of the workforce consultants and was appointed as Joint Director General (Revenue, Marketing and Chairman's Secretariat) in January 2009. There was no evidence of any interview or application from Shri Darbari, and Chairman, OC was kind enough to write to his private sector employer for his early release on the very day of his selection by the search committee. OC took no action on the numerous complaints received against him from various sources (including MYAS) from February to April 2010. Shri Darbari's services was eventually terminated in August 2010 on corruption charges.
- **Shri Nachiketa Kapur:** Shri Nachiketa Kapur was appointed as Director, Protocol and Media Relations in July 2009 and further promoted to the rank of DDG. The official had been rejected for the post of OSD to Minister of State (MOS) for Women and Child Development in February 2008 by the Appointment Committee of the Cabinet (ACC), which stated that he should not be considered for any sensitive posts in future. OC however employed him, without any verification.

³ ABC Consultants, Ma Foi Management Consultant, and Team Lease-People Strong Consortium

15.1.2.3 Non Disclosure of related employees:

While there were no formal records or disclosures by employees of their close relatives working in the OC (despite provision for such disclosure), OC provided us a list of 35 such cases who had one or more relatives working in OC. Such a large number of cases, which are easily identifiable by OC (without formal disclosure records), indicates risk of favouritism / nepotism in appointments.

15.1.2.4 Fixation of salary

We found that employees were indiscriminately granted higher pay at the

time of appointment. OC did not follow the GoI rules for considering the pension of retired Government officers for deduction, while fixing their pay at the time of re-employment.

15.1.2.5 Unadjusted advances from employees

We found that employees were allowed to leave the organisation without adjusting the outstanding loans and advances. Apart from a serious internal control failure this indicated the work environment of patronage.

Table 15.1 : Advances outstanding against Employees at the time of relieving

Name of the Official	Designation	Functional Area	Loan/advance outstanding after relieving from OC
Mr. Sujit Panigrahi	ADG	Technology	15,000
Vijay Kumar Gautam	COO		83,647
B.B. Kaura	JDG	Protocol	69,313
Brig Sunil Arya	ADG	Technology	50,000
M. Jeychandran	ADG	Finance	50,49,652
Sanjay Mohindroo	DDG	Technology	67,58,578

15.1.2.6 Promotions in the OC

Given the temporary nature of the OC, there was no provision for grant of promotions. Nevertheless, OC granted promotions (multiple promotions in some instances) in an arbitrary and ad hoc manner to some of its employees. We found that this was apparently used as a form of patronage:

- Performance appraisal, which was supposed to be the basis for promotion, was not available in many cases.

- There was no criteria, time frame or process for grant of promotions.
- 7 persons were granted two promotions in short span of 1-3 years, of which 5 were staff associated with CYG-2008, Pune, Chairman Secretariat and DG Secretariat.

Promotions were granted to certain officials, despite low ratings by the workforce consultant of these officials on educational qualification and experience, as summarised below. Some officials were also promoted, despite less than satisfactory performance of their functional areas.

Table 15.2 : Staff promoted despite low ratings on educational qualifications and experience

Name of the Official	Designation	Functional Area
Mr. Ram Mohan	DDG	Legal and Chairman Secretariat
Dr. G.S. Anand	DDG	Venue Development and overlays
Dr. G.S Bawa	DDG	Sports and Venue Development
Mr. Abrar Hussain	Director	Workforce
Mrs. Indu Anand ⁴	PO	Ceremonies

15.1.2.7 Cases of Gross Irregularities in Workforce Management

- **Shri Vijay Kumar Gautam:** In September 2007, Shri Vijay Kumar Gautam, IAS (Maharashtra cadre) was appointed to the post of COO, which had overall responsibility for the delivery of the Games in addition to certain functional areas. Despite complaints by his reporting officer (Shri VK Verma, DG) about his performance, Chairman OC did not allow him to be replaced. Shri Gautam was allowed to proceed on leave from December 2009 for the next 10 months (including the actual Games period) and was relieved from the OC w.e.f. 31 October 2010, while still on leave. Shri Gautam's leave applications were addressed directly to Chairman, OC and not to the DG. Despite his leave spells never being formally sanctioned, he was paid full salary for the period.
- **Shri Manish Kumar :** There were several irregularities in appointment and functioning of Shri Manish Kumar, DDG Press Operations. Details are already discussed in para 14.1.1
- **Shri Sanjay K. Mahindroo:** Shri Mahindroo was interviewed for the post of Director (Information Services and Network) in May 2009, but appointed as DDG (Information Services-Technology). Approval was obtained for a salary of Rs.60,000, but Shri Mahindroo's appointment letter indicated his salary as Rs. 1,00,000 and his post as DDG (Technology/Marketing).
- **Wing Commander (Retd.) Rajiv Mohla :** Wing Commander Mohla was interviewed in April 2010 for the post of DDG (Chairman Sectt.), when he was also holding the post of Secretary in DDA (Sports Complex). He was appointed on 28 April 2010 as DDG (Chairman Sectt.), but continued to hold both the posts till October 2010.
- **Ms. Sangeeta Welinkar:** Ms. Welinkar joined the OC during CYG-2008, Pune as a coordinator. She was then appointed as DDG for 'Image and Look' in January 2009 by upgrading the post (without EB approval), and was promoted five months later as ADG 'Image and Look' with the approval of Chairman. We did not find Ms. Welinkar's qualifications and experience matching with her job profile.

⁴ She was granted two promotions despite the above low rating

15.2 Accommodation

15.2.1 Overview

The Accommodation Functional Area was responsible for:

- providing suitable accommodation to OC employees and consultants as per their contracts; and
- booking of hotel rooms and other arrangements for delegates and officials.

15.2.2 Hiring of Flats

OC hired 38 apartments in different parts of NCR Delhi for its consultants and employees at a cost of Rs. 4.39 crore as rental charges. This hiring was done in an arbitrary manner without any advertisements and prescribing entitlements in terms of maximum rent, area etc. Inexplicably, the selection of apartments was done by Shri Lalit Bhanot's office, despite the existence of a specific Functional Area for accommodation related issues. Further, we found instances of hiring of multiple accommodation for the same period and idle accommodations, with avoidable expenditure of Rs. 0.12 crore.

Further, as of March 2011, security deposit worth Rs.0.60 crore for these flats was still lying with the property owners, though most contracts had ended in October 2010.

Flats from Salwan Educational Trust

In November 2009, OC entered into an agreement with Salwan Education Trust for renting five flats for which OC ultimately paid Rs. 0.33 crore. While no details for selection of these flats were available on record, we

found that the entire process was done through Shri Lalit Bhanot's office. There is a distinct possibility that this process was conducted through Shri Sushil Salwan⁵, a legal advisor of OC pointing to a potential conflict of interest. Despite knowing that these flats were lying vacant for a significant part of the lease period, OC continued to retain them and pay rent, resulting in expenditure of Rs 0.21 crore towards rent on unoccupied flats.

15.2.3 Booking of hotel accommodation

The Ashok Hotel was nominated as the Flagship Hotel for the CWG 2010 and was booked exclusively for accommodating guests/officials from 29 September 2010 to 16 October 2010 at a cost of Rs 12.01 crore.

Of the 480 rooms provided by Hotel Ashok as many as 155 to 399 rooms remained vacant on different days during the period of reservation. During the same period, OC booked accommodation for International Technical officers (ITOs) and National Technical Officers (NTOs) with 11 others hotels at a total cost of Rs 3.53 crore. As the guest arrival list was firmed up by then, OC could have utilised at least 100 rooms in flagship hotels to accommodate the ITOs/NTOs, thereby saving Rs.1.15 crore. However, for some inexplicable reason, OC was apparently unwilling to accommodate ITOs/NTOs and other guests in the same hotel.

⁵ He was also a trustee of Salwan Education Trust

15.3 Accreditation

Accreditation Functional Area was responsible for issue of accreditation cards after obtaining security clearance. Data in respect of accredited persons was sent by the OC to ECIL, who was responsible for providing the integrated security system in all venues. We found that due to OC's negligence, 492 persons, who did not receive security clearance, were listed in the ECIL verified data as on 12 October 2010. This oversight was a serious security flaw and indicates that the accreditation system was not followed strictly.

Procurement of Lanyards by OC

A lanyard is a cord or rope worn around the neck to carry the identity card. Without ascertaining the need for lanyards for the accreditation card, a supply order for 1.5 lakh lanyards was placed on Tristar Enterprises⁶ in July 2010 at a total cost of Rs. 0.68 crore; out of these, 48,040 lanyards costing Rs. 0.22 crore were never used. Inexplicably, the lanyard specifications for fire retardantness stipulated withstanding temperature of up to 800 degree Celsius, whereas for the plastic pouch⁷ (which would contain the accreditation card) the requirement was 110 degree Celsius. We find no utility for such abnormal specification for the lanyard⁸, except to restrict competitive tendering.

⁶ Incidentally, Tristar Enterprises, was also the consortium partner of Gold Medal Systems who supplied GMS (See para 13.5)

⁷ for which separate RFP was issued

⁸ Incidentally, the selected lanyard contained PBDE (Polybrominated diphenyl ether), a chemical banned due to its harmful effects on the environment and humans.

15.4 Cleaning and waste management

This Functional Area was responsible for cleaning and waste management at venues and non venues, and also for development of an Integrated Waste Management Plan. The initial budget for this work of Rs.11.22 crore was increased in June 2010 to Rs 31.22 crore.

We found that the consultant for cleaning and waste management was appointed only in November 2008 and planning for this aspect was unduly delayed till July 2009.

15.4.1 Contract for Cleaning services at Venues

OC took an inexplicable long period of 11 months (from October 2009 to August 2010) for appointment of cleaning companies for providing cleaning services at all competition and non competition venues, after dividing them in nine tender packages (clusters). Except for tender package two (which was awarded to Sarvatra Integrated Services at a cost of Rs.1.02 crore) all the other eight packages were awarded to A2Z Maintenance and Engineering Services for Rs. 19.30 crore.

We found that the tendering process was deficient in many ways:

- There was no justification on record as to why the package/cluster based approach was adopted
- The qualifying marks for technical evaluation were lowered in the RFP from that specified in the EOI, purportedly to get more competition.

- The tendering was restrictive as the EOI stipulated an annual turnover, specifically related to cleaning services, of at least Rs 5 crore, in each of the last three financial years, for one tender package with a seating capacity of up to 5000, and Rs.10 crore for bigger venues. Consequently out of the 23 firms who responded to the EOI, 9 firms were disqualified for not satisfying prequalification criteria.
- We found that the two successful bidders, A2Z and Sarvatra, also did not fulfil the requirements indicated in the prequalification and technical bid stages, as details of experience were not provided by both of them. A2Z submitted only the certified copy of its turnover (from which the income derived exclusively from cleaning services could not be determined). Clearly the evaluation was not objective.
- At the technical evaluation stage when A2Z, Cleanvent and ISS Integrated Facility Services did not submit the required documents, OC contacted them to fill in the gaps instead of rejecting the bids.
- While OC consistently maintained during the tendering process that multiple tenders would not be allotted to the same vendor, A2Z was finally awarded eight out of nine tender packages.

Undue favour to A2Z Maintenance and Engineering Services

It appears that OC was intent on benefiting A2Z rather than safe guarding its own interests:

- During the price reduction negotiations, the scope of work and period was reduced
- A2Z was awarded multiple packages despite lack of games time/international experience, although Director (Cleaning and Waste Management) noted that it was beyond the capability of one single vendor to bring in such a large workforce for delivery of service.
- Although it was decided in May 2010 that A2Z would not undertake any other contract till its assignment with OC for CWG is over, OC itself engaged A2Z for office automation work in June 2010. Thus OC relaxed the condition in favour of A2Z. Interestingly, when A2Z had applied for another contract of office maintenance/housekeeping of OC, it was disqualified. We fail to appreciate why such relaxation was considered important, when there was no dearth of companies providing either cleaning/waste management services or office automation service.
- A2Z quoted different prices for items of same specifications in the tender packages allotted to him. OC did not question these inconsistencies, nor did it negotiate for lower rates.
- The performance of A2Z was found deficient and OC stated that a deduction up to Rs. 4.53 crore was being considered as also encashment of performance guarantee.

15.4.2 Cleaning services at Non Competition Venues

Due to deficient planning, the four non competition venues - International Broadcasting Centre, Uniform Accreditation Centre, Main Logistics Centre and Media Press Centre were not covered in the nine tender packages, and a separate tendering was conducted in June 2010. A contract for Rs.0.98 crore was awarded to an ineligible vendor (as they did not meet the relevant parameters as given in RFP), as no time was available by then.

15.5 Logistics

OC decided to centralise its logistics work with a separate functional area. Agility Logistics was appointed as the logistic service provider in July 2010, after a six month long tendering processing, at a cost of Rs. 12.5 crore less VIK sponsorship of Rs.11 crore. As of March 2011, OC could not provide details of the VIK services availed from Agility Logistics. However, we found that 20 out of 34 Functional Areas of OC did not avail of the centralised logistic services and made separate arrangements even for warehousing and distribution of goods e.g. OC engaged Buhariwala Logistics for the opening and closing ceremonies at a cost of Rs 0.69 crore. Further since all goods procured by the OC did not pass through the centralised logistics section, full information on assets procured by the OC, their location, distribution and retrieval was not available.

Also, after four months of the closure of the Games, OC has yet to complete physical verification of stores. Substantial assets are still lying in the Games Village, MDC Stadium and OC Headquarters. OC stated that they were awaiting instructions from

MYAS. We also found that out of four prime warehouses in the premises of ITPO, OC, JLN and SAI, two were closed in November 2010 without any physical verification. As such possibility of shortages during transit movement to OC building and MDC stadium cannot be ruled out.

15.6 Procurement

A separate Functional Area for procurement was established to facilitate planning for procurement of goods and services for the Games and procure goods and services as per defined timelines, locations and quantities. However, this Functional Area was grossly underutilised and played a very limited role in OC procurement. The procurement manual was prepared only in April 2010, and was also not complied with. In most cases, though associated with tendering, this Functional Area was not used to make procurement for other areas. In many cases e.g. Image and Look and Communication, their advice on tendering was ignored.

No plan for the return and disposal of surplus material was formulated till the Games were over. A committee was formed in November 2010 for the disposal of assets; however, its work is yet to start (March 2011).

In cases of procurement through this Functional Area, we found some irregularities e.g.:

- Souvenir items worth Rs.3.51 crore were lying unutilized as of December 2010, out of which commemorative medals constituted Rs.2.64 crore.
- Out of 200 laptops purchased in April 2010, 52 laptops worth Rs.0.27 crore were lying unutilised.

15.7 Risk Management

15.7.1 Insurance Broker

As per the Host City Contract, the OC was required to obtain adequate insurance coverage in respect of all risks associated with the organization and staging of the Games.

OC took 15 months to select insurance brokers:

Table 15.2 : Chronology of events for selecting of brokers

Timeline	Event
March 2007	EOI issued
June 2007	Evaluation committee recommended re-tendering, as none of the nine responses had the desired profile
July 2007	EOI issued again. Criteria revised from experience of five international events to experience of only two events.
January 2008	RFP issued to three shortlisted firms – Marsh India, Aon Global Insurance and JB Boda Insurance.
25 March 2008	Two sets of minutes of the Technical Evaluation committee, one where Marsh India was the bidder, and another where it was shown along with partner Trinity Insurance Broker.
June 2008	OC signed an agreement with Marsh India/Trinity Insurance Brokers

Incidentally, the RFPs for appointment of insurance companies for different covers included an unusual clause that “All re-insurance requirements will be discussed with Marsh/Trinity before approaching reinsurance market. All insurance companies have to follow guidelines laid

down by Marsh/Trinity with regard to Re-Insurance companies, failing which the bid will stand cancelled.”

Further, the RFP also provided for maximum brokerage permissible under IRDA rules. Both these clauses appear to have been designed to benefit the interest of the broker Marsh/Trinity.

15.7.2 Insurance for CYG-2008, Pune:

For CYG-2008 Pune, OC executed three insurance policies at a cost of Rs. 1.30 crore with Reliance General Insurance and ICICI Lombard. No records pertaining to these policies were made available for scrutiny. Strangely the insurance cover for 80 OC officials was taken up to March 2009 (while the Games took place in October 2008). In August 2009, OC, on the advice of MYAS, decided to opt only for public sector insurance companies for insurance coverage.

15.7.3 Execution of Insurance Policies

In September 2009, EB approved execution of a Comprehensive General Liability policy for US\$ 20 million (Rs. 100 crore). However, on the intervention of Shri Mike Hooper in October 2009, OC executed the said policy for US\$ 100 million at a total premium of Rs. 2.90 crore. Shri Hooper insisted that OC should take the insurance for US\$ 100 million based on the recommendations of CGF's insurance consultant Marsh⁹. It was noted in the EB meeting that there was a conflict of interest as Marsh was both a consultant to CGF and an insurance broker to OC and had a vested interest in

⁹ Shri Hooper even threatened that if OC did not execute the policy for US\$100 million, CGF would do so and charge it to OC.

increasing the policy amount on account of their brokerage commission. Despite EB's approval for a limit of US\$ 100 million (i.e. Rs. 460 crore), OC executed the policy for an enhanced limit of Rs. 500 crore resulting in excess payment of premium of Rs. 0.23 crore.

The management of other insurance policies and premiums was faulty on several counts:

- OC took insurance cover for 25000 volunteers (as against the actual 17667 volunteers and for a longer period than the volunteers' engagement, resulting in excess expenditure of Rs.0.11 crore.
- OC executed insurance policies for QBR personnel and equipment during the international and national legs of QBR at a premium of 0.84 lakh, although this was the responsibility of Maxxam, the QBR consultant.

- OC took insurance cover for directors and officers liability to protect the officials from the decision taken in good faith, during which process, Shri M Jeychandran¹⁰ falsely informed the CEO that the EB had approved a policy for US\$ 25 million. The EB did not discuss this issue in the above meeting. Further, as recommended by the CEO, the approval of SFC was also not taken. OC made a payment of Rs.1.29 crore in June 2010 only on Chairman's approval.

In a separate response, Shri Kalmadi (ex-Chairman, OC) disputed the above statement and indicated that the EB members had, in their meeting on 11 May 2010, suggested that OC should obtain such Directors & Officers Liability (D&OL) insurance. We do not agree, since the minutes of the EB meeting of 11 May 2010 did not reflect a discussion, nor a decision, on D&OL insurance.

¹⁰ Incidentally, Shri Jeyachandran submitted a claim for Rs. 5 crore (under the directors and officers liability cover) directly to the insurance company after his suspension; details are not available in OC's records.

Common Issues in Venue Development

There were considerable variations in the performance of design consultants engaged by different venue owners/ implementing agencies. We noticed that where the role of the foreign partner in the design consultants consortia (with relevant experience in design of sports stadia) was less, there were significant deficiencies in performance.

Despite a multi-level quality assurance mechanism, most of the implementing agencies had engaged Third Party Inspection/ Quality Assurance (TPIQA) Agencies for larger works. It is important that the role and responsibilities of the TPIQA Agencies and the implementing agencies should be clearly demarcated. While the TPIQA Agencies should be held accountable in its own right for poor quality of execution of the work, the implementing agencies should continue to be the final point of responsibility and should closely monitor the work of the TPIQA Agencies.

Different implementation agencies followed different processes for award of major construction works. CPWD awarded most of the venue development contracts on item-rate basis, which is the preferred method according to the CPWD Manual since it is best suited to deviations from the original scope of work. However, two major works (SPM and roofing of JNS), which were awarded on lumpsum basis. Large number of extra/substituted items and deviations in the works awarded on lump sum basis tended to change the very essence of the contract. PWD, GNCTD awarded most of its works on percentage rate tenders. This method of tendering is recommended/ suitable, only when the major portion of work is on account of items included in the Delhi Schedule of Rates (DSR), which was not the case in most of the venue development works.

Deficiencies in the process for award of major works related mainly to pre-qualification and eligibility. The pre-qualification of bidders separately for each venue not only introduced arbitrariness and inconsistencies in eligibility criteria, but also delayed the process of award and execution. Considering the similar nature of works for sports venues, a common pre-qualification process should have been conducted.

There were delays relating to venue development at all stages – practically no progress being made till mid 2006; thereafter planning delays on account of late preparation/ approval of venue briefs, return briefs, and concept designs; delays in tendering and contract award; and delays in works execution and handover.

We found several deficiencies in the process of “justification” for awarding works at substantially higher amounts than the cost estimates. There were also numerous instances of deviations (quantity deviations, extra items, and substituted items) from the original scope of work, with adverse implications in terms of increased cost and delays.

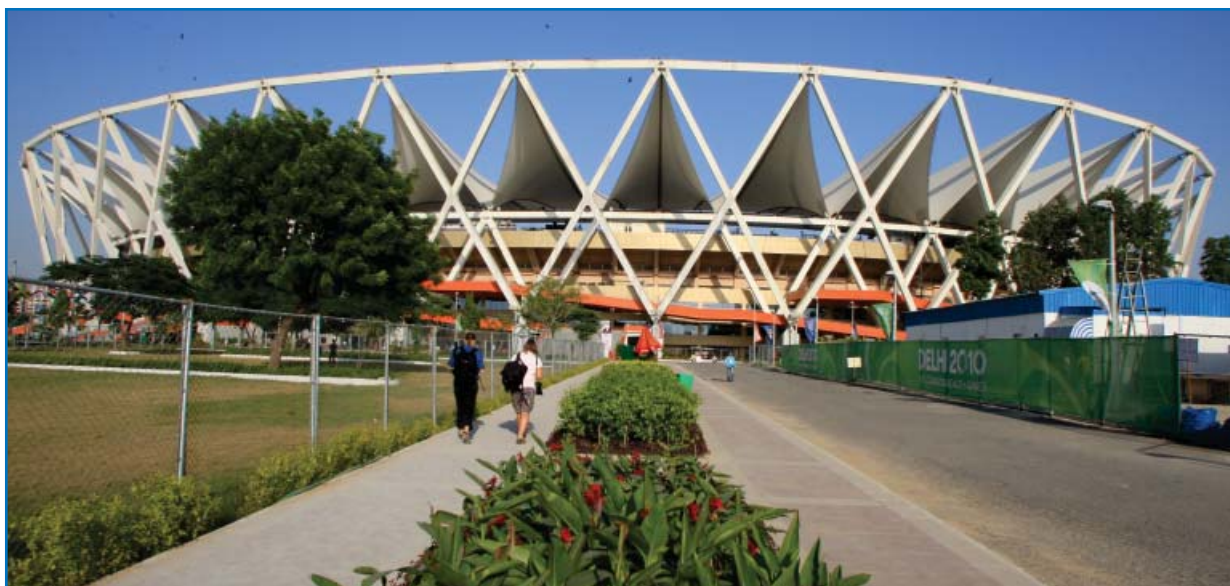
These are attributable to deficiencies in performance of the design consultants, the works contractors, and the implementing agencies, as well as subsequent changes in detailed venue specifications at the instance of the OC/ International Sporting Federations.

We found numerous instances of delays in achieving the milestones listed in the contract, for which adequate penal action (levy of compensation/ Liquidated Damages) was not taken, hindrance registers were poorly maintained, and Extensions of Time (EOTs) not managed properly. Further, it is a matter of grave concern that despite the lapse of several months since the conclusion of the Games, final payments are nowhere in sight for most venue development works. Also, in our opinion, the current clauses for compensation/ LD do not provide adequate disincentives for delays in completion. For such projects, GoI may consider revised LD/ compensation clauses with higher disincentives, with an appropriate cost-versus-time trade-off.

A key element of cost escalation is labour wage escalation. We found several deficiencies in the application of this escalation clause. In our opinion, although such payments are in the nature of compensation, the payments are routinely made as per a specified formula and there is no mechanism to verify that payment is made for labour actually engaged by the contractor/ sub-contractor. In order to ensure that the benefit of increased minimum wages reaches the actual beneficiary, we recommend that such payments should be made only on production of proof of unskilled labour actually engaged, duly authenticated by the Labour Welfare Department.

Another issue with regard to the venue development contracts is the reimbursement of service tax to the contractors. Currently, such reimbursement is being made on the basis of e-challan indicating only lump payments. In future, such reimbursement should be made only on the basis of a certification from the Chartered Accountant that the service tax claimed for reimbursement has been paid specifically for the work covered under the contract.

We also found deficiencies in legacy planning and signing of MoUs with the venue owners.



16.1 Introduction

For hosting CWG-2010, 14 Competition venues and several training venues were constructed/upgraded to meet the standards and specification for such international events. The works were undertaken under the guidance of different consultants by the implementing agencies who further engaged contractors to execute them. Figure 16.1 is a schematic presentation of the various agencies engaged in venue development.

16.2 Design Consultancy

There were considerable variations in the performance of design consultants engaged by different venue owners/ implementing agencies. A key requirement for the design consultants was experience in designing of similar sports stadia¹. Such experience requirements were usually met through consortia involving a foreign partner with such experience. We noticed that where the role of the foreign partner with relevant experience was less, there were significant deficiencies in the performance of design consultancy services:

- Almost all the design consultancy services relating to CPWD venues were awarded to CES. The role of the foreign partner (SBP), if any, was not verifiable from CPWD's records, although the fees payable to the foreign partner were 60 per cent under the contract. In the case of roof designing consultancy contract for JNS, strangely SBP (the JV partner) was also engaged as the TPQIA. The

¹ Especially when the implementing agencies had no such experience and the construction contractors were not required to specifically have experience in constructing sports venues.

services of CPWD's Central Design Organisation (CDO) were not utilised. (Refer paragraph 17.1 and 17.2 of the report);

- In the case of the Games Village practice venues, a consortium of Suresh Goel Associates with Decathlon was awarded the contract; however, Decathlon withdrew from the consortium due to problems with the Indian partner.(Refer paragraph 20.6. of the report); and
- Likewise, Architects Bureau in consortia with Group GSA was appointed by DDA for refurbishment of existing venues at Siri Fort Sports Complex and Yamuna Sports Complex (Peddle Thorp Architects having been appointed for designing of new facilities). There were several deficiencies in the performance of Architects Bureau.(Refer paragraph 18.2.2 of the report).

16.3 Third Party Inspection/ Quality Assurance Agency

Third Party Inspection/ Quality Assurance (TPIQA) Agency are engaged to provide an independent assessment, at various stages of the construction. The scope of work of TPIQA included:

- Assessment of the quality of the work being executed with regard to the material and workmanship as per the stipulated specifications;
- review the quality assurance plan submitted by the contractor in consultation with the client;
- advise the department on quality check of various materials being used, as well as that of the finished works.

- periodically, inspect ongoing as well as finished works and record observations about the quality and standard of the work and the workmanship; and
- prepare a report on its observations and submit the same to the department for taking necessary action on their recommendations.

We found that all the venue owners/ implementing agencies viz. CPWD, PWD, NDMC, GNCTD etc. had appointed/ engaged independent design consultants, who were also required to assist the departments during the execution stages of the projects in order to ensure that the works were carried out as per the approved plan and concept. Further, the CVC also periodically monitored the projects of the CWG – 2010, through its technical wing, the Chief Technical Examiner (CTE), and submitted reports with its recommendations. Besides, the quality assurance functions of the implementing agencies also covered the projects at all stages of execution.

Despite a multi-level quality assurance mechanism, the implementing agencies also engaged TPIQA Agencies for larger works. While it is difficult for us to question the rationale of engaging TPIQA Agencies, it is important that the role and responsibilities of the TPIQA Agencies and the implementing agencies should be clearly demarcated. While the TPIQA Agencies should be held accountable in its own right for poor quality of execution of the works, the implementing agencies should continue to be the final point of responsibility and should closely monitor the work of the TPIQA Agencies, so as to ensure that:

- it is available at all stages of construction;
- it gives its reports periodically, preferably linked with the construction milestones; and
- it submits its report in a timely manner and the client ensures that the deficiencies are rectified immediately.

Further, in cases of failure to perform its duties and responsibilities, the penalties imposed on the TPIQA Agencies should be stringent and not limited to financial penalties viz. liquidated damages, compensation for damages, etc., but also such that it adversely affects the credibility of the agency (TPIQA), so that it is debarred/ blacklisted from securing any government/ private contract for third part assurance/ engineering consultancy in future.

16.4 Award of Contracts

Different implementing agencies awarded major construction works differently:

- CPWD awarded most of the venue development contracts on item-rate basis, which is the preferred method according to the CPWD manual, since it is best suited to handling deviations from the original scope of work.
- However, CPWD awarded two major works – the Dr. SP Mukherjee Aquatics Complex (SPM) and the roof for Jawaharlal Nehru Stadium – on lumpsum basis. Large number of extra/ substituted items and deviations (in particular in the case of the SPM) – tended to change the very essence of

the lump sum contract. (refer paragraph 17.6.1.1 , 17.6.1.2 & 17.7.1.1 of this report)

- PWD, GNCTD awarded most of its works on percentage rate tenders. Under this method, the bidding contractors quote a single percentage rate above or below the cost estimate for the project. Consequently, errors/ calculations in individual items of the cost estimate cannot be factored into consideration at the time of bidding. According to the CPWD manual, this method of tendering is acceptable only when the major portion of the work is on account of items included in the Delhi Schedule of Rates (DSR). Considering that many of the items associated with development of sports venues were not listed in the DSR, adoption of this method was not desirable. (refer paragraph 19.3.1.4 of this report)

Deficiencies in the process for award of major works mainly related to pre-qualification and eligibility:

- In the case of Major Dhyan Chand Hockey Stadium, Unity Infra became eligible only through relaxation of pre-qualification criteria. (refer paragraph 17.9.2 of this report)
- In the case of Indira Gandhi Stadium(indoor cycling velodrome), JMC India was considered eligible on account of financial position only through consideration of a shortened accounting period of six months with profits (while substantial losses were incurred during the preceding extended 18 month accounting period). Further, undue favours were shown in selection of Swadeshi Construction Co. for many

works. (refer paragraph 17.8.2.1 and 17.8.4.1 of this report)

- The main work for the Games Village practice venues was awarded to Sportina Payce, which was ineligible at the time of bidding. (refer paragraph 20.6.4 of this report)
- The main work of construction of Shivaji Stadium was awarded to China Railway Shisiju Group Corporation (whose eligibility is open to question) which, in turn, employed a sub-contractor, Simplex Projects Ltd. Incidentally, this stadium is still not complete. (refer paragraph 19.2.2.5 of this report)
- The main work in respect of Talkatora Indoor Stadium was awarded on the basis of a single financial bid to Simplex Projects Pvt. Ltd. (refer paragraph 19.2.3.1 of this report)

The pre-qualification of bidders separately for each venue not only introduced arbitrariness and inconsistencies between the eligibility criteria adopted by different implementing agencies (and their executing divisions), but also delayed the process of award and execution of these contracts. In our opinion, considering the similar nature of works for sports venues (based on the venue briefs prepared by OC's consultant, EKS), a common pre-qualification process (cutting across all implementing agencies and venues) should have been conducted, which would have minimized such issues.

16.5 Delays

There were delays relating to venue development at all stages:

- Planning delays – As already discussed in Chapter 5, till mid-2006, there was practically no progress made on planning. While the sporting disciplines and the competitive venues were approved in January 2006, no major progress could be made till the appointment of EKS as OC's consultant, which was approved in November 2006.

Thereafter, time was lost on account of delayed preparation of venue briefs by OC, submission of return briefs and concept designs by the implementing agencies, and final approval by the OC; this was compounded by delays in applying for, and receiving clearances from various statutory agencies. Annexure 16.1 indicates the delays at the planning stage;

- Delays in tendering and contract award; and
- Delays in works execution and handover.

16.6 Contract Management and Execution

16.6.1 Cost Estimation

In most cases, the costs at which works were finally awarded were substantially higher than the estimated costs². The awards were then “justified” within a band

² In one case i.e. Weightlifting Auditorium in JNS, the civil works component of the technical estimates were inexplicably prepared in January 2008 on the basis of DSR 2002 (without indexing it to increase in costs) though the revised DSR 2007 was notified in December 2007.

of 10 per cent through calculation of justified costs (based on market assessment of the majority of items) post- financial bid opening. We found several deficiencies in the process of justification.

We recognise that the only alternative to the justification process – viz. re-tendering – was not feasible in the vast majority of cases, due to the limited time available for completion of the venues in time for the Games. However, in addition to casting doubts on the reliability of cost estimation, not knowing the precise cost to be ultimately borne by the public exchequer is also a highly undesirable situation. This also puts the Government in a weak negotiating position vis-a-vis potential bidders.

16.6.2 Changes in Scope of Work

In most of the works, there were numerous deviations from the original scope of work, with adverse implications in terms of increased cost and delays. In our opinion, these are attributable to multiple factors:

- the failures of the design consultants,
- deficiencies in performance of the works contractors;
- failure of the implementing agencies to properly supervise and monitor the progress of work; and
- subsequent changes in detailed venue specifications at the instance of the OC/ International Sporting Federations.

These changes in the scope of work of awarded contracts, fell into three categories:

- Deviations – representing increases/ decreases in quantity for items already included in the contract;

- Extra items – for items of work which are completely new and in addition to the items contained in the contract; and
- Substituted items – where an item is taken up in partial modification or in lieu of items of work in the contract.

The financial implication of these changes is complicated by the differences between the current market rates and the item-wise rates stipulated in the contract. The rate of extra items will be worked out at market rates prevailing at the time of commencement of execution of these items. However, for substituted items, the agreement rate of the original item will be adjusted for the difference in market rates of original and substituted items. In a few instances, we noticed treatment of items as “extra” items where there was a rising market trend, and substituted items where there was a declining market trend. Both these scenarios tended to be to the financial benefit of the contractors. Case study 16.1 illustrates the variation in amounts payable by treating substituted items as extra items.

Case Study: 16.1

Overpayment by irregularly treating the substituted items of works as extra items

We noted that undue financial favours were extended to the contractor through irregularly treating items of work in the agreement as 'extra items' instead of 'substituted items'.

In Dr. Karni Singh Shooting Range agreement, items of integral flood flight were partially modified but instead of deriving rates as above, CPWD paid market rates treating the item as extra

item resulting in overpayment of Rs. 0.31 crore.

In SPM treating the item viz. 'toughened glass' as extra item instead of substituted item CPWD justified the rate of Rs. 15,955 per sqm in lieu of the rate of Rs. 13,744.45 per sqm already sanctioned as substituted item, with an additional financial implication of Rs. 2.16 crore. The extra payment was justified on grounds of a decision that for lump sum contract usual substitution of items cannot be operated upon on the basis of variation rates and therefore such items would be treated as new item for payment at market rate. However, fact remained that in another case but in the same agreement, CPWD (Electrical Division) has substituted some items. Hence, CPWD adopted two different methodologies for adoption of rates in case of substitution of items in a lumpsum contract.

The extent of extra, substituted and deviated items in the 29 works (with tendered cost of Rs.1483.91 crores) reviewed by us, is summarized below:

(Rs. in crore)

Category	Amount
Extra items	95.66
Substituted items	15.99
Deviated items	131.83

These include cases which are also discussed in works specific paragraphs of the relevant chapter.

The details of extra items, substituted items and deviated items in different works, along with our remarks, is given at Annexe 16.2.

16.6.3 Handling of Delays

We found numerous instances of delays in achieving the milestones listed in the contracts, for which adequate penal action was not taken. Hindrance registers, which would clarify the responsibilities of the contractor and implementing agency for these delays, were poorly maintained, compromising the process of determining liabilities for delays. Further, Extensions of Time (EOTs), which are required to be handled in a timely manner (to ensure contractually that time remains the essence of the contract, if a dispute requires legal or arbitration remedies) were not managed properly. Also, compensation/ liquidated damages for delays have not been levied on the contractors in most cases.

It is a matter of grave concern that despite the lapse of several months since the conclusion of the Games, final payments are nowhere in sight for most venue development works.

16.6.4 Non-levy and recovery of compensation for delay in completion of work

All contracts awarded by CPWD for CWG-2010 indicated stipulated dates of start and completion of work specifying that time was essence of the contract. All agreements provided for recovery of compensation @ 1.5 percent per month of delay in completion of work, computed on per day basis, not exceeding 10 percent of the tendered value of work. Agreements for major works also included milestones indicating stages of work for achievement by the contractor. In case of failure of the contractor to achieve the contracted

milestone, specified percentage of tendered amount was to be withheld from contractors' bills for adjustment against any recovery due from contractor for slow progress and delay in completion of work. Regarding grant of EOT, the CPWD Manual stipulates that based on the Hindrance Register where adequate and proper grounds exist, the Engineer-in-charge can grant extension of time. Remedies for delayed completion/ inferior workmanship at disposal of the Government include levy of compensation, termination of contract, award of unexecuted work to another contractor after giving notice to the contractor, forfeiture of earnest money/ security deposit/ performance guarantee etc.

We found that generally completion of works was delayed due to numerous lapses, slippages, inadequacy of manpower, incompetency of contractors/ sub-contractors, delays in procurement of material etc. on the part of the contractor and there were either no bona fide hindrance in completion of work or hindrance were of routine nature not justifying long delays in completion of work. Despite records indicating that the contractor was fully/largely responsible for delay in completion of work, CPWD had not initiated action in a single case for levy and recovery of compensation from contractors. Amounts withheld for slow progress of work and non-achievement of milestone were also released without reasonable justification. Extensions of time were routinely granted, completely ignoring lapses, slippages and delays on the part of the contractor, letters issued to the contractors pointing out such lapses, inadequacies of resources & materials and

notices issued to the contractor from time to time under provisions of respective agreement.

In two of the six cases in which final EOT had been granted we found that no compensation was levied despite delays being attributable to inadequate manpower and lack of management on the contractor's part; and delays in providing drawings for the consultancy contract. The maximum amount of compensation that could have been levied in these 2 cases amounted to Rs. 2.32 crore as detailed in Annexe 16.3.

In 41 cases extension of time had not been decided and CPWD assured that due consideration would be taken for lapses on the part of the contractor at the time of final extension of time/bill and compensation levied. Details of these cases are given in Annexe 16.4.

16.6.5 Payment of escalation in cases of unjustified EOT

Further, under the provisions of the contract, penal action against the contractor for delay in completion of work would deprive them of their claim for escalation in rates of labour and material beyond the stipulated date of completion of work. We found that an escalation of Rs. 7.02 crore for periods beyond the stipulated date of completion, was made in JNS (refer paragraph 17.6.1.3 of this report).

Recoveries need to be made in all such cases while finalising the EOTs and penalties for delays in completion.

16.6.6 Adequacy of penal provisions for delays in completion of projects

For the venue development and other projects relating to CWG-2010, completion within stipulated time limits was of paramount importance. Clearly, the routine delays in completion occurring in a large proportion of public works projects would not be acceptable in this scenario. However, the current clauses for liquidated damages/ compensation for delays (generally limited to 10 per cent of the contract cost) do not provide adequate disincentives for timely completion. By contrast, BOT contracts with revenue generation arrangements automatically provide necessary incentives/ disincentives for contractors, since delayed completion automatically delays/ reduces revenue generation.

For such projects, where timely completion is of utmost importance, GoI may consider revising the LD/ compensation clauses (to, say, 20 -25 per cent of contract cost), which would provide far higher disincentives to the contractor for delayed completion. Naturally, the risks on account of stricter LD clauses would be factored into consideration by the prospective bidders, and would, likely, result in higher awarded costs. However, an acceptable cost-versus-time trade-off needs to be considered in such circumstances.

A potential problem in such an arrangement is that contractors could be favoured by attributing delays to the Department (and not the contractor); in such a situation, LD/ compensation would not be leviable. Safeguards against such misuse could include specifying that hindrances/ delays not attributable to the contractor should be identified well in time (and not just before/

after the stipulated completion date) and approved at one or two levels higher than the NIT/ contract-approving authority.

If a contractual arrangement on the above lines is considered feasible, it should be finalised at the level of the Central Works Board, and not at lower levels.

16.7 Justification of rates by inclusion of additional labour cost due to reduced time period for execution

Most major contracts for works were awarded between late 2007 and 2008. Since the costs tendered were generally higher than the estimated costs, these were justified partly by including a cost component of increased labour cost due less than normal time allowed for execution of work in view of the immovable deadline of CWG-2010. However, most projects could not be completed as per the reduced time schedule, defeating the very premise on which these additional costs amounting to Rs. 15.02 crore were anticipated. Details of time lines (targeted and actual) and the additional labour costs due to reduced time for execution are given in Annexe 16.5.

As commented elsewhere in this chapter, Extension of time has been granted but it has not been determined how much of the delays are attributable to the contractor. To the extent that the delays are attributable to the contractor, the additional cost for labour included in the justification is not tenable and should be adjusted in the final bills.

16.8 Inadmissible component of cost transportation of labour from labour huts to site and back in cases where arrangements are not made for labour huts at an off-site location

Generally, the Notice Inviting Tender (NIT) for works stated that “No labour hut/jhuggies shall be allowed at site. The contractor shall accommodate the labourers etc. in neat looking prefabricated structures, instead of temporary jhuggies including provision of toilet blocks on his own land.”

Accordingly, when justification of rates were prepared, a component of cost “transportation from hutments to site and back” was included.

We found evidence indicating that some labour hutments were provided on site instead of off-site at venues listed in Annexe 16.6 As such, it cannot be assured that the contractor fully incurred costs for the component “cost of transportation from hutments to site and back” estimated at Rs. 8.79 crore in the justification of rates.

16.9 Labour wage escalation payments under clause 10C of General Conditions of Contract

Clause 10 C of General conditions of Contract (GCC) provides for reimbursement to/recovery from a contractor of increase/decrease in labour costs caused as a direct result of coming into force of any fresh law or statutory rule or order, by which wages of labour are increased/decreased over wage rates

prevailing at the time of the last stipulated date of receipt of tenders. This clause forms an exception to the general rule of the contract that nothing more than what has been agreed to be paid for work done is to be paid to the contractor. **It is in the nature of recompense to the contractor** if during the progress of the work the cost of wages of labour increases as a direct result of the coming into force of any fresh law or statutory rule. Similarly, the contractor cannot benefit in the event the cost of labour decreases due to the same reason.

As per this clause, for labour wage escalation payments, the labour component of the work executed during period under consideration shall be the percentage, as specified in Schedule F, of the value of work done during that period and the increase/decrease in labour shall be considered on the minimum daily wages in rupees of any unskilled adult male mazdoor, fixed under any law, statutory rule or order. Also, Engineer-in-Charge may call for books of account and other relevant documents from the contractor to satisfy himself about reasonability of increase in cost of wages.

We found several deficiencies in the application of clause 10C with regard to reimbursement of increase in labour costs

Escalations were to be calculated on the basis of percentage of labour component in schedule F to the contract. We found cases, detailed in Annexe 16.7, where no such percentage was mentioned in the signed contract and appended to Schedule F, but payments of Rs. 3.81 crore were made. Such payments against deficient contracts are irregular and not permissible.

Though the payment under Clause 10 C of GCC is in the nature of a compensation,

there is no mechanism in place to verify that payment is being made for labour actually engaged by the contractor/sub-contractor. Though the contractor does submit fortnightly reports indicating the labour engaged, these are neither complete as they generally do not reflect the labour engaged by sub-contractors, nor are these authenticated by an independent competent authority (Labour Welfare Department of the Government). It is also not mandatory for the engineer in charge to verify the strength of labour engaged before making such payment. Hence, no assurance can be drawn that the payments made under Clause 10C of GCC truly and fairly reimburse the contractor for the labour actually engaged by it and that the benefit of increase in minimum wages is being passed on to the actual beneficiary i.e. the labourer in the instant case. A case study in this regard is given in the box below

Case Study: 16.2

Contractor paying less than minimum wages to labour while claiming compensation under Clause 10C

In case of the Indoor Cycling Velodrome at IG stadium (Composite work for construction of Indoor Cycling Velodrome executed by JMC Projects (India) Ltd.), the contractor claimed escalation payment for the months of June-September 2009 on the basis of revised labour rate of Rs. 180 per day per labour and for October-December 2009 at the revised rate of Rs. 203 per day per labour. However, as per labour reports attached with running account bills, payment to the unskilled labourers by the contractor was @ Rs. 155 per day per labour.

It is a known fact that the unskilled labour sector is a disorganised sector. It is the primary responsibility of the Labour Welfare Department to ensure that the unskilled labour engaged in any nature of employment activity is duly identified, registered and recompensed/benefited as per the labour laws of the country. Construction industry being a major employer of unskilled labour, it is imperative that systems are put in place in this sector to ensure all unskilled labour are duly identified, registered and remunerated at least as per the prevailing minimum wage rates apart from benefitting from other statutorily prescribed labour welfare measures.

Therefore, we recommend that payments under clause 10C for statutory increase in wage rates/other labour related costs, should be made only on the production of proof by the contractor, duly authenticated by the competent authority of the Labour Welfare Department, of the unskilled labour actually engaged and compensated at minimum of the applicable wage rate.

In the long term, measures should also be taken to ensure proper identification of unskilled labour through issue of unique identification numbers and payments through wage cards directly credited to their bank accounts as is being done in the implementation MNREGA scheme.

16.10 Deficiencies in Detailed Analysis of Rates for Delhi(DAR)

Scrutiny of records indicated that the Department was reckoning the following components of costs as per DAR while analysing rates, as indicated below:

- one per cent of the cost of the steel items towards water charges, though no use of water was required in the execution process of the items; and
- five per cent towards wastage of steel (TMT Bars) used without crediting its scrap value in the analysis of rates.

CPWD, without commenting on the reasonability of the charges stated that these were done as per provisions of DAR and did not furnish the comments of the competent authority (approving authority) of DAR.

The matter needs to be examined by the DAR approving authority and necessary clarification issued

16.11 Service Tax Issues

16.11.1 Excess reimbursement of Service tax

As per clarification issued in the Service Tax Rules for reimbursement of service tax, the gross amount charged for the works contract was to exclude VAT/Sales Tax to arrive at the net amount subject to service tax. However, this was not done by CPWD while allowing reimbursement of service tax reimbursed with reference to total amount of work done. CPWD accepted the fact in SPM stadium and assured that necessary

correction/adjustment shall be done in the next reimbursement of service tax to the agency. Though CPWD was requested in January 2011 to provide details of such overpayments made in all CWG-2010 works, their reply was still awaited. As a case study, we calculated that such recoveries/ adjustments amount to Rs.0.18 crore in the case of Ahluwalia Contracts (India) Ltd., the agency executing works at Dr. SP Mukherjee Stadium.

16.11.2 Reimbursement of Service Tax without assurance of its payment for the particular work

CPWD, in the NIT for works, specified that Service Tax on work contract as applicable would be reimbursed to the executing agencies, and accordingly reimbursed service tax @ 4.12 per cent of the gross amount of the work done. Such reimbursement was done on the basis of e-challan, which indicate only lump sum payment without break-up of the payments made against various works – Government/ non-government, undertaken by the contractor. In the absence of work-wise breakup, it cannot be assured that the reimbursement is specifically with respect to the Service Tax paid on that particular work executed for Government, and the contractor is not unduly enriched by such reimbursement.

We recommend that in future, reimbursement of Service Tax should be made only on the basis of a certification from the Chartered Accountant to the effect that the Service Tax payment sought to be reimbursed has been paid specifically for the work covered under the contract/ agreement permitting the reimbursement.

16.12 Absence of Works of Art

Delhi Urban Arts Commission, in its approval to projects, stipulated a condition that one percent of the project cost should be spent on works of art in the buildings. No such works were executed. CPWD replied that since the estimates did not include this cost, it had separately asked SAI to release Rs. 22.54 crore for the execution of such works in the venues owned by SAI.

As such, the works of art remain unexecuted.

16.13 Legacy Plan

Since the funds for development/ upgradation of various competition and training venues not owned by Government directly/ indirectly were released by Government, MYAS was required to enter into MoUs with the venue owners for legacy/ future use of sports infrastructure and facilities created. We found that the action taken by MYAS in this regard was deficient

16.13.1 Memorandum of Understanding (MoU)

MYAS signed MoUs on various dates in respect of the following venues:

Sl.No.	Name of the organization and venue	Date of MOU
1.	Main Rugby Competition Venue, Multipurpose Hall and Athletics Track Training Venue at Polo Ground at Delhi University, North Campus.	09.11.2010
2.	Delhi Lawn Tennis Association (DLTA) and All India Tennis Association (AITA), R.K. Khanna Tennis Stadium	27.05.2010
3.	Rugby and Table Tennis Training Venue at JMI.	08.07.2010
4.	Lawn Bowls Training Venue at DPS, RK Puram	04.08.2010
5.	1000 yard Big Bore Shooting Range at CRPF Campus at Kadarapur	17.06.2010

We found that the MYAS had not fixed any time limit for signing of MoU with the venue owners although the CWG-2010 concluded on 13 October 2010, the legacy/future use of most venues are yet to be decided.

16.13.2 Deficiencies in MoUs

The deficiencies in the MoUs signed are listed below:

Venue	Deficiencies
Delhi University, North Campus.	<ul style="list-style-type: none"> ■ DU signed MoU with MYAS; however, MoU with seven colleges³ for legacy use of rugby training venues and women wrestling hall are still pending.
DLTA and AITA	<ul style="list-style-type: none"> ■ DLTA and AITA signed MoU for legacy use of R.K. Khanna, Tennis Stadium. As per MoU <ul style="list-style-type: none"> ● MYAS has the right to nominate seventy five talented players annually to avail of free coaching by AITA, ● MYAS would nominate up to ten coaches per year for free of cost training by AITA, ● tenure membership be provided for 20 government servants for using facilities and ● maintenance of stadium and facilities shall be responsibility of DLTA and AITA. ■ It was observed that the activities mentioned in the MoU schemes viz. nomination of talented players and providing coaching to them had still not been implemented.

³ Daulat Ram, Khalsa, Ramjas, Kirorimal, St. Stephens, SRCC and Hindu.

Further, the provision of tenure membership for 20 Government servants for using DLTA facilities does not represent proper legacy use of such facilities (targeted towards children, youth and sportsmen) and instead provide an opportunity for patronage by MYAS to individual Government Servants. We recommend that this clause in MoU be amended.

The comprehensive legacy plan for optimum utilization of developed infrastructure for usage and regular maintenance and upkeep of facilities in the operational condition in respect of above venue owners has still not been prepared.

We suggest that

At DU, besides regular use by the students of DU and respective colleges, the sports facilities may be made available for training/ practice of national level athletes; and Tennis associations and societies could have been invited to utilize the stadium by organizing tournaments/tennis events.

16.13.3 Present Position

Our visit at the DU, revealed that if the legacy plan for usage and regular maintenance and upkeep of facilities for the operational condition had been prepared and implemented, then the sporting infrastructure would have remained in proper working condition; unlike the poor condition as can be seen from the series of photographs taken by us and presented below:

During CWG - 2010



Rugby Main Competition Venue

After CWG - 2010



Rugby Main Competition Venue

During CWG - 2010



Main Rugby Field - Seating

After CWG - 2010



Main Rugby Field - Seating



Toilets in Multipurpose Hall



Toilets in Multipurpose Hall

Venues Developed by Central Public Works Department

CPWD was engaged by the Sports Authority of India (SAI) for upgradation/ renovation of five competition venues – Jawaharlal Nehru Stadium, Dr. SP Mukherjee Stadium, Major Dhyan Chand National Stadium, Indira Gandhi Stadium, and Dr. Karni Singh Shooting Range, as well as one training venue – DPS, RK Puram. In addition, CPWD renovated the Kadarapur Shooting Range on behalf of CRPF.

We found that the appointment of Consulting Engineering Services (CES) as the main design consultant for the five main stadia, in September / October 2006, was seriously flawed. CES was favoured at the evaluation stage by award of marks on “concept design” (which were largely outputs of a previous set of consultancy contracts for “condition survey” awarded to CES). Further, the technical qualification of CES on the basis of “concept design” is all the more amazing, since OC's consultant, EKS was engaged only in November 2006 and thereafter prepared the venue briefs, on the basis of which “concept designs” were to be prepared. The performance of CES in almost all the venue consultancy contracts was abysmal. The financial liability of CES for numerous deficiencies should be determined, and CES should be blacklisted for consideration for future consultancy contracts. We also recommend that CPWD's Central Design Organisation be strengthened, to reduce undue dependence on external consultants.

A Centralised Co-ordination Committee, chaired by Chairman, OC and including representatives from venue owners/ implementing agencies, was responsible for selection of brands of sports surfaces. We found clear instances of favouritism and bias shown by this Committee (which was largely guided by the OC) in selecting sport surfaces for athletic tracks, hockey turf and badminton court mats.

A joint tendering mechanism was put in place for selection of agencies for laying the sports surfaces at the venues. We found serious deficiencies in the award of the contract for laying of synthetic athletic track surfaces by CPWD to Shiv Naresh Sports Pvt. Ltd. The restrictive tendering conditions resulted in a situation where the awarded rates were much higher than comparative rates. We also found that the area over which synthetic track was laid included 9,130 sqm outside the main track and area of final warm-up and call rooms at JLN Stadium at a cost of Rs. 6.63 crore; we are unable to derive assurance that this additional quantity was required for the Games, and confirmed as such by OC. We also found deficiencies in the quality of the main competition track during our field visits in November 2010.

A joint tendering mechanism was evolved for supply and installation of VVIP/ VIP chairs and media chairs for five venues. We found a systematic pattern of calculations and re-

calculations for inflation of rates, which ultimately benefited the vendor, Superior Furnitures.

We found massive overkill in purportedly building “redundancy” in power supply arrangements for the venues, including:

- *Installation of DG Sets as permanent fixtures (the prospects of utilisation of which during the non-events period are negligible) for “critical loads” as assessed by CPWD which were close to the normal power requirement;*
- *Installation of UPS (whose requirement on a legacy basis is, in our opinion, more or less insignificant); and*
- *Hiring of additional DG sets of huge capacity by OC.*

In Jawaharlal Nehru Stadium, we found instances of non-adjustment for work not executed, extra payments for work already covered by the scope of the lumpsum contract, and non-levy of compensation for delayed completion of the work of the membrane roof. The creation of a tunnel at JNS for entry and exit of performing artistes at the opening and closing ceremonies was initiated only in November 2009; we are unable to ascertain how much of the delays are attributable to the introduction of the tunnel at this late stage. During a joint inspection in January 2011, we found several deficiencies in execution of work, including leakages in underground parking and evidence of water logging in the lower basement.

The main work of Dr. Shyama Prasad Mukherjee Swimming Pool Complex was awarded on a lumpsum contract. We found a number of concessions to the contractor, in deviation from the spirit of the lumpsum contract – large number of extra items, additional payment for work covered in the original contract, as well as substitution of the original galvalume (aluminium-zinc coated steel) roof with an aluminium roofing system, due to the failure of the contractor; this was also noticed in the replacement of the roof at JNS Weightlifting auditorium. The essence of the lumpsum character of the contract was, thus, defeated. We also found instances of execution of poor quality of work.

Work at the Indira Gandhi Stadium Complex involved upgradation/ construction of venues for cycling, gymnastics and wrestling. We found that an otherwise ineligible firm for the composite work of the indoor cycling velodrome was qualified (and ultimately became the successful bidder) through a change in accounting periods (to ensure compliance with the condition of not having incurred losses in more than 2 of the last 5 years), as well as inconsistent and unreliable figures of liabilities. Strangely, competition for laying the permanent timbre track for the velodrome was limited to Indian furniture contractors (in association with an international track design and construction expert), with no attempt to float international tenders; this was compounded by dilution of eligibility criteria. We also found deficiencies in the bidding process for the wrestling stadium, with an inexplicable delay of four months in declaring the pre-qualified bidders, ultimately

resulting in a single financial bid, which raises concerns on the competitiveness of the bidding process. Further, we found numerous irregularities/ relaxations in the tendering process for different works relating to the gymnastics stadium, hostel/ media centre and roads, boundary wall etc. to favour a particular bidder, Swadeshi Construction Co. Our verification of its correspondence address revealed that it was a residence, casting further doubt on its credibility and authenticity.

In the case of the Major Dhyan Chand Stadium, we found dilution of pre-qualification criteria benefiting a particular contractor; further, estimates were lowered substantially from the RFQ to the RFP stage, which may have discouraged larger companies from participating. We also found that the “justified” rates calculated by the CPWD did not truly reflect the market, as we found evidence of much lower rates for components of the main work from outsourced agencies. Also, despite additional costs for reduced time period for completion factored into the “justification” process, the project took 37 months, against the stipulated 18 months; no compensation had, however, been levied. We also found inexplicable delays, with re-tendering twice along with dilution of bid criteria, in award of the work of the PA system to a firm, which was ineligible in the first and second rounds of tendering.

The originally envisaged renovation/ upgradation of Dr. Karni Singh Shooting Range was changed to reconstruction of ranges after a delay of seven months, creating a squeeze of time at the execution stage. Due to the failure of the contractor, part of the work was awarded (after relaxation of eligibility conditions to another agency). We found deficiencies in the quality of works executed, which persisted even after the Games. We also found certain deficiencies in the execution of works at the Kadarapur Shooting Range. The training facilities to be constructed at the CRPF campus, Jharoda Kalan for police sportspersons for participation in CWG-2010, had not been completed.

17.1 Engagement of Design consultants

17.1.1 Venue Appraisal Studies and Venue Briefs by EKS

In June 2005, at the conceptualisation stage of the CWG – 2010, EKS was appointed¹ as a consultant for conducting a baseline study – 'Venue Appraisal Services' (VAS). This included

- comments on the appropriateness of the proposed infrastructure for meeting internationally accepted standards;
- technical venue requirements;
- recommendations regarding alternate venue opportunities/ upgradation of existing venues; and
- preparation of Master Plan for CWG - 2010 venues, etc.

The competition venues were finalised in January 2006 in the 9th Group of Ministers (GoM) meeting. Subsequently, in November

¹ On the proposal of OC to the GoM in its 4th Meeting in March 2005 at a cost of Rs. 0.49 crore to be borne by DDA

2006, EKS was again appointed as the main consultant by the OC for preparing Venue Briefs, which were to be the basic guiding documents for the venue developer to develop sports venues for hosting international sports events during CWG – 2010.

The venue briefs stipulated that the design and technical solutions for venue development were to be prepared by the design consultants appointed by the respective agencies.

17.1.2 Engagement of CES for “Condition Survey”

In July 2004, soon after the award of CWG-2010 to Delhi but before planning for the same had started at the Government's level, SAI entrusted renovation of stadia to CPWD. Following this (in March 2005), CES was awarded contracts for condition survey and repairs for five stadia namely – MDC National Stadium, Dr. S.P.M Swimming Complex, Indira Gandhi Stadium Complex, Jawaharlal Nehru Stadium, and Karni Singh Shooting Range for a total consultancy fee of Rs. 0.43 crore². As a part of this set of

earlier contracts, CES prepared reports in several volumes for all these stadia, which included concept designs, BOQs, technical specifications, etc. These contracts were continuing even in March 2007; the exact dates of completion of contracts could not be ascertained from CPWD.

17.1.3 Selection of Consultant Engineering Services (I) Ltd. (CES) by CPWD as main consultant in all the five stadia

In the meantime, subsequent to the identification of the venues, CPWD initiated the work of award / identification of Design Consultants for its venues during the period June – July 2006.

For the engagement of specialized agencies for consultancy services for works in all the stadia, an evaluation committee³, on the approval of the Additional Director General (TD) – CPWD, was constituted. The tenders for the main consultancy contracts for the development of the five stadia, for CWG – 2010 were floated by the individual stadiums. Details of firms that technically qualified and then were awarded the consultancy contract are given in Table 17.1.

Table 17.1 - Consultancy firms technically qualified and awarded consultancy contract

Venue	Firms pre-qualified.short listed	Firm declared technically qualified	Firm awarded the work
Jawaharlal Nehru Sports Complex	JNS Complex <ul style="list-style-type: none"> ■ CES (I) Pvt Ltd. ■ STUP Consultants Pvt. Ltd. ■ RITES Ltd. ■ Tata Consulting Engineers Ltd. ■ Intercontinental Consultants and Technocrats Pvt. Ltd. (ICT) ■ Dalai Mott MacDonald 	CES (I) Pvt. Ltd.	CES (I) Pvt. Ltd.

² MDC + KSSR = Rs.9.87 lakh; IG+SPM = Rs. 12.55 lakh; JNS = Rs. 20.44 lakh

³ Members of the committee were CE CDO-cum-Project Manager CWG – 2010; CE (NDZ) – IV; CE (Electrical); Chief Architect; ED-Finance (SAI); SE (Designs)-I, CDO; SE (Designs)-II, CDO; and SE DCC – III – member-Secretary.

Venue	Firms pre-qualified.short listed	Firm declared technically qualified	Firm awarded the work
	JNS Weightlifting Auditorium <ul style="list-style-type: none"> ■ CES (I) Pvt Ltd. 		
Indira Gandhi Stadium Complex (in two packages)	Package – I (Gymnastics) <ul style="list-style-type: none"> ■ CES (I) Pvt Ltd. ■ STUP Consultants Pvt. Ltd. ■ Development Consultants Pvt. Ltd. ■ M. N. Dastur Ltd. ■ Construma Consultants Pvt. Ltd. 	CES (I) Pvt. Ltd.	CES (I) Pvt. Ltd.
	Package –II (Wrestling, Warm-up Halls for Gymnastics, External Utilities) Five firms pre-qualified which included ⁴ <ul style="list-style-type: none"> ■ FMM Pvt. Ltd. ■ Span Consultants Pvt. Ltd. ■ CES (I) Ltd. 		
Dr. S.P.M. Swimming Pool Complex	<ul style="list-style-type: none"> ■ CES (I) Pvt Ltd. ■ STUP Consultants Pvt. Ltd. ■ RITES Ltd. ■ Tata Consulting Engineers Ltd. ■ Intercontinental Consultants and Technocrats Pvt. Ltd. 	<ul style="list-style-type: none"> ■ CES (I) Pvt. Ltd. ■ Intercontinental Consultants and Technocrats Pvt. Ltd. 	CES (I) Pvt. Ltd.
Major Dhyan Chand Hockey Stadium	<ul style="list-style-type: none"> ■ CES (I) Pvt Ltd. ■ STUP Consultants Pvt. Ltd. ■ Mott MacDonald Pvt. Ltd. 	CES (I) Pvt. Ltd.	CES (I) Pvt. Ltd.
Dr. Karni Singh Shooting Range	<ul style="list-style-type: none"> ■ Kothari & Associates. ■ Span Consultants Pvt. Ltd. ■ CES (I) Ltd. ■ Architects Bureau ■ TEAM 	<ul style="list-style-type: none"> ■ CES (I) Pvt. Ltd. ■ Span Consultants Pvt. Ltd. 	CES (I) Pvt. Ltd.

CES technically qualified in all the five contracts. In three stadia, its financial bid was the only one to be opened, effectively denying the benefit of competitive bidding.

The contracts for design consultancy were awarded to CES in all the five venues at the rates indicated in Table 17.2:

⁴ Other details not available in records furnished to audit

Table 17.2 - Stadium wise awarded cost of consultancy services to CES

Venue	Awarded Cost
Jawaharlal Nehru Stadium Complex	Rs. 8.97 crore
Indira Gandhi Stadium Complex (in two packages)	Rs. 5.17 crore (The scope of work increased, post award, to include interior space planning of gymnastics stadium at an additional cost of Rs. 0.38 crore)
Dr. S.P.M. Swimming Pool Complex	Rs. 6.41 crore
Major Dhyan Chand Hockey Stadium	Rs. 2.09 crore
Dr. Karni Singh Shooting Range	Rs. 0.32 crore (Original consultancy work not foreclosed, and new consultancy work assigned at an additional cost of Rs. 0.55 crore augmenting the cost of consultancy work to Rs.0.80 crore)
Total	Rs. 22.96 crore

We found that CES emerged as the only technically qualified bidder for three stadia, primarily on account of marks assigned to them on the parameters of 'concept designs' and other details (which were largely outputs of the previous set of

consultancy contracts). All other bidders, despite possessing specific experience in sports stadia, were held to be technically not qualified, by assigning lower scores to them on the parameters of 'concept design' as indicated in the Table 17.3:

Table 17.3 - Marks obtained bidders on the parameter of concept design

Venue	Maximum and minimum qualifying marks	Marks obtained on concept design	Firm Declared technically qualified
Jawaharlal Nehru Stadium Complex	Maximum Marks – 30 Minimum Marks – 22	<ul style="list-style-type: none"> ■ CES (I) Pvt Ltd – 26.62 ■ ICT Pvt. Ltd. – 10.87 ■ TCE Ltd. – 16.59 	CES (I) Pvt Ltd.
Indira Gandhi Stadium Complex (in two packages)	Details regarding marks obtained not furnished.	Details regarding marks obtained not furnished.	CES (I) Pvt Ltd. for both the packages
Dr. S.P.M. Swimming Pool Complex	Maximum Marks – 30 Minimum Marks – 20	<ul style="list-style-type: none"> ■ CES (I) Pvt Ltd – 26.00 ■ ICT Pvt. Ltd. – 22.50 	CES (I) Pvt Ltd and ICT Pvt. Ltd qualified (Financial offer was evaluated on techno-commercial parameters where ICT scored 68 marks and CES 86.64)
Major Dhyan Chand Hockey Stadium	Maximum Marks – 20 Minimum Marks – 15	<ul style="list-style-type: none"> ■ CES (I) Pvt Ltd – 17.50 ■ Mott MacDonald Pvt. Ltd. – 7.50 ■ STUP – 0.00 	CES (I) Pvt Ltd.
Dr. Karni Singh Shooting Range	Maximum Marks – 40 Minimum Marks – 25	<ul style="list-style-type: none"> ■ CES (I) Pvt Ltd – 27.50 ■ Span – 31.00 	CES (I) Pvt Ltd. & Span qualified (CES quoted the lowest Rates of Rs. 39.51 lakh as against Span's quote of Rs. 61.73 lakh)

- **CES did not directly possess specific experience in designing sports stadia, with its experience being primarily in providing design consultancy for roads and bridges.** It could show experience for building sports stadia only through purportedly “associating” with foreign consultants, and that too only after purchasing the PQ documents (all the MoU submitted were signed on dates falling after the PQ documents were purchased). Other bidders who were technically rejected had fairly good experience in construction of sports stadia viz.
- **Mott MacDonald** – Wembley Stadium in London, Melbourne Cricket Ground in Australia, Lord's cricket ground in London;
- **STUP** – Stadia for National Games in Guwahati and Hyderabad, Twin Turf Hockey Stadium at Hyderabad.
- Further, we could not see, through perusal of various designs and documents submitted by the consultant, the contributions of the foreign consultants, on the basis of which CES was deemed to be technically qualified vis-à-vis sports stadia. In response to our query, CPWD stated that the tender conditions did not insist on the signature of the foreign consultant. However, in view of the contractual provision regarding involvement of the foreign consultants to the extent of not less than 60 per cent of the total fee, documentary evidence of the actual involvement of the foreign consultants in work was essential.
- The technical qualification of CES primarily on the basis of the 'concept

designs' submitted by it as part of the bidding process is all the more amazing, since EKS was engaged only in November 2006 and prepared the venue briefs thereafter, based on which the concept designs were required to be prepared. Without the venue briefs (and without adequate time being provided), the other bidders could not have been expected to prepare such designs at the bidding stage, nor was this at all necessary. This advantage to CES was irregularly facilitated by CPWD by including the concept design requirement in the RFP for consultancy contracts, well before even the venue brief was ready. This effectively favoured CES.

- In response to our observation, CPWD replied that the condition survey was conducted to assess the repair and retrofitting cost and nothing was decided about the new structures. Therefore no insight was available to CES regarding the nature and scope of work for CWG-2010. Moreover concept plan was desired to judge the aptitude and vision, and the consultants who are bidding for mega sports stadia can prepare concept plan on the basis of scope of work, site visits and pre-bid meetings.
- However, the advantage to CES is evident from its own statement in the section “Project Appreciation” of the technical bid document that 'Consultants, during a prior assignment, took up extensive reconnaissance survey and condition survey of installations and utilities of the area. In the process, the Consultants have gone through available drawings and condition survey data

which enabled them to have full understanding of the project and its requirement indicated in the TOR.' This amply evidences that the prior assignment of condition survey to CES created a foundation for the preparation of concept plan, project appreciation and technical proposal and this advantage was not available to other bidders.

The inexperience of CES was evident from numerous deficiencies noticed during the execution of the design consultancy contracts such as

- frequent and drastic changes in designs and drawings,
- changes in BOQs and tender documents, frequent delays in submission of designs and drawings,

- delays in obtaining approval from local bodies, and
- engagement of additional specialist design consultants for works which were, primarily, the responsibility of the main consultant, etc.

Details are given in Annexe 17.1. This adversely affected the planning as well as execution of the various projects. All such deficiencies were condoned or ignored by CPWD. Penalties for such failures were either not included in the contract⁵ or, where included⁶, were not enforced. Some of the glaring deficiencies are summarised in Table 17.4:.

Table 17.4 – Deficiencies in consultancy work of CES

Stadium	Deficiencies (in brief)
JLN Stadium	Defective assessment of the requirement of lump sum contract resulted in deviations primarily on account of changes in BOQs, resulting in gross deviation ⁷ of Rs. 41.24 crore.
JLN Weightlifting Stadium and Dr. SPM Swimming Pool Complex	The scope of roofing work was changed from Zinalume steel to aluminium (Kalzip), resulting in extra payment to contractor of Rs. 6.79 crore.
Dr. Karni Singh Shooting Range	There were huge deviations and extra items worth Rs. 20.37 crore due to improper assessment of BOQs for the work. The basic item of excavation in hard rock could not be envisaged earlier (despite the hilly location of the venue). Further, rebate of Rs. 0.50 crore could not be availed.
IG Stadium Complex	In the work of “improvement of roof truss”, there were huge deviations in steelwork alone, ranging from 83.8 per cent to 139.70 per cent, amounting to Rs. 15.62 crore.
MDC National Stadium	Astronomical increase in the quantities of cables, ducts, pipes etc. in the work of SITC of PA system and electrical component of the main work resulted in additional financial burden of Rs. 4.11 crore.

⁵ Major Dhyan Chand Stadium

⁶ Jawaharlal Nehru Stadium, Dr. SPM Swimming Pool Complex, Indira Gandhi Stadium Complex and Dr. Karni Singh Shooting Range.

⁷ Sum of positive (+) and negative (-) deviations.

The performance of CES in almost all the venue consultancy contracts was abysmal. The financial liability of CES for the numerous deficiencies should be ascertained and recorded. Further, CES should be blacklisted for consideration from any consultancy or other contracts with CPWD and the GoI, to prevent recurrence of such events. In addition, responsibilities should be fixed on the officials who facilitated appointment of CES and grant of undue favour to it in the course of these consultancy contracts.

Separately, several other consultants were also engaged for other venues i.e. WADA block, shooting range etc. (CPWD); and other sporting venues developed by DDA, PWD, GNCTD, NDMC, DU, JMIU, AITA. The engagement and performance of these consultants has been discussed in the relevant sections of the report.

For the preparation of venues for the CWG – 2010, approximately Rs. 113 crore was spent on engagement of design consultants for all venues including those of DDA, NDMC, PWD GNCTD and others.

17.2 Lack of organised in-house design skills in CPWD

CPWD's, Central Design Organisation (CDO) consists of four units namely

- the Design Unit;
- Repair & Rehabilitation Unit;
- Computer Centre Unit; and
- Technology Application Development Cell Unit.

CDO is mainly responsible for structural analysis, design of large projects and special structures, development of in-house expertise in the field of repairs and rehabilitation, development of new innovative technologies for the department and computerisation.

The CDO currently has 1 CE, 6 SEs, and 24 EEs/AEs/AEEs, besides other supporting staff. However, the CPWD did not utilise the services of CDO for design consultancy for any of the stadia for CWG-2010, and instead engaged external agencies for design and other consulting services for these projects, as discussed in the previous paragraph.

In response, CPWD stated that:

- for planning and design for all the sports stadia in a time bound manner for the CWG-2010, a well coordinated multidisciplinary planning and design team covering architectural, structural, mechanical, audio-visual, Integrated Building Management System etc were essential requirements.
- All these specialisations did not exist in CPWD, that too under single command, which was absolutely essential for timely accomplishment as a coordinated job of multidisciplinary consultants.
- Even in its limited role in structural design and drawing, CDO did not have skilled and experienced structural engineers to deal with the structural complexities of sports stadia involving use of new imported structural materials, necessitating latest state of the art technologies in structural engineering as well as material science.

In our view, it is absolutely essential for CPWD to develop, maintain and properly

utilise a core multi-disciplinary pool of planning and design expertise; and CPWD cannot be perceived merely as a project monitoring agency.

In the Games Project, CPWD visibly abdicated all designing responsibilities by entrusting them to external consulting agencies. As has been adequately pointed out elsewhere in the report, the performance of these agencies was less than satisfactory. However, the lack of adequate multidisciplinary planning and design team left CPWD at the mercy of the consultants. Further, due to short term nature of the consulting engagements, there is no 'institutional memory'. Moreover, once the Government pays the consultants, the design should become the intellectual property of the Government and should be patented in its name.

We recommend that immediate steps should be taken to strengthen the Central Design Organisation (CDO), both in terms of the number of technical officers as well as in the quality of resources provided. Where necessary, upgradation of relevant state-of-the art skills may be ensured through appropriate training.

This would reduce CPWD's undue dependence on external consultants. CDO should function as a centre of excellence for

- Innovation of designs of building, bridges and other infrastructure and its documentation;
- Documentation of designs given by consultants and their patenting;

- Standardisation of designs and their availability and dissemination to other agencies within the public sector; and
- Peer review.

17.3 Procurements through common tendering

17.3.1 Selection of brands of Sports Surfaces

On 24 May 2008, Shri Kalmadi constituted an expert committee for finalising the selection of brands of sports surfaces and sports equipment for CWG-2010. The Committee was chaired by Shri Bhanot, and included representatives from the 17 National Sports Federations, GNCTD, SAI, DDA, NDMC, AITA, and CGF.

Separately, on 14 June, 2008, in pursuance of a meeting held by Minister of State, YAS with CM, Delhi and Chairman, OC, Shri Bhanot notified the constitution of a "Committee for Centralised Co-ordination for finalisation of Overlays, including Sports Specific Surfaces/ Equipments" on the grounds that the OC had the ultimate responsibility for ensuring that "look and feel" of the Games was maintained, and the required certification from the respective International Federations was obtained in time. This Committee for Centralised Co-ordination was chaired by the Chairman, OC, and included Secretary, Sports and CS, GNCTD and the heads of SAI, DDA, NDMC and CPWD. This Committee was to take inputs from the earlier constituted expert committee. Subsequently, a Joint Tendering Mechanism was agreed to, where a lead agency was decided for each surface

The chronology of events relating to the specification of brands for sports surfaces is summarised in Table 17.4:

Table 17.4 – Deficiencies in consultancy work of CES

Timeline	Event
24 May 2008	Constitution of (expert) committee by Shri Kalmadi
14 June 2008	Constitution of Committee for centralised co-ordination
22 July 2008	Expert committee recommended brands for various sports surfaces (in most cases, single brands)
26 September 2008	Centralised Co-ordination Committee, after considering Expert Committee recommendations, shortlisted three brands for most surfaces.
16 November 2008	Expert committee shortlist conveyed to MYAS
16 December 2008	List of shortlisted brands placed before Centralised Co-ordination Committee for consideration. Committee decided that MYAS would designate a centralised procurement agency.
29 January 2009	OC floated EOI, at Secretary MYAS's direction, for offering opportunities to other suppliers. Only four vendors for lawn bowls and two for wooden floor were considered additionally eligible.
13 April 2009	Centralised Co-ordination Committee prepared a final list of shortlisted brands.
2 July 2009	MYAS approved the list of brands shortlisted by the Centralised Co-ordination Committee.

We found clear instances of favouritism shown by the Centralised Co-ordination Committee (which was largely guided by the OC), as summarised below:

17.3.1.1 Athletics

The top four brands of synthetic track surfaces with maximum IAAF Class-I certificates were Mondo (19), Conica (15), Polytan (8) and Rekortan (4). The Expert Committee decided to procure Conica Full PUR track surface, and ruled out Mondo⁸, based on the following:

- The Athletics Federation of India representative observed that the Mondo track was earlier laid at

⁸ Mondo is the official supplier of athletic tracks for the last nine Olympics (including Beijing Olympics 2008) as well as the upcoming London Olympics 2012.

Thiruvananthapuram, Jamshedpur, Lucknow and New Delhi was not suitable for Indian weather conditions and at all these places, the track was cracked out within two years and had a very short life.

- Further, the Mondo track was a pre-fabricated track, whereas other tracks were polyurethane tracks and easy to repair in case of any damage at the spot.

However, at the meeting of the Centralised Co-ordination Committee on 26 September 2008, DG SAI raised the issue of IAAF approved brands for synthetic tracks. Again, in the Committee meeting on 2 April 2009, DG, SAI mentioned that he had been advised that Mondo was preferable for athletics track as it was pre-fabricated, and in case of damage to the track during the

Opening Ceremony, the particular damaged surface could be easily replaced. This was countered by Shri Bhanot, and it was decided not to go in for pre-fabricated synthetic surfaces, based on the poor experiences of pre-fabricated tracks in India. Finally, three brands (Conica, Polytan and Rekortan) were shortlisted.

We found no evidence / reports to substantiate claims of the poor performance of Mondo's tracks. Further, the rejection of a firm supplying surfaces for Beijing Olympics 2008 is in stark contrast to the use of supply at Beijing Olympics 2008 as justification for vendors for other surfaces.

17.3.1.2 Hockey

The expert committee had shortlisted three companies for hockey on the assumption that these global surface providers would be able to produce polyethylene surfaces with the approval of International Hockey Federation (FIH) instead of the hitherto used polypropylene surfaces. However, there was a deviation in qualifying criteria for the hockey surface, necessitating a fresh EOI. After evaluation of the EOI by a committee, four products of different fiber i.e. polyethylene, polypropylene and nylon were recommended. These were produced by the same vendors, whose names were shortlisted earlier. The selection of polyethylene, a new type of synthetic surface instead of the hitherto used polypropylene surface is indicative of the fact that ***the criterion regarding the selection of widely used surface for selection of company*** was not followed consistently by the expert committee.

17.3.1.3 Badminton

The Expert Committee decided to recommend Yonex, since it was being used at Beijing Olympics 2008 and other events, and also because BWF confirmed that only Yonex court mats and shuttlecocks were exclusively approved. We found this assumption to be of doubtful veracity. BWF has 23 approved brands, but has an exclusive sponsorship contract with Yonex for use at BWF events. Although the BWF website lists CWG-2010 as a BWF event, this appears to be incorrect as the badminton events at neither the Olympics nor the Asian Games are listed as BWF events.

17.3.1.4 Permanent timber track for the cycling Velodrome

The Expert Committee recommended Schuermann Architects (who built the velodrome for Beijing Olympics-2008) as the international technical delegate for cycling events and mentioned that no architect other than Schuermann Architects could guarantee to meet the specifications of International Cycling Union (UCI). However, this was not implemented, since the bidding condition stipulated by CPWD restricted competition to Indian furniture contractors in association with an international track design and construction expert (refer paragraph 17.8.2.4 of the report). The contract was finally awarded to Comfort Net Traders, in association with another international architect.

Clearly, the selection of brands for sports surfaces was not transparent and objective. It appears from the minutes that objections raised by venue owners were ignored by Shri Bhanot by giving selective technical information.

17.3.2 Laying of synthetic athletic tracks surface

As already discussed in para 17.3.1.1, the Centralised Co-ordination Committee shortlisted three brands/ manufacturers (Conica, Polytan and Rekortan) for laying synthetic athletic track surfaces at five venues⁹, thereby creating grounds for restrictive tendering. CPWD was identified as the nodal agency for joint tendering for selection of agency to lay the track surfaces at these venues. A joint tendering committee¹⁰ was constituted to oversee the tendering process.

17.3.2.1 Dilution of eligibility criteria to suit the agencies that finally bid.

In July 2009, Press Notice inviting bids for laying synthetic athletic track surface at five stadia was issued. The eligibility criteria included:

Agency	Eligibility Criteria
Manufacturers of the shortlisted brands (having registered office in India)	Completion of two works (laying athletic synthetic track surface approved by IAAF) costing not less than Rs. 4 crore each
Authorized Indian Representatives of manufacturers of the approved brands	Completion of one work (laying synthetic athletic track surface approved by IAAF) costing not less than Rs. 4 crore each

⁹ JNS, Thyagraj Stadium, Chhattarsal Stadium, Commonwealth Games Village and Polo Ground of Delhi University.

¹⁰ Its members included Chief Engineer (CWGP), CPWD (Chairman), Chief Engineer (PWD, GNCTD), Chief Engineer, DDA, Addl Chief Engineer, NDMC, University Engineer, DU; Representative of SAI, SE (C), CPWD

We found that the relaxation of conditions from completion of two similar works to one and reduction of value of works to Rs. 4 crore each (which was only 10 percent of the estimated cost of the work as against the generally prescribe 80 percent of estimated cost for one work, which would amount to Rs. 30.73 crore in case of an authorised Indian representative bidding) was tailor made to suit only the three bidders (authorised Indian Representative of each brand) who responded, as indicated below:

Brand Manufacturers	Authorised Indian representative	Value of single work completed (Rs. in crore)
Polytan	Inderjit Mehta Construction Pvt. Ltd.	4.60
Canica	Shiv Naresh Sports Pvt. Ltd.	4.32
Rekortan	Jubilee Sports Technology Pvt. Ltd	4.99

Clearly, all the bidders just met the much diluted eligibility criteria and the dilution was probably done only to ensure that these agencies could bid.

17.3.2.2 Selection of Shiv Naresh Sports Pvt. Ltd. and the reasonability of the rates it quoted

From the three bids received, the contract was awarded to Shiv Naresh Sports Pvt. Ltd. (SSPL)¹¹ who was the L1 bidder at Rs. 60.38 crore for the five venues of which Rs. 27.61 crore was for JNS alone.

¹¹ SSPL was primarily a manufacturer of sports wear as per its website.



Athletics track at Chhatrasal Stadium

We found that the restrictive tendering conditions created around the tendering process by limiting the competition to three brands only resulted in a situation where the rate at which the contract was finally

awarded was not at all comparable with the rates of similar works quoted or intimated at different works/stages as indicated in Table 17.5.

Table 17.5 — Comparative rates of similar work obtained for different works or stages

Agency	Net Rate per sqm (in Rs.)	Total cost for normal stress area at all venues as per NIT (48469 sqm) (in Rs. Crore)	Event
SSPL	7,604.05	36.86	Net rate after rebate of 17.06% and addition of service tax @10.30%.
NCCL at DU	7,337.00	35.56	Rates tendered in April 2008 inclusive of all taxes.
BASF (Manufacturer)	4,928.70	23.88	Rates indicated by the manufacturer and partner of SSPL in September 2009.
SSPL to NCCL at Ranchi	2,784.00	13.49	Work completed in January 2009
Jubilee Sports Technology (I) Pvt. Ltd.	4,650.00	22.53	<ul style="list-style-type: none"> ■ Rates obtained by CPWD in June 2009 for preparing cost estimates; and ■ However, the agency bid at the rate of Rs. 9000 per sqm in its bid for CWG-2010.
Inderjit Mehta Construction Pvt. Ltd for CRPF Campus, Jharanda Kalan	4,516.05	21.89	<ul style="list-style-type: none"> ■ Rates offered to CPWD in February 2010 for CRPF campus at Jharoda Kalan; ■ However, the agency bid at the rate of Rs. 8850 per sqm in its bid for CWG-2010

Note. The above rate only covers laying of surface track; the cost of sub-base is not included

As is evident from above, advantage was taken of the artificial restriction on the agencies that could participate as well as the limited time, which inhibited the possibility of re-tendering. The rates quoted by the bidders were much higher than the rates quoted by the same agencies for other similar projects or points of time. Hence, the reasonableness of cost at which the athletic synthetic track surfaces were laid for CWG-2010 cannot be assured by us.

17.3.2.3 Quantity and quality of work executed by SSPL at JNS

As per the NIT, the synthetic athletic surface track was to be laid over an area of 27,530 sqm. We found that this area included 9,130 sqm laid outside the main track and area of final warm up and call rooms at a cost of Rs. 6.63 crore. We are unable to derive assurance that the quantity of 9,130 sqm was contractually required for the purpose of CWG-2010 and confirmed as

such by the OC. Further, though the athletic surfaces in the main competition track and the warm up track were suitably certified as Class I and Class II, this area of 9130 sqm was not certified.

As per the performance standards appended to the Agreement, no surface imperfections such as bubbles, fissures, delamination, uncured areas, bumps or depressions should be present on the tracks. During our field visits to the Stadium ground on 15, 19 and 23 November 2010, we observed that in the main competition track, the surface of the track were uneven at numerous places, there were signs of water logging even after dry up, and patch work had been done at over 40 places in areas ranging from 2 sqm. to 20 sqm. approximately. Apparently, there were deficiencies in the execution of base work resulting in depressions at numerous places causing uneven surface, water logging and resultant patch work as stated above.



Patch work on the athletic synthetic surface track



Patches of water logging

17.3.3 Unjustified inflation of rates of VVIP/VIP and media chairs procured for five stadia, resulting in extra expenditure of Rs. 3.66 crore

EOIs were invited in Decembers 2009 from the manufacturers/suppliers of seats/chairs for supply and installation of 15,900 VVIP/VIP chairs with arms, cushion and arm rest and media chairs with cushion, folding table and arm rest for five venues¹² for CWG-2010. The manufacturers/ suppliers were to visit the venues to understand the requirement and to submit salient data with brief technical parameters/ specifications, details of turnover, manufacturing capacity, delivery period and prices (inclusive of installation cost). They were also required to install their samples at JNS and submit model wise technical specifications and catalogues, and photos of samples installed along with the response to EOI. Of the 15

agencies that installed their samples at JNS, a committee of seven senior officers headed by the DG, SAI approved, in December 2009, a total of 14 samples (11 for VVIP/VIP and 3 for Media) of six manufacturers¹³.

In January 2010, NIT was issued inviting agents or manufacturers of the shortlisted makes/models to bid¹⁴. Four bids were received. None were from the manufacturers, except Superior Furniture, who was awarded the contract based on its L1 bid in March 2010.

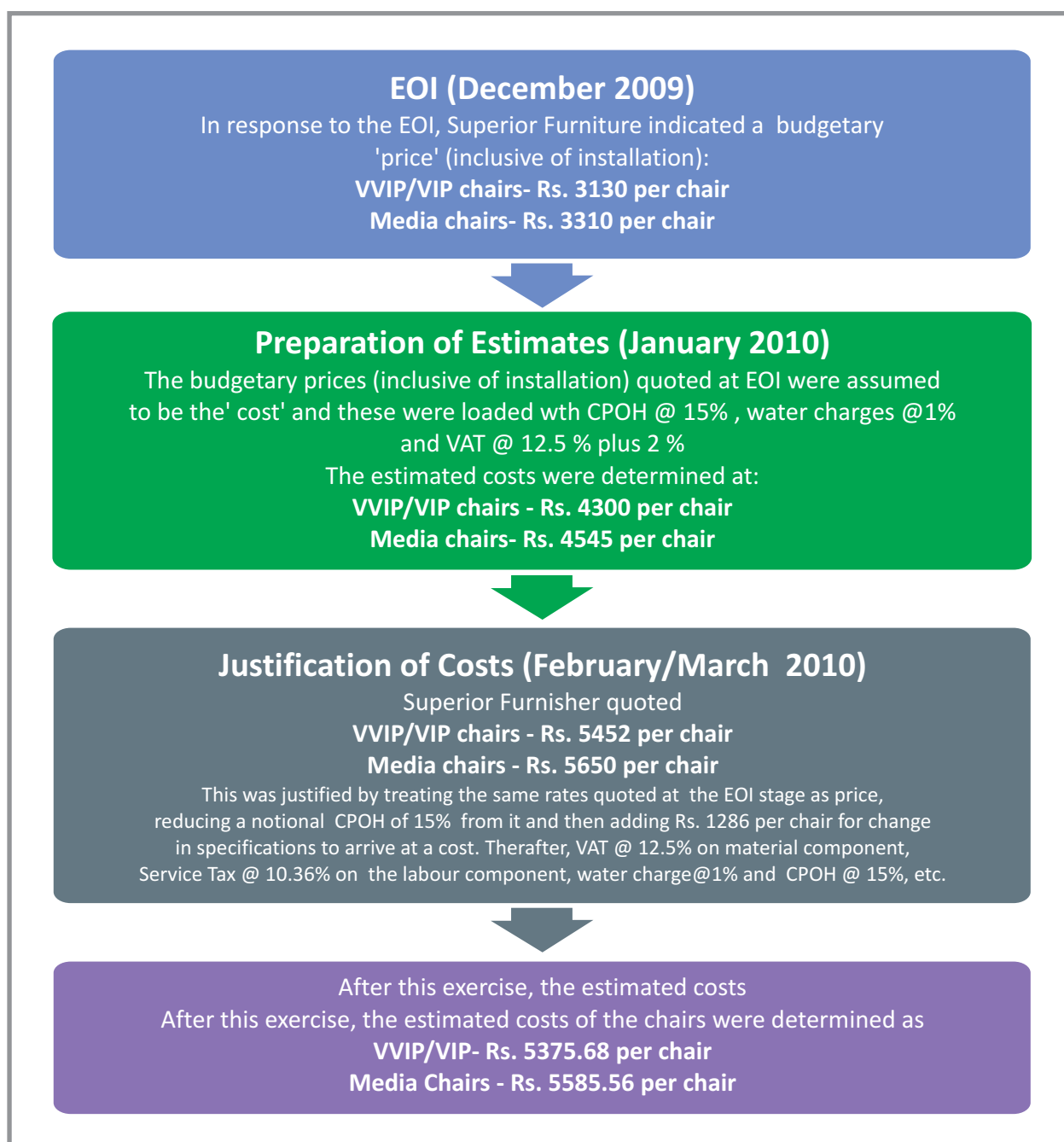
We found that though Superior Furniture was the L1 bidder, its rates were inflated and CPWD justified these inflated rates by Rs. 3.66 crore to award the contract. This is established by the estimates prepared at different points of time, as depicted in Figure 17.1.

¹² JNS, IG Complex, MDC, SPM, and KSSR

¹³ Hoabo Chair Co. Ltd(China), Zhejiang Dageng Sports Equipment Co. Ltd (China), Starena International Pty Ltd., Australia, Superior Furnitures India, Hangzhou Juniu Chairs Industry Co Ltd (China) and Camatic Pty Ltd. Australia.

¹⁴ Shiv Naresh Sports Pvt. Ltd., Superior Furnitures, Millith Karv, and Pen Workers

Figure 17.1 - Estimation of Rates of VVIP/VIP and Media Chair



From the calculations and re-calculations shown above, it is evident that these were manipulated and the rates inflated, which ultimately benefitted Superior Furniture, who was awarded the contract (March 2010) to supply the chairs at a negotiated tendered rates of Rs. 5362 and Rs. 5623 for VVIP/VIP and Media chairs respectively. The additional cost on this account worked out to Rs. 3.66 crore.

Further, we found that about 2500 chairs costing Rs. 1.34 crore, so installed, were removed from the seating areas of various stadiums before start of the games to make broadcasting and media platforms, which is the normal practice in holding international events. These were lying uninstalled in the stadiums.

We also found that Superior Furniture was also allotted the work of designing , fixing and dismantling of Mild Steel (MS) sitting arrangement for Rs. 1.40 crore in IG Complex as extra work without calling any tender or work order.

17.4 Installation of DG Sets as permanent fixture

OC's consultant, EKS, in its venue brief stated that if two high voltage electricity feeders were provided, critical supplies should be evenly distributed across both the feeders. A backup generator of capacity sufficient for the Games 'critical supplies' should also be provided. EKS had also proposed provision for plug-in or permanent prime generators. In pursuance thereof, all the venues obtained two independent high voltage feeders from their respective power supply companies. In contrast, in the return venue brief, the design consultants firm, appointed by the respective venue development agencies,

suggested permanent DG Sets as backup power source. Resultantly, taking this as a ground, CPWD opted for permanent installation of DG Sets. The CPWD took a plea that when EKS proposed plug in type of DG Sets it was intended for non-regular activities like overlays which were to be looked after by OC and this was not meant for permanent installation created by CPWD. The fact, however, remains that despite suggestion/ proposal from M/s EKS for plug-in or permanent generators, CPWD installed all DG Sets in all the five venues as permanent fixtures without any cost benefit analysis (permanent fixtures v/s hiring as and when required). The prospects of utilisation of these permanent DG Sets, during non-events period, are negligible resulting in unfruitful financial burden; this was also the case in DU.

Stadium-wise sanctioned load, critical load, DG Set capacity installed, UPS Capacity installed and temporary DG Sets for which orders were placed by the OC are detailed in Table 17.6:

Table 17.6 — Details of normal sanctioned load, critical load, DG set capacity and UPS capacity.

S.No.	Stadium	Normal Power requirement as per sanctioned load from the concerned power distribution utility	Critical Load as assessed by CPWD	DG Set Capacity Installed	UPS Capacity Installed	Order for Temporary DG Sets placed by OC
1.	Jawaharlal Nehru Stadium	12,000	10,065	11,530	3,330	45,290 ¹⁵
2.	Dr. S.P.M. Swimming Pool Complex	3,471	2,806	3,750	2,500	3,660 ¹⁶
3.	Dr. Karni Singh Shooting Range	2,777	2,159	2,250	1,020	5,202 ¹⁷
4.	Major Dhyan Chand Stadium	3,888	4,558	4,500	3,590 ¹⁸	5,390 (for IG Stadium Complex, MDC Stadium and Central Vista)
5.	Indira Gandhi Stadium Complex	11,111	10,650	10,650	5,328	
TOTAL				Rs. 34.63 Crore	Rs. 39.84 Crore	

Note.

- **Normal Power requirement as got sanctioned from the power utility** – While converting the power requirement from KW to KVA (in cases of KSSR, MDC and IG Stadium Complex), the power factor has been taken as 0.9.
- **Critical load** – While calculating the critical load/ emergency load for DG Supply, CPWD stated that the configuration given in the return venue brief by the design consultants carried no weightage other than confirm to the OC that the Games requirements would be met. The appropriate time to finalise the configuration of the DG Sets was at the time of obtaining the technical sanctions, so that the “latest requirements” were met. Hence, while justifying the critical load arrived at, in response to our audit query, CPWD stated the following issues were taken into consideration (a) suggestions of the CES; (b) suggestions of the fire department (c) CPWD's general specification for electrical work Part- I Internal; and (d) other issues which the department thought necessary.
- **DG Set Capacity installed** – While calculating DG Set capacity, CPWD has taken into consideration a load factor of 0.8 (80% loading) and power factor as 0.8. Further, the department has also taken into consideration parallel N+1 system to provide full redundancy for the games critical supply as per the suggestions of the design consultants (CES).

¹⁵ Includes DG Sets for DPS, RK Puram.

¹⁶ includes Central vista, Talkatora Indoor Stadium and Shivaji Stadium.

¹⁷ Includes Shri Fort Sports Complex, Saket Sports Complex, Thyagraj Sports Complex, Jamia Milia Islamia, RK Tennis Complex and CRPF Campus (Kadarpur) – breakup not available from OC's records.

¹⁸ 4 sets of 2 X 40 KVA DG Sets shifted to JNS

Thus, an expenditure of Rs. 112.29 crore was incurred by CPWD, DU and OC for permanent installation of DG Sets/ UPS

- Rs. 34.63 crore by CPWD for DG Sets
- Rs. 39.84 crore by CPWD for UPS
- Rs. 6.03 crore by DU for DG Sets & UPS
- Rs. 28.08 crore for hiring of DG Sets (primarily for JNS)
- Rs. 3.71 crore for hiring of DG Sets for IG Stadium Complex & MDC Stadium.

Clearly, there was a massive 'overkill' in purportedly building 'redundancy' in power supply, when October was identified as a lean season in terms of power demand¹⁹, and the Ministry of Power allocated an additional 100 MW of power for Delhi for the Games.

The issues relating to installation of DG Sets as permanent fixtures at venues developed by other agencies (DDA, PWD, GNCTD and NDMC) are discussed in chapters pertaining to these agencies in this audit report.

17.5 Installation of additional UPS as parallel redundancy

While installing UPS System for supporting not only the Key Technology Equipments (as suggested by EKS in the venue brief and the design consultant in the return venue brief) but also for sports lighting, the department had installed additional UPS for a total capacity of 1370 KVA as parallel redundancy in MDC National Stadium, despite absence

of any such provision in the venue brief or the return venue brief resulting in addition financial burden to the tune of Rs.2.01 crore. This was on the instructions of the Committee of Secretaries.

The permanent DG Sets in the stadia could, perhaps, still be used (at least to a part of the installed capacity) for national / international sports events. However, the requirement of UPS on a legacy basis, is in our opinion, more or less insignificant (except for the minor requirement for key technical equipments viz. PA Systems, computers etc. and not for sports lighting). Moreover, the batteries attached to these UPS also have a relatively short life. CPWD/ SAI may therefore consider identifying the requirement of UPS strictly for key technical equipments, and ensure that these are properly maintained in the long run. The balance of UPS (which is likely to be substantial) may be transferred, free of cost/ at nominal rates, to other government departments/ agencies requiring relatively large IT Systems (typically large data caches). This will, at least, ensure productive utilisation of these assets.

¹⁹ The efforts of Pragati Power Corporation Ltd. in augmenting power generation and Delhi Transco Ltd. in increasing power transmission capacity are described substantially in Chapter 26.

17.6 Jawaharlal Nehru Stadium Complex



Jawaharlal Nehru Stadium

Jawaharlal Nehru Stadium Complex (JNS) was the main venue for CWG-2010. It underwent major redesign and reconstruction for this event. It hosted the competitive events for athletics, weight lifting and Lawn Bowl as well as the opening and closing ceremonies.

The major works undertaken at JNS were

- Construction of a new tensile membrane roof and support structure for it;
- Structural repair & space planning of entire JNS;
- Construction of weightlifting auditorium;
- Construction of Administrative Block²⁰ and World Anti Doping Agency (WADA) Laboratory;

²⁰ Now housing the SAI. The diversion of fund of Rs. 19 crore from the scheme for "Preparation of Indian Teams for CWG-2010" for construction of this administrative block is described in Chapter 32.

- A Hostel/ Media Accommodation block;
- Reconstruction of lower tiers; and
- Installation of sports lighting and PA system.

17.6.1 Construction of fixed tensile membrane roofing over the seating area

CPWD awarded a lumpsum contract for construction of fixed tensile membrane roofing over the seating area in JNS at a cost of Rs. 308.08 crore to Shapoorji Pallonji & Co. Ltd. (SPCL) for completion by September 2009.

17.6.1.1 Non adjustment of Rs.5.99 crore for work not required to be executed

The lump-sum agreement provided for regulating increase / decrease in quantities of work at variation rates. Payment of Rs. 314.46 crore had been made to the



Tensile membrane roof over JNS

contractor, but adjustments totalling Rs. 5.99 crore for items of work not required to be executed were pending. Details are given in Annexe 17.2.

CPWD in its reply stated that these adjustments would be affected in the final bill. This shall be verified at the time of subsequent audit of final payments.

17.6.1.2 Extra payments of Rs.4.96 crore for items of work covered by scope of contract

The scope of work clarified at various places in the contract that the quoted cost of lump sum contract would cover all incidental work actually required, but not specifically stated in the tender. We noted that extra payments of Rs.4.96 crore had been made/ approved for several items of work covered within the cost of lump sum contract. Details are given in Annexe 17.3.

17.6.1.3 Non levy of compensation (estimated maximum of Rs. 30.80 crore) for delay in completion of work and payment of escalation cost of Rs.7.02 crore for the EOT period

The work was awarded in December 2007 for completion by September 2009. The schedule of work stipulated eight milestones and in case of non-achievement thereof, an amount equal to 0.5 percent of the tendered amount was required to be withheld for the contractor's failure to achieve each of the milestones. The Contract provided for levy of compensation from the contractor @ 1.5 percent of the tendered cost per month subject to a maximum of 10 percent. For early completion of work, the contractor was entitled to bonus @ 1 percent per month subject to 5 percent of the tendered value. The work was completed in August 2010. We found that delays in achievement of targeted completing date were at least partly attributable to SPCL, as indicated below:

- After erection of X column in September 2009, it was found that there were gaps in head plates, resulting in defective geometry of the alignment. To correct the alignment, the contractor took over three months (9 September 2009 to 7 December 2009) causing delay in progress of work;
- Issues regarding fabrication and erection of ramps and catwalk, erection of cable, casting of staircase, fixing of railing, drainage pipeline etc were not resolved as of December 2009. SPCL observed that its associates, viz. P&R Group (for steel work), and Taiyo Membrane Corporation (engaged for membrane work on the recommendations of CPWD), were not committed towards completion of work in time due to problems of co-ordination and organisation;
- About 61 curved beams, 40 RT1 beams, RB beams, flood light mast and some catwalk structure units, and the entire parapet were not installed even as of 4 January 2010;
- No proper methodology for laying of the cable on the stairs and temporary connecting to the lower compression ring was planned. All the ring cables were coiled in the wrong direction, leading to loss of time in laying of the cable net, the methodology of cable jacking was flawed and incomplete. Consequently, jacking work was stopped for 20 days during erection, and on-site strengthening was done;
- The manpower, tools and machinery, and expertise for fabric installation

were found to be grossly inadequate, causing unprecedented setback to the membrane installation and other works of the stadium;

- Two shipments of bolts and nuts were brought to site only in May 2010, SS drainage pipe were brought from Mumbai in June 2010, and the programme for fabrication and erection of additional props to ramps was submitted only in August 2010; and
- Inadequate personnel were deployed for membrane work, the methodology for installation of fabric was not correctly planned, the length of the light mast cable was wrongly calculated, the length of the inner edge cable was also wrongly estimated, and the location of all the catwalk clamps were wrong and they had to be shifted by 750 mm to 1200 mm each.
- CPWD clarified to the contractor (January 2010) that there were no hindrances at site, and issued several notices including on 28 April 2010, 5 May 2010 and 16 August 2010, holding the contractor responsible for slippages, slow progress of work and non-achievement of revised milestones.

The work was certified to have been completed on 26 August 2010 subject to measurement, quality check and also removal of various defects in shear walls, stair case columns, parapet, ceiling, wall, tie beam, ramps, ramp slab, stainless steel (SS) drainage pipe, steel structure and SS railing requiring rectification.

Thus, the contractor was, at least partly responsible, for the delay of over eleven months in completion of work with

numerous defects, and thus liable to recovery of compensation upto a maximum of Rs. 30.80 crore. Though several notices for imposition of penalty / compensation were issued to the contractor, no action for levy and recovery of compensation from the contractor was initiated. CPWD granted extension of time upto 26 August 2010 and also released the amount of Rs. 2.75 crore withheld from the contractor's bills for non-achievement of 5th and 6th milestone, without any recorded justification. Taking serious note of the delays, shortcomings and repeated failures in completion of CWG works, the Additional Director General-in-charge of Commonwealth Games projects directed in August 2010 that the contractual remedies for failures of the agencies to complete the works in time must not be lost sight of at any cost and the individual officers shall be responsible for inaction. However, no action had been taken as of February 2011 for levy and recovery of compensation from the contractor.

As detailed separately, the impact of late inclusion of the tunnel in November 2009, on the erection of the membrane roofing and other construction activities of JNS is not clear to us, on the basis of available records. However the month of commencement of tunnel work (December 2009) falls well after the scheduled date of completion of the membrane roof (September 2009).

Payment of Rs. 29.70 crore had been made to the contractor as of September 2010 on account of increase in the cost of labour and material on the basis of rise in the quarterly cost of index as per provision of contract. We noted that escalation beyond the stipulated date of completion of work

was admissible only if no penal action had been taken for failure of the contractor to complete the work in time, as per the provisions of the contract. Completion of work was delayed by over eleven months due to various delays, attributable at least partly on the contractor/sub-contractors, but CPWD never enforced contractual remedies against the contractor, and also made payment of Rs. 7.02 crore, as of September 2010, toward escalation costs for periods beyond the stipulated date of completion i.e., 3 September 2009.

17.6.2 Tunnel at JNS

In September 2009, in the 3rd meeting of the 'new' GoM, the Core Group of creative persons, while making a presentation on the concept and theme of the opening ceremony, requested that in order to facilitate the ingress and egress of the performing artists during the ceremony, a tunnel may be constructed from the interior of the JNS to the outside. Minister, YAS expressed strong reservations against increasing the scope of work, which could jeopardize the timely completion of the stadium that was already running against very tight time lines. However, the Core Group insisted that it would not be possible to deliver the opening and the closing ceremony, in a befitting manner, without the tunnel. Finally, the 'new' GoM decided that it was an engineering issue and the technical feasibility of construction the tunnel within the time frame, keeping in mind the laying of the synthetic turf and the scheduled test events, should be carefully considered by the engineering team before a decision in this regard was taken. Thereafter, in October 2009, in the 4th

meeting of the 'new' GoM, approval was given to the proposal to engage Shri Mark Fisher – Production designer and entertainment architect²¹ immediately so that the work relating to the 'trench' and other infrastructural additions to JNS could be commenced by CPWD immediately. This engagement was strongly recommended by the Core Group of creative persons and supported by the OC. Thereafter, in November 2009, CPWD provided revised milestones for completion of various works at JNS, as indicated below

Milestone	Date
Finalisation of design of new tunnel by OC	3 November 2009
Approval of fire, security and athletics federation etc	11 November 2009
Date of start	12 November 2009
Completion of tunnel	15 June 2010
Completion of synthetic tracks	22 April 2010

We found that these milestones could not be achieved. The work involved synchronization with the erection of cable and membrane work of roof structure and synthetic track being undertaken by different agencies. There were significant delays in completion of works. However, we are unable to determine how much of it is attributable to the introduction of a new

²¹ Shri Mark Fisher was engaged simultaneously for the designing of the band stand (which was abandoned subsequently) and the tunnel, and was also subsequently engaged for the Aerostat.

and substantial infrastructural requirement at a very late stage. While the milestones proposed by CPWD indicated that the completion of the synthetic track would proceed side-by-side with the construction of the tunnel, we are not aware of how these activities actually progressed concurrently on the ground.

17.6.3 Construction of weightlifting auditorium with two tier underground parking

The work was awarded to Nagarjuna Construction Co. Ltd.(NCCL) at the tendered cost of Rs.65.45 crore for completion by June 2009.

17.6.3.1 Irregular payment of escalation

We found that powers delegated to senior officers in CPWD for modifications in contractual conditions were used to regularise inadmissible payment of Rs.1.95 crore to the contractor on account of escalation in price of steel as indicated in Case study-17.1

Case Study: 17.1

Exercise of powers in favour of contractor

CPWD Works Manual and Clause 10 CA of the General Conditions of Contracts (GCC) of CPWD Works 2007 provide for varying the amount of contract, due to increase or decrease in price of materials pertaining to the work as mentioned in Schedule F forming part of the agreement, provided such variations were effected up to the stipulated period of contract, including justified extensions. Notice Inviting Tenders (NIT) for construction of weightlifting auditorium approved by competent authority in January 2008 did not include such provisions, which was included through a corrigendum. However, the list of materials for which Clause 10CA would be applicable was not appended with the corrigendum, nor included in Schedule F. Thus the agreement signed between CPWD and the contractor indicated applicability of Clause 10CA without appending thereto the list of materials on which the Clause would be applicable. In the absence of the list of materials in Schedule F, no price variation for any of material was admissible. CPWD erroneously made payment of Rs. 0.86 crore under Clause 10 CA in respect of reinforcement steel which was objected to by audit in November 2008. CPWD admitted (July 2009) that no material was listed in Schedule F to the agreement but stated that in the pre bid conference it was clarified to bidders that Clause 10 CA would be applicable and continued with similar payments adding up to Rs.1.95 crore. Audit again objected to the payment in December 2009.

We found that using the powers to modify the contract conditions, CPWD approved modifications to Clause 10 CA in December 2010 for inclusion of cement, reinforcement bars, structural steel sections/flat/sheets/ plates/ tubes etc in Schedule F, in disregard to the sanctity of the contract.

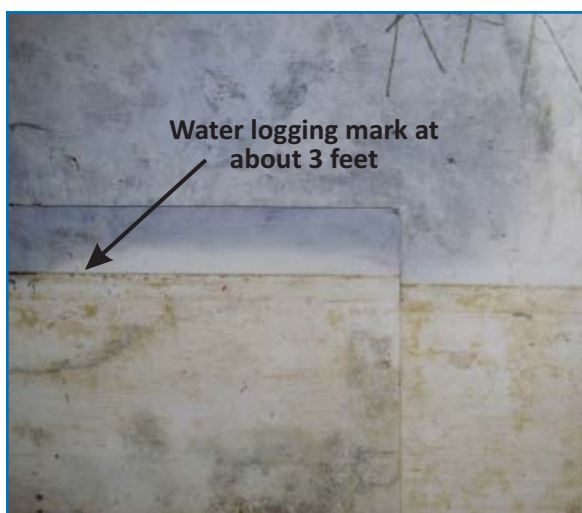


Weightlifting Auditorium

17.6.3.2 Defects in execution of work

Joint inspection of the site with CPWD officers on 22 January 2011 revealed:

- Leakages in underground parking;
- Incomplete flooring work in lower basement;
- Incomplete painting/white washing in lower and upper basements;
- Evidence of water logging in the lower basement up to 3 feet; and
- Two storied parking measuring 15293 sqm had not been used during CWG-2010.



**Water logging mark at about 3 feet
Underground parking at JNS**

17.6.4 Consultancy services for WADA lab and administrative block

Consultancy work for construction of WADA and administrative block were routine construction activities, planning, designing and drawings work and could well be handled by CPWD through its Central Design Organisation (CDO). However, CPWD opted to hire consultants and awarded consultancy contract at a cost of Rs. 40 lakh. We noted that:

- While the consultancy contract for detailed architectural and structural planning, designing, drawings, all internal services etc., was awarded only in March 2007, the pre-qualifications bids for construction work notifying estimated cost of Rs. 24 crore assessed by CPWD had already been invited in February 2007 indicating much of the planning and designing work had already been completed departmentally.
- The evaluation criteria was diluted three day before the extended date of submission of consultancy bid on grounds of better participation of consultants. Against the original criteria of 30 out of 40 marks in concept, appraisal and methodology and a total of 80 out of 100 marks, the diluted criteria provided for scoring at least 25 out of 40 marks in concept, appraisal and methodology and a total of 65 out of 100 marks to be eligible/ considered for financial evaluation. M/s Kothari and Associates scored 26 marks in concept and methodology and a total of 79.9 marks. But for dilution of evaluation criteria they were not eligible for financial evaluation.

The consultancy services were required to be completed in 90 days with stipulated

date of completion of 12 June 2007. We, however, noted:

- Drawings and write up were submitted to MCD on 5 June 2007;
- Draft tender documents were submitted in August 2007;
- Structural design and drawing were submitted in November 2007; and
- GFC drawing for upper floor of the Administrative Block had not been submitted as of November 2007.

Due to delay in submission of estimates, tender documents etc. by the consultant the work was awarded in September 2007, seven months after pre-qualification process. Further, defective planning and cost estimates resulted in large deviations of Rs. 4.52 crore and extra items of Rs. 1.11 crore.

Case Study: 17.2

Recovery of income tax at the instance of audit

Under provisions of the Section 194J of Income Tax Act, 1961, tax on technical and professional services is required to be deducted at source @ 10 percent. During audit of CWG related projects undertaken by CPWD, we noted that deductions were made at the rate of 2 percent. On the matter having been reported to Ministry of Urban Development in September 2009 CPWD reported (January 2011) recovery of Rs.1.65 crore. However, recovery of Rs.5.30 lakh could not be made due to closure of contracts. No recovery of penal interest from defaulting agencies and/or penalty from authorities responsible for short recovery was reported. Correctness of up to date deductions, interest and penalty in terms of the Income Tax Act would be verified in due course.

17.6.5 Construction of Road, Storm Water Drains and RCC Seating Tiers of Warm-up Area

This work was awarded to NKG Infrastructure Ltd. at their tendered cost of Rs. 21.02 crore²², with stipulated date of start of July 2009 and completion by January 2010. We found the following instances of unwarranted expenditure.

- M-30 grade, 80 mm thick inter locking paver blocks²³, meant for heavy vehicular traffic, were irregularly laid in the stadium on the pedestrian footpath.



M-30 grade interlocking paver block meant for heavy traffic laid on footpath

- Grass pavers with green honey comb panels, meant for distributing load from vehicular and pedestrian traffic to the base course below, and for minimising the grass and root compaction, were laid in the parking area. However these were found lying on the surface, broken and scattered, defeating the very purpose of laying these pavers. The expenditure on the item was Rs.0.09 crore (upto Sept. 2010)

²² 0.06 percent below the estimated amount of Rs.21.04 crore

²³ 80 mm thick GRC/FRC decorative



Broken and scattered green honeycomb panels in parking areas



The work was an integral part of the facilities to be provided during the games. Non availability of the same has defeated the purpose of the work.

17.6.6 Construction of Sub-Station building I, III, IV & underground water tanks & pump rooms

This work was awarded to Rama Construction Company at Rs. 7.41 crore with stipulated date of completion as September 2009.

17.6.6.1 Unrealistic Estimate

The detailed estimate for the above work was for Rs. 8.83 crore. The work was

awarded to Rama Construction Company at the negotiated amount of Rs. 7.41 crore. Against this, the contractor had been paid Rs. 15.10 crore by the eleventh RA bill, which is more than twice the original amount. This was due to deviation in quantity and execution of extra items, which indicates that the estimates were unrealistic.

17.6.7 Construction of Boundary Wall of Stadium Complex

Arora Construction Company was awarded the above work for Rs. 6.17 crore, which was 5.80 per cent above the estimated cost of Rs. 5.83 crore.

In this regard, the following was noticed:

17.6.7.1 Extra expenditure incurred due to lack of proper planning

In March 2010, CPWD was directed to fix a 6 mm thick M.S. plate on both sides of the boundary wall to make it bullet proof (against the Delhi Police's original request of a 2.8 mtr impenetrable brick boundary wall, which was turned down by the GoM). By this time, 90 percent of the work was already completed as per the original drawings

In its reply CPWD stated that there was no such provision even in highly secured premises such as Parliament House, Rashtrapati Bhawan.

In our opinion, ordinary, customary or usual materials of construction would have turned out to be equally suitable and at the same time would have been cost effective alternatives to ensure that the boundary wall was secure and bullet proof. A case has been worked out for brick boundary wall with concertina coil which would have

served the same purpose and its cost would be approximately Rs 5 crore, which is much lesser than the final gross amount of this work which is likely to exceed Rs. 16.00 crore, (including the cost of originally designed walls and extra items subsequently included to meet security requirements) spent at the insistence of the security agencies.

17.6.7.2 Unwarranted Execution of Work

The site was handed over to the contractor in a piecemeal manner. Throughout the execution of the work, various authorities kept inspecting the site and accordingly the drawings were changed from time to time. Since an integrated approach was not adopted, work seems to have been executed in an ad hoc manner.

We found that the boundary wall between Gate No. 9 and Gate No. 10 served no real purpose. This was built as per initial plans but abandoned subsequently to include the SAI building withing the JNS complex. The expenditure incurred for this work, which is approximately Rs. 0.60 crore, was thus wasteful



Boundary wall between Gate No. 9 and Gate no. 10

17.6.7.3 Execution of Defective Work

CPWD had pointed out various pending/ defective works to the contractor in a letter dated 11 October 2010. The contractor did not take any action. A reminder in this regard was sent to the contractor on 7 January 2011. During our field visits to the site on 13 January 2011, various defects in the work of the JNS boundary wall were noticed, which are depicted below pictorially.



Unplastered Wall of JNS



Gap in MS Plate security cover

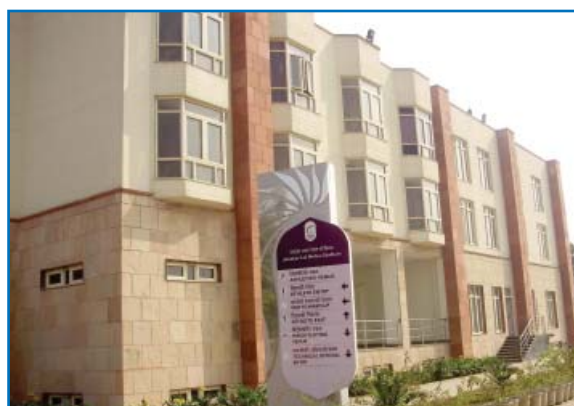


Unfilled Gaps in boundary wall

CPWD, in its reply, stated that the defects had since been rectified.

Further, CPWD recorded a completion certificate in which detail of defects were not recorded, and no payment on account of defective work was withheld from the contractor till the 13th R.A. Bill (the last bill made available to us).

17.6.8 Non utilisation of completed Hostel/ Media Accommodation Block



Unused Hostel Block

The hostel/media accommodation block was completed in June 2010 at a cost of Rs.12.07 crore (as per payment made till November 2010). The building was not handed over to SAI till November 2010 and as such, the accommodation was not used during the Games.

17.7 Dr. Shyama Prasad Mukherjee Swimming Pool Complex



SP Mukherjee Swimming Pool Complex

17.7.1 Introduction

Dr. Shyama Prasad Mukherjee Swimming Pool Complex (SPM), constructed in 1982 for Asian Games, with facilities of two outdoor and one indoor pools and seating, was planned to be upgraded and renovated for CWG 2010 with state of art facilities to meet the international standards and conventions for hosting world class aquatic event. The work involved demolition of the major portion of existing infrastructure, including free standing pillars, and reconstruction of these facilities.

The major work of construction of new insulated metal sheet roof, alongwith roof supporting structure, and its integration with the structure, was tendered as a lumpsum contract²⁴. This work was awarded to Ahluwalia Contracts (India) Limited (ACIL) at the tendered cost of Rs.229.73 crore in December 2007, against an estimated cost of Rs. 176 crores calculated in October 2007. The main components of the subsequently calculated justified cost were introduction of new items of work, change in CPOH²⁵ from 10 percent to 15 percent, escalation in material costs, and introducing new cost components e.g., additional cost due to compression of time, labour costs

²⁴ *In a lump sum contract, contractors are required to quote a lump sum amount for completing the work in accordance with the given designs, drawings, specification and functional requirements and shall have no claim for any payment on account of deviations and variations in quantity of any items or components of the work, unless they are authorized deviations from the parameters, drawings and specification contained in the tendered documents. Authorized variations are regulated by rates specified in contract for additions to or deductions from the lump sum amount. Item rate tenders, on the contrary, specify all possible items of work with accepted rates for regulating payments to contractor. Authorized deviations, extra and substituted items are regulated by general provision of contract*

²⁵ *Contractor's profit and overheads*

attributable to provisioning of labour huts off-site, labour transportation etc.

We noted that in deviation of the spirit of a lump sum contract, ACIL was allowed a number of concessions.

17.7.2 Undue concessions to ACIL.

The last date for submission of tenders which was notified as 16 November 2007, was extended four times upto 14 December 2007. The estimates put to tender were Rs. 176 crore, and the L1 bid of ACIL was Rs. 229.73 crore. The difference in the bid from the estimates was partly justified by revising the CPOH from 10 percent to 15 percent, permitted interestingly on the same date by DG (Works), CPWD as the much extended last date to bid i.e. 14 December 2007. The approval of the Ministry of Urban Development for revision of CPOH was received only in July 2008. In reply CPWD stated that the dates are coincidental. However, CPWD irregularly allowed enhanced COPH without the approval of Ministry.

22 extra items valuing Rs.28.10 crore had been sanctioned despite these being included in the lumpsum contract. These included the following

Additional payment of Rs.4.17 crore had been made for an item of work covered in the original contract as detailed in Case Study 17.3.

Case Study: 17.3

Extra payment of Rs.4.17 crore for items of work already covered in the scope of work of lumpsum contract.

Despite clear provisions for use of stainless steel plates, bolts, nuts etc. in the item of

galvanized strands for stainless steel connections in the drawings, technical specifications and notes below the item in bill of quantity, CPWD proposed an extra item of stainless steel plates and bolts on the ground that word “stainless steel” had not been mentioned in the nomenclature of the item of work. Extra payment of Rs.5 crore to ACIL for stainless steel plates and bolts was approved by the competent authority in February 2010. Payment of Rs.4.17 crore had been made to ACIL as of November 2010. After continued deliberations/ discussions and reporting by us, CPWD agreed (December 2010) that the item of stainless steel plates and bolts, etc. was part of the agreement item and nothing extra was payable and assured make recovery from ACIL.

- Additional payment of Rs.2.16 crore had been made by redefining substituted items as extra items.
- The quality of high cost items of stainless steel railing @ Rs.23,500 per meter was increased from 40 m to 1640 m.

17.7.3 Change of Roof

Agreement for construction of new insulated metal sheet roof alongwith supporting structure and its integration with existing structure, etc. included provision for 13060 sqm of galvalume profiled roof sheet as top layer. The eligibility criteria notified through press notice for pre qualification of contractors included the condition of satisfactory completion of at least one work of insulated metal sheet roof with roof area not less than 4000 sqm. The evaluation committee of senior officers approved five agencies after assessing their competence to complete the work. The high tendered rates of 36.04 per cent above the estimated cost for civil work was justified by CPWD on grounds of specialized piles job, steel profile sheet roof, indigenous construction using local material and the high degree of mechanisation, etc. The successful bidder was required to submit credentials of the roofing associate for approval of CPWD.

ACIL submitted details of Multicolor Steels India Pvt. Limited as their associate for roof work. The entire work was stipulated to be completed by 16 June 2009, but ACIL intimated that they were not able to find a suitable vendor for this work in October 2009, indicating loose control of CPWD on ACIL. It was noticed in October 2009 that Multicolor did not possess the technology or machinery to provide the exterior standing seam roof profile as shown in drawings and specifications.

Instead of executing the agreement item at the risk and cost of ACIL, CPWD decided to substitute the item with Kalzip aluminium roofing system, in a series of undue financial favours to ACIL, which also

defeated the basic purpose of lump sum contract. Case Study 17.4 refers.

In addition, 81 items of work valuing Rs. 14.86 crore were added subsequently as extra items of work as these were not envisaged at the tendering stage.

Case Study: 17.4

Failure of CPWD to enforce contractual remedies against contractor

Two contracts awarded by the CPWD for construction of new insulated metal sheet roof along with supporting structure etc. at Dr. S.P.M. Swimming Pool Complex and construction of weightlifting auditorium with two tier underground parking at JNS included similar item of work “providing and fixing of double skin insulated roofing system comprising of seam profiled permanently colour coated galvalume/ zinalune steel” @ Rs.7850 per sqm. and Rs.2349 per sqm. In both cases, it was the responsibility of the main contractor to engage technically competent and capable vendors for the roofing system.

However, the vendors engaged by contractors were found to be incompetent and incapable to provide the committed roofing system. Both the contractors did not execute the item of work and CPWD decided to provide Kalzip roofing system in both the venues. However, the same authorities in CPWD sanctioned variable rates of Rs.7316.44 per sqm. for weightlifting auditorium by treating the item as 'substituted item' and Rs.9168.35 per sqm. for Dr. S.P.M. Swimming Pool

Complex by treating the item as 'extra item'.

Instead of executing the agreement items in both the cases at the risk and cost of the contractor under provisions of the agreement, CPWD preferred extra payment of Rs.6.79 crore to the contractors by substituting the original item.

CPWD replied that in view of the technical responsibility of the entire building being with the main contractor, resorting to getting the roof work done independently at the risk and cost of the main contractor did not appear to be a viable solution. However, in both the cases the Kalzip roofing system was provided by manufacturers of the Kalzip roofing system/ their agent, and the main contractors had no role except pocketing unearned profits.

17.7.4 Defects in agree

- Scope of work provided contradictory provisions in the agreement whereby as per provisions in Volume I of the agreement, the service building was covered in the scope of work but as per provisions in Volume II, it was excluded from the scope of work. On being reported in audit, CPWD agreed not to treat the work as extra item.

17.7.5 Specifications not as per sporting requirements

Sporting requirements notified by the OC through venue brief had not been adhered to fully. There were deviations in dimensions of swimming pool, diving pool and warm up pool as detailed in Annexe 17.4.

17.7.6 Overpayment of Rs.0.39 crore.

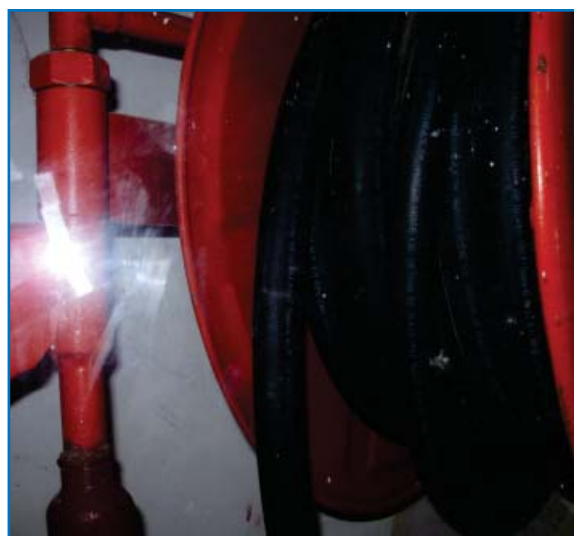
- As per the agreement, the beam detector was required to be provided for a range effective for 110 meters. CPWD accepted the contractor's view that all the beam detectors of approved makes were upto 100 meters range only. This item was substituted with beam detectors of 100 meter range.
- Against the provision for foreign make pool re-circulating pumps and booster pumps, local make equipments were provided.

However, payment was made considering the rates available in the billing schedule instead of variation rates. This resulted in overpayment of Rs. 0.39 crore. On being pointed out, CPWD assured adoption of variation rates.

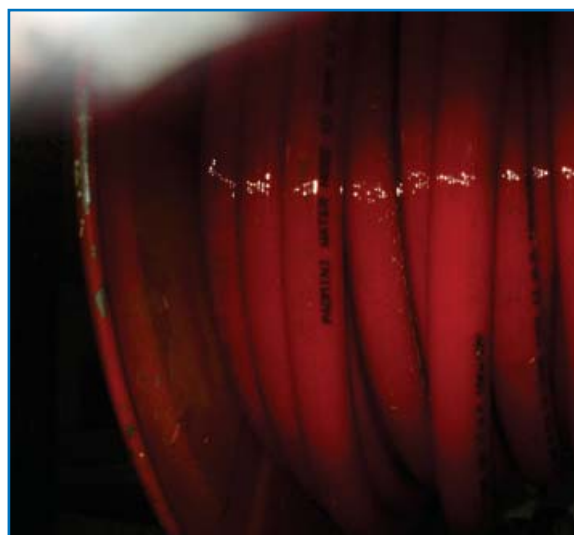
17.7.7 Excess procurement of sporting equipment

Against the requirement of 18 racing lanes, CPWD procured 29 racing lanes, incurring excess expenditure of Rs.0.22 crore for additional 11 racing lanes. Again, 20 of 32 starting blocks required for swimming pool were transferred by the OC to SPM Complex and CPWD also procured 36 starting blocks, incurring avoidable expenditure of Rs.0.34 crore.

CPWD in its reply stated that these procurements were made as per OC's guidelines for sports equipment. As such, procurement of excess equipment resulted in wasteful expenditure.

17.7.8 Supply of inferior hose pipes for firefighting system

Hose reel used before games



Hose reel replaced after games

ACIL provided Power Max make hose pipes for fire fighting system, instead of the contractual requirement of Padmini/Gate make hose pipe as per IS:12585. Instead of rejecting the entire lot of pipes, CPWD allowed part payment and reported the requirement of replacement of hose pipes through the completion certificate. The inferior quality hose pipes were replaced after closure of CWG 2010.

17.7.9 Execution of poor quality work



Poor quality of tiling work executed in the pool

During joint inspection of the venue on 25 August 2010 we noted floor tiles of competition pool, warm up pool and diving pool damaged/missing at many places. After having been pointed out in audit, CPWD reported replacement of these tiles through ACIL.

17.7.10 Execution of defective work



Digging work still in progress (Dec. 2010)

During physical inspection of the venue in December 2010(after CWG 2010), we noticed that the work of digging work/road of 6 feet depth and 4 feet width (approx.) from service building to stadium was still being carried out..

17.7.11 Lack of authenticity of completion of the work

The work of providing Integrated Building Management System was awarded at a cost of Rs.0.40 crore for completion by 7 January 2010. Initially CPWD indicated the work as 'work in progress' (December 2010) and subsequently (February 2011) indicated that the work was completed in September 2010 (February 2011).

17.7.12 Inadequate horticulture work

Against the estimated requirement of 10432 sqm of horticulture work, CPWD inflated the estimate to 15000 sqm on ad hoc basis. However, the actual quantity executed/developed was only 7810 sqm., including grassing work in 2367.48 sqm area.

17.8 Indira Gandhi Stadium Complex

17.8.1 Introduction

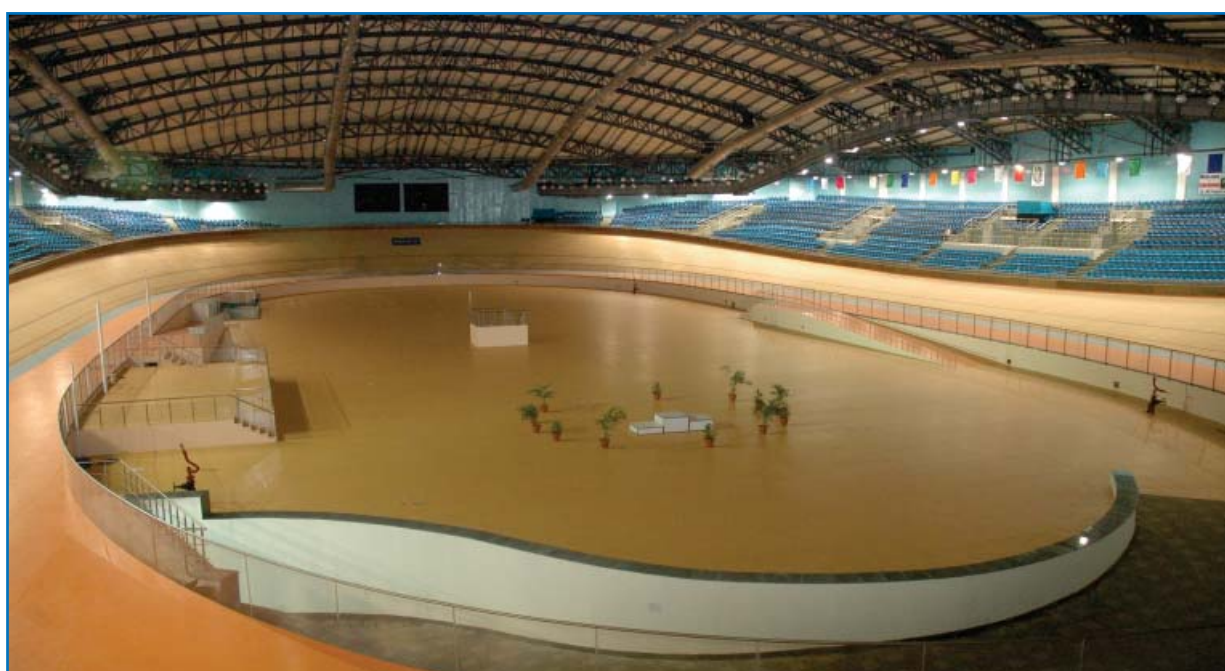
Table 17.7 shows the major works that were executed at the Indira Gandhi Stadium complex for CWG-2010:

Table 17.6 — Major works executed at IG Stadium

(Rs. in Crore)

Work	Consultant	Estimated Cost	Awarded Cost	Contractor
Construction of Indoor Cycling Velodrome	STUP	78.39	97.20	JMC Projects (India) Ltd
Design and Construction of permanent Timber Cycling Track	Dale Hughes (USA)	15.00	17.45	Comfort Net Traders (India) Ltd.
Construction of Wrestling Stadium	CES	65.33	79.20	Era Infra Engineering Ltd
Structural Retrofitting (Gymnastics Stadium)	CES	49.81	63.54	JMC Projects (India) Ltd
Roof truss (Gymnastics Stadium)	CES	33.45	36.80	Swadeshi Construction Co. Ltd.
Construction of warm-up halls (Gymnastics Stadium)	CES	14.16	17.96	Swadeshi Construction Co. Ltd.
HVAC (Gymnastics Stadium)	--	31.30	26.89	Voltas Limited
Construction of 150 bedded Hostel cum Media Centre	SPAN	12.06	15.56	Swadeshi Construction Co. Ltd.
Construction of Roads Storm Water Drains, Boundary wall	CES	25.40	32.02	Swadeshi Construction Co. Ltd.
Sub Station Equipment	CES	39.57	23.82	Ahluwalia Contractors (India) Ltd.

17.8.2 Indoor cycling velodrome



IGI Cycling Velodrome

The proposal was initially to renovate the existing open cycling velodrome but, after considering the options of a partially covered velodrome with demountable timber track between May 2007 and September 2008, a decision was finally taken by MYAS to construct a fully covered air conditioned velodrome with permanent timber track.

As brought out in our Study Report, of July 2009, this change in specification from an open stadium to a fully air-conditioned Indoor Velodrome was largely at the instance of the International Cycling Union (UCI).

This delay was also reflected in the finalisation of the return venue brief in February 2009, venue brief of which was submitted in November 2006, with

cascading changes in the succeeding milestones. The major works were of constructing the stadium structure and laying the timber cycling track.

17.8.2.1 Selection of JMC Projects (India) Ltd.

JMC Projects (India) Ltd. was awarded the contract of composite work for Indoor Cycling Velodrome. We found that it did not fulfil the prescribed eligibility conditions as listed below:

- The compliance with the condition that the agency should not have incurred any loss for more than two years in the last five years was circumvented by a change in the accounting period in the year 2004-05²⁶ (though it does not appear to have been done specifically for this project) as indicated, below

Accounting Year	2007-08	2006-07	2005-06 (Six Months)	2004-05 (18x Months)	2003-04
Profit after Taxes	30.67	15.90	1.32	(11.57)	(4.04)

- Clearly, an otherwise ineligible agency qualified due to the adjustment in the financial statements and performance.
- Inconsistent figures of liabilities were provided by JMC. In the first instance it indicated a liability of Rs. 1179.79 crore for 33 works in progress as on 30 June 2008, which was subsequently increased to 66 works of Rs 1734.36 crore as on 31 March 2008. Simultaneously, in the tender documents for the contract for structural retrofitting/repair and E&M for the gymnastics stadium in the same venue, the liability as on 31 March 2008

was indicated as Rs. 1378.12 crore for 35 works. Such disparity in the figures clearly establishes their unreliability.

JMC Projects (India) Ltd. emerged as the successful bidder based on non-transparent practices. Taking advantage of the adjusted accounting period and despite non-clarity on the quantum of liabilities, it not only won the instant contract but also the contract for structural retrofitting/ repair and E&M of the gymnastics stadium. Incidentally, the same contractor was found ineligible while bidding for works in the MDC stadium.

²⁶ Accepted by the ROC in June 2005

Separately, we found that for the award of work of construction of trap and skeet nos. 4, 5, 6 and underground tank at Dr. Karni Singh Shooting Range (KSSR)²⁷, six bidders, who responded, did not fulfil the specified criteria of executing three similar works of Rs. 3 crore each in the last five years. The condition was thereafter relaxed to execution of similar works of Rs. 1 crore per month, which enabled the shortlisting of JMC Projects (India) Ltd. and Swadeshi Construction Co. from among the 6 respondents. The work was finally awarded to JMC Projects (India) Ltd. for Rs. 4.75 crore, being the lower bidder of the two.. This agency also could not complete the work as per the stipulated time. In addition, we found that since CPWD no longer includes the clause pertaining to execution of works at the risk and cost of the original contractor in the event of unsatisfactory performance in its contracts, they have no recourse to recover Rs. 0.20 crore from the original contractor.

17.8.2.2 Change in the roof works

- CPWD identified Lloyd Insulations as the agency which would execute the roof work as a sub-agency of the main contractor. JMC indicated Rs. 2.99 crore as the cost of this work. We found that the work was finally executed by Bemo Roof System, since Llyod Insulations failed to execute the work. Till date, Rs. 4.48 crore has been paid for the work.

It is a clear indication that CPWD and its design consultant (STUP), could not assess the complexity of the work, and such

²⁷ This work was initially included in the scope of work of Era Infra Engineering Ltd., the main contractor for construction of KSSR. In August 2009, it was taken away from it, due to its failure to complete the work in time.

change in the agency mid-course would inevitably lead to extra costs.

17.8.2.3 Deviations in execution of PA system works

There were astronomical increases ranging from 100 to 1800 per cent in the quantities of cables, conduits and hardware items amounting to Rs. 1.51 crore stated to be consumed in execution of the work.

17.8.2.4 Award of work for Timber Track

We found that the competition for the specialised work of laying permanent timber track for the velodrome was limited to Indian furniture contractors in association with an international track design and construction expert. It appears particularly strange that considering the lack of domestic experience and complexity of the task, CPWD chose to limit the Indian partner to furniture contractors, rather than those associated either with construction or the sports industry. No attempt was made to float international tenders, despite the compelling need for association of an international expert. Further, the eligibility criteria regarding similar works and turnover were also diluted.

The contract was finally awarded to Comfort Net Traders (India) Pvt. Ltd. at a cost of Rs. 17.45 crore from among three bidders, an agency that had supplied chairs at various venues in association with Nussli. Comfort Net was also part of the consortia, who were awarded venue overlays contracts by the OC (commented upon in Chapter – 9)

We also found that extra work of Rs.0.50 crore of laying PVC flooring was also awarded to Comfort Net without tendering.

17.8.3 Wrestling Stadium



IG Wrestling Stadium

This stadium featured main competition arena, athletes warm up hall and front/back of house facilities²⁸, with a seating capacity of approximately 7500. The venue brief was prepared in November 2006, return brief in October 2007, but no final approval was reportedly received.

17.8.3.1 Selection of Era Infra Engineering Ltd.

In October 2007, the pre-qualification process was initiated and in February 2008,

out of the 9 respondents, 6²⁹ were pre-qualified. Subsequently, one³⁰ of the 6 pre-qualified agencies was not issued tender documents on the grounds of non submission of EMD. Finally, of the five remaining PQ agencies, only Era Infra Engineering Ltd. submitted the financial bid, which was accepted by the competent authority. The chronology of events is given in the figure 17.2.

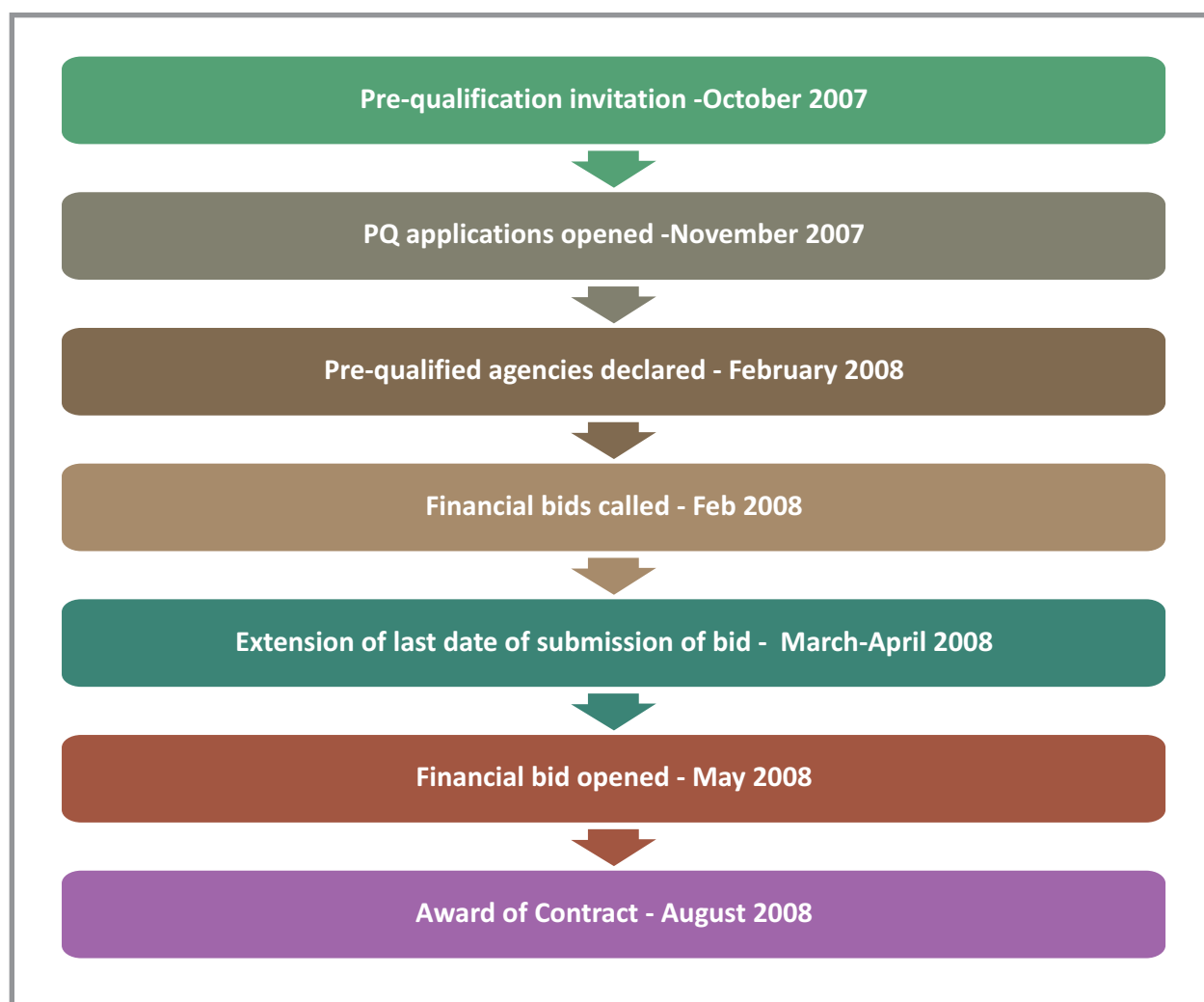
²⁸ **Front of House Facilities:** The facility relate to spectator areas, including transport zones, entries, seating and support areas.

Back of House Facilities: The facilities relate to areas required for accredited personnel, including support areas, transport zones, entries and seating. The BOH areas should generally be separated from spectator areas to assist the management of security and accreditation access.

²⁹ BG Shirke & Co., Era Infra Engineering Ltd., BE Billimoria & Co. Ltd, Ahluwalia Contractors(India) Ltd., JMC Projects (India) Ltd. and Unity Infra Projects Ltd.

³⁰ BG Shirke & Co (EMD not deposited)

Figure 17.2 - Chronology of events in award of contract to Era Infra Engineering Ltd.



We found the following deficiencies in the tendering and award process:

- There was an inexplicable delay of four months in declaring the pre-qualified bidders, belying all the urgency which was otherwise associated with the project.
- Strangely, only one of the five pre-qualified agencies, which had also deposited EMD and obtained tender documents, finally submitted a financial bid, which raises concerns on the competitiveness of the bidding process.
- The pre-qualification of Era Infra Engineering Ltd., the successful bidder,

was also deficient to the extent that there was no clear proof of execution of a steel fabrication work of 20m span.

- One of the applicants, RDS Projects, was disqualified by telephonic/e-mail verification from a Kerala client as to whether electrical and mechanical work had been executed by it. By contrast, we found no documented evidence that any efforts were made to verify whether Era Infra Engineering Ltd. had indeed executed a 20m span structure.

In its reply, CPWD stated that such verification was at the discretion of the concerned officer. However, as such, the

approach remained inconsistent to the extent pointed out by us.

- The bidding capacity of Rs. 1038 crore for Era Infra Engineering Ltd. calculated while pre-qualifying the agency did not take into account any liabilities towards work-in-progress. However, this bidding

capacity of Rs. 1038 crore was considerably higher than the cut-off of Rs 75 crore.

- The figure of financial turnover for the year 2006-07 was also not verified by the Chartered Accountant.

17.8.4 Gymnastics stadium



IGI Gymnastics Stadium

The Gymnastics stadium is a centrally air conditioned stadium with a seating capacity of 16000.

17.8.4.1 Selection of Swadeshi Construction Co

Several relaxations in the tendering process resulted directly in the selection of

Swadeshi Construction Co. as the successful bidder, as detailed below.

The eligibility criteria were relaxed to enable Swadeshi Construction Co. to qualify. The criteria as prescribed in the then applicable CPWD Manual 2003 and the relaxed conditions are given below

As per CPWD 2003 Manual	As per NIT
2 works of 50 per cent of the estimated cost (i.e. 2 works of Rs. 16.73 crore each)	2 works of Rs. 10 crore
1 work of 80 percent of estimated cost (Rs. 26.76 crore)	1 work of Rs. 15 crore

We found that of the two bidders³¹ that responded, Swadeshi Construction Co. did not fulfil the eligibility criteria prescribed in the manual.

The relaxation was justified on the ground of the work being of 'specialised nature'; we found no evidence of this being prescribed in the NIT. As per the CPWD Manual, the procedure for award of works of specialised nature requires that the tender papers should be issued only after ascertaining from the contractor their expertise and experience in the specialised fields concerned. In fact, while Parnika Commercial and Estates Pvt. Ltd suo moto provided evidence of its having experience of executing long span structures (the probable specialisation required), Swadeshi Construction Co had no such credentials.

Also, the figures of turnover submitted by Swadeshi Construction Co did not indicate separately the amounts attributable to construction works.

Further, though as per manual, pre-qualification procedure was to be followed (involving the calculation of bidding capacity of the tenderers) succeeded by an evaluation procedure, the NIT/tendering process adopted in the instant work as well as the work of construction of warm-up halls, where also Swadeshi Constructions was the successful bidder, disregarded both the evaluation procedure and the need to assess the bidding capacity.

17.8.5 Hostel/media centre; and roads, storm water drain and boundary wall

As per the EFC memo, initially a 100 bedded centrally air conditioned hostel was to be constructed, which was subsequently revised to a 150 hostel without central air conditioning in February 2009 at an estimated cost of Rs. 16.50 crore. The ground floor of the hostel was to be used as a media centre during the Games, but the hostel was not used during the Games.

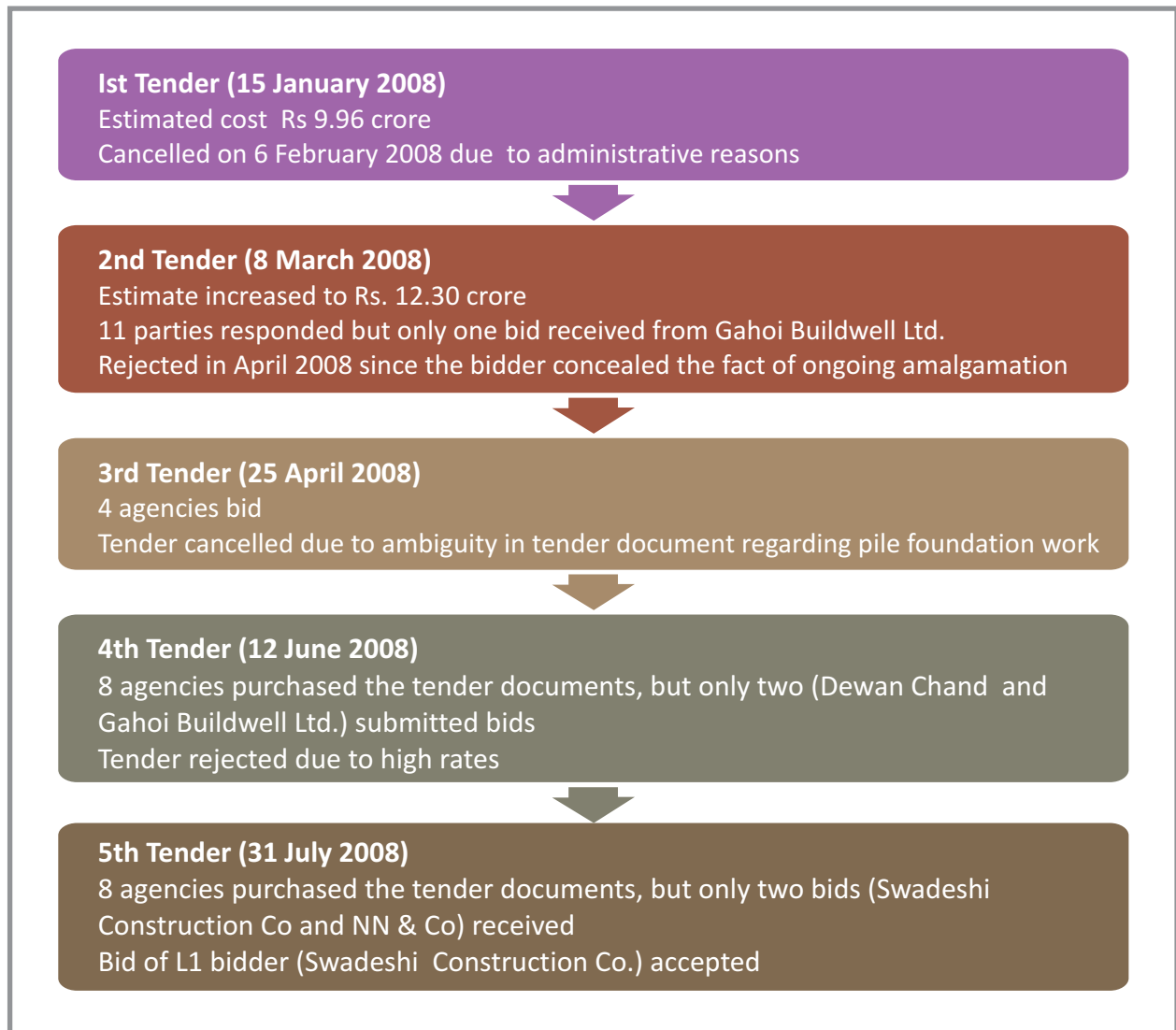
17.8.5.1 Selection of Swadeshi Construction Co.

Swadeshi Construction Co was awarded the work of both construction of hostel and construction of roads, storm water drains and boundary wall.

The tender for construction of hostel was tendered/retendered five times, between January 2008 to October 2008 when the contract was awarded to Swadeshi Construction Co. The tendering process is depicted in figure 17.3.

³¹ Parnika Commercial and Estates Pvt. Ltd. and Swadeshi Construction Co.

Figure 17.3 - Tendering process for award of work to Swadeshi Construction Co.



Section - D
 Venue
 Development

After a protracted bidding process, Swadeshi Construction Co. was awarded the contract.

We found the following deficiencies in the selection of Swadeshi Construction Co.:

- As per the NIT, the bidder had to submit evidence of works of similar nature. Swadeshi was selected on the experience of construction of Dilli Haat at Pitampura, New Delhi for Rs. 20.78 crore. We found that RCC work comprised only 13 percent i.e. Rs. 2.77 crore, of the cited work. Thus the condition of experience of similar works

which, in the instant case, were 'Building works with RCC framed structures' was not actually fulfilled; and

- The profit and loss account and balance sheet details were not attached with the bid, as required.
- We found that Swadeshi Construction was also ineligible for award of work for construction of roads, storm water drains and boundary wall, but for a series of relaxations given to it during the evaluation at the pre-qualification stage, as indicated below:

- The figures of turnover submitted by it did not separately indicate the amounts attributable to construction works, (though required); audited financial statements were also not submitted for independent verification;
- The turnover of 2007-08 was based on unaudited accounts. If the unaudited turnover of 2007-08 were to be excluded, Swadeshi Construction was not eligible on this parameter. In addition, the percentage of completion

of the two works in progress was not indicated in the performance report; and

- Except two, none of the seven works completed in the last seven years were certified by the competent authority.

17.8.6 Extra items of Rs. 2.48 crore

Swadeshi Constructions was also awarded extra items of works at market rates, without bidding, as summarised in the Table 17.8

Table 17.8 – List of extra items awarded at Market rates to Swadeshi Construction

(Rs. in crore)

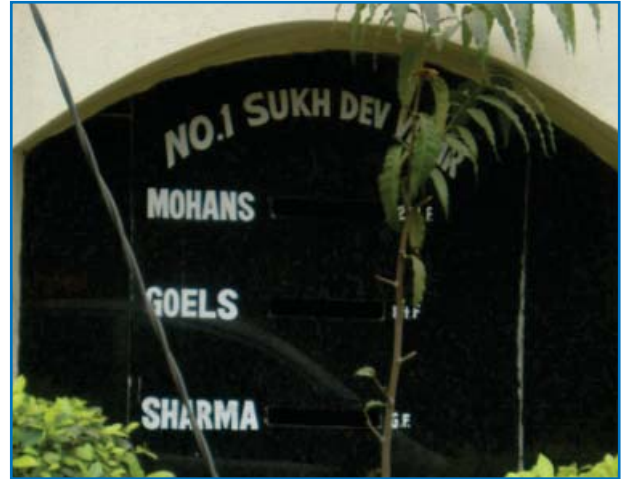
Work charged to	Nature of Work	Amount
Construction of Hostel/wrestling/ gymnastics stadium	Cabling/feeder pillars work for CCTV at the hostel, wrestling stadium and gymnastics stadium	0.77
Construction of Roads etc.	Temporary structure in wrestling stadium	1.71

Interestingly, the extra work of temporary structure for the wrestling stadium was awarded to Swadeshi Construction, instead of the main contractor for the wrestling stadium (Era Infra Engineering Ltd.)

In addition, an amount of Rs. 0.38 crore was paid to Swadeshi Constructions for removal of lime, moorum and building rubbish which was contractually to be done free of cost by the agency.

It is glaringly obvious that Swadeshi Construction Co. was a favoured agency. During the exit meeting, it was stated that it was an enterprising agency that delivered. However, its selection, bypassing prescribed tendering processes, can in no way be justified

Our verification of the correspondence address of Swadeshi Construction Co. (No. 1, Sukhdev Vihar) revealed that this was a residence, casting further doubt on the credibility and authenticity of Swadeshi Constructions Co.



Photographs of correspondence address of Swadeshi Construction Co.(No. 1 Sukh Dev Vihar)

17.9 Major Dhyan Chand Stadium



MDC National Stadium

17.9.1 Introduction

The “Upgradation and Remodelling” of MDC Stadium at the awarded cost of Rs. 209.31 crore included the following:

- Relaying of the two existing synthetic Fields of Play (FOPs);
- Conversion of the warm-up pitch from grassy to synthetic turf;
- Expansion of the spectator galleries; construction of a VIP gallery and facility buildings at FOP-1;
- Construction of a spectator gallery and sports ancillary facilities at FOP-2; and
- Construction of 2-tier basement parking and external/internal development.

The main work was awarded to Unity Infraprojects Ltd. for Rs. 147.82 crore, and 41 smaller works amounting to Rs. 61.49 crore were executed by various other agencies.

17.9.2 Dilution of bid criteria

In response to the RFQ issued in March 2007 for pre-qualification, seven³² firms responded, out of which two³³ were disqualified.

³² Ahluwalia Contracts (India) Ltd., Shapoorji Pallonji & Co. Ltd., L & T Ltd., Unity Infraprojects Ltd., B.G. Shirke Construction Technology Pvt. Ltd., JMC Projects (India) Ltd. and Nagarjuna Construction Co. Ltd.

³³ JMC Projects (India) Ltd. and Nagarjuna Construction Co. Ltd. Interestingly, these two disqualified firms were able to obtain other CWG works.

We found that the Project Manager diluted, without any recorded reasons, the pre-qualification criteria for eligible works in the NIT from that specified in the General Conditions Contract (GCC)-2005. As it stood, the GCC-2005 prescribed that for all works costing more than Rs 10 crore, experience of completion of at least two similar works equal to 60 percent of the estimated cost would make the contractor eligible. This was diluted to 'two similar works of only 50 percent of the estimated cost'. This dilution directly benefited Unity Infraprojects Ltd. and ACIL, which would not have been eligible had the standard criteria been retained.

17.9.3 Reliability of the bid amounts

In our opinion, transparent, fair and competitive bidding is the best determinant of the cost of a project. In the instant case we found several indicators that compel us to believe that the process was not fully reliable, and consequently the rates obtained through the bid may not be the reasonable cost of the work.

- Though five bidders had been pre-qualified, only three finally bid. The two who did not evince interest were L&T (with an average annual turnover³⁴ of Rs. 6941 crore) and Shapoorji Pallonji (with average annual turnover of Rs. 585 crore). In contrast, the three firms that bid had average annual turnover ranging only between Rs. 236-321 crore.
- Seen in the context of fluctuating estimated costs of the project at different stages i.e. Rs. 95 crore at RFQ

³⁴ Covering the period from 2001-02 to 2005-06

stage (when seven firms responded) reduced to Rs. 88.97 crore at RFP stage (when three firms responded), and the final award at Rs. 147.82 crore, the projection of estimates on the lower side may have discouraged the larger companies from participating.

- The justification of costs in response to the lowest quoted bid of Rs. 151.91 crore vis-à-vis an estimate of Rs. 88.97

crore was prepared by the Department on market rates. We found that these rates did not truly reflect the market, as is evident from the much lower rates obtained for components of the main work by Unity Infraprojects Ltd. from outsourced market agencies. Some illustrative cases are given in Table 17.9 below:

Table 17.9 – Illustrative cases of award of sub-contracts at lower rates

Sub-Head of Work (percentage of tendered value comprising of only those items which were easily comparable)	Amount at which work was awarded by Contractor to Sub-agencies (Rs. In crore)	Amount at which work was awarded to the Contractor by the Department (Rs. In crore)	Difference (Rs. In crore)
Aluminum Work (2.21%)	2.32	3.27	0.95
Finishing Works (1.17%)	1.27	1.72	0.46
Waterproofing Works (0.45%)	0.21	0.66	0.45
Internal Utility Services -Supply of SMC panel tanks (0.33%)	0.11	0.50	0.39
Stonework , Marble Work and Flooring (1.70%)	1.38	2.52	1.14
Part Miscellaneous Items (0.86%)	1.06	1.28	0.22
Woodwork (0.32%)	0.38	0.47	0.09
Part Miscellaneous Items (0.29%)	0.27	0.43	0.16
Roofing (2.57%)	2.64	3.80	1.16

Although the department replied that agreement conditions of work orders of sub contractors were fundamentally different in many work orders as they did not cover risk factors, defect, liability, provision of machinery free of cost, performance guarantee, security deposit, VAT applicable on work etc.; yet it did not furnish any

quantitative impact of these factors. Further, the department recalculated and indicated that the percentage of amount charged in excess by the main contractor ranged from 8.3 percent to 202.3 percent . Evidently, the awarded rates were far in excess of a reasonable margin.

ANNEXURE - A

Item / Description	Qty	Rate	Amount
Providing, fabricating, MS structural steel work made up of welded built up sections, angles, plates, connecting MS gussets plates welded / bolted with all necessary washers etc including frame work such as trusses, towers, arches etc including gusset plate and base plate holding down both, grouting, levelling and sand blasting of steel surfaces as per specification including painting.	800.00 Tons	₹ 1,70,000.00 per ton	₹ 1,36,00,000.00

(Rupees: One Crore Four Lakhs Only)

Photograph of sub-contract to outsourced market agency by the main contractor

- The rates obtained for electrical works awarded separately ranged from 4.88 to 43.74 percent below the estimated cost, whereas the electrical works which formed a part of the composite tender were awarded 32.43 to 106.70 percent above the estimated costs. Details are given in Annexe 17.5.
- As per the justification, the daily requirement of labour was indicated at 4793. However, from the monthly progress reports submitted by the contractor, the number of labour engaged daily ranged from 625 to 1400 and as per the fortnightly labour reports appended to the Running Account bills, these ranged from 200 to 1887; in

neither case anywhere near the projected figures.

Despite the additional costs factored in due to the reduced stipulated time period for completion, the project, which was scheduled to be completed in 18 months, took 37 months (without a formal completion certificate being issued till date).

Clearly, the rates obtained from the bid process were not reasonable and have to be viewed keeping in mind that the bid process does not appear to truly transparent, fair and competitive.

17.9.4 Selection of Elgin Electronics Ltd. for Supply, Installation, Testing and Commissioning (SITC) of PA systems

The bid for SITC of Public Announcement System was retendered twice, with change/dilution of bid criteria at each stage:

- In the first tender stage, the NIT, which was issued on 25 March 2008, contained condition of 'technical experience' of the firms being/ having association with an Original Equipment Manufacturer (OEM) and having experience of SITC of PA system of outdoor stadium. In response, four agencies submitted the tender documents, and three³⁵ were shortlisted. Elgin Electronics was rejected on technical grounds. The tender was cancelled due to complaints.
- At the 2nd tender stage, on 31 March 2009 i.e. after one year of the first tender, the technical eligibility conditions were replaced with financial conditions of having experience of two works of SITC of PA systems of the value of Rs. 2.55 crore (60 percent of estimated cost) or one of Rs. 3.40 crore (80 percent of estimated cost) . Six firms responded, and only one (Esco Audio-Visual (I) Pvt. Ltd) qualified. Again, Elgin Electronics was rejected. This tender was also cancelled due to reported monopoly; and
- At the 3rd Tender stage, on 25 April 2009, the condition was diluted to only experience of two works of Rs. 1 crore or one of Rs. 2 crore. Seven firms

³⁵ Hi-tech Audio System Pvt. Ltd., Modern Radio House (I) Pvt. Ltd. and Power System

responded, and four³⁶ were found eligible. Elgin Electronic, being the L-1 bidder was selected and awarded the work on 14 July 2009 i.e. after 15 months of initiation of tendering process.

Hence, due to inexplicable delays and successive dilution of tender conditions, the work of SITC of PA System was awarded after a delay of one and half years, and a firm, which was ineligible at the first and second stage, emerged successful finally. Also, the fact that the contractor (Elgin Electronics) did not have a valid association with the OEM (JBL) may potentially affect future maintenance and usability of the PA system. Further, we found that an extra item of laying cables in excess of the contracted quantity ranging 506 – 651 percent was permitted, without obtaining any detailed schematic diagram indicating the location and the length of the cables installed which ultimately resulted in an additional expenditure of Rs. 1.06 crore. In addition to the difficulties in verifying the actual quantities installed without a detailed schematic diagram, the maintainability of this system could be affected. Details are given in Annexe.17.6.

17.9.5 Deficiencies in contract execution

We found a staggering increase in quantities of cables, ducts and pipes for the main composite contract, despite the fact that the associated items (electrical poles, lights, AHUs, cooling fans etc.) were reduced substantially in number. The details are summarised below

³⁶ Hi-tech Audio System Pvt. Ltd., Modern Radio House (I) Pvt. Ltd. and Elgin Electronics and Esco Audio-Visual(I) Pvt. Ltd

- the quantity of various types of cables and conduits for HVAC works, fire fighting works, fire alarm works and Electrical & Installation work increased by 32 per cent to a staggering 6000 per cent over the contracted quantities, leading to an additional financial burden of Rs. 1.10 crore;
- the quantity of various types of ducting for HVAC works increased between 59 to 152 per cent, at an additional cost Rs. 1.17 crore; and
- the quantity of various types of piping & other accessories for fire fighting works increased from 32 to 7450 per cent with additional cost implication of Rs. 0.78 crore.

17.9.6 Non levy of compensation

- Despite delayed completion/ slow progress of the project, no

compensation has been levied for slow progress of work amounting to Rs. 16.49 crore³⁷. Further, since proper record of the hindrances attributable to the contractor have not been maintained, it is difficult to determine the regularity of the provisional EOTs issued from time to time.

17.9.7 Construction of Spectator gallery and ancillary sports facilities at FOP-2

The return venue brief envisaged a temporary spectators' gallery and ancillary facilities at FOP-2. We did not find documentation of the circumstances, under which these permanent structures were constructed as additional works.

17.10 Kadarpur Shooting Range



Kadarpur Shooting Range

³⁷ Rs. 14.78 crore (main composite work) + Rs. 1.71 crore (Synthetic Hockey Pitch laying).



Kadarpur Shooting Range

The cost estimates of Rs.20.51 crore for construction of full bore 1000 yard shooting range prepared in November 2007 were revised to Rs.27.35 crore in March 2009.

17.10.1 Consultancy works for Kadarpur Shooting Range

The consultancy contract for architectural, structural, services planning and designing for construction of full bore shooting range and connected amenities at CRPF Group Centre, Kadarpur, Gurgaon, Haryana was

awarded to Suresh Goel & Associates at a cost of Rs. 0.52 crore. The stipulated date of start and completion were 24 October 2008 and 22 December 2008 respectively. We noted:

- The consultant did not submit the draft tender documents, detailed estimates, details of measurements and analysis of rates, final tender documents and detailed estimates for one of the four works reviewed by us viz. “construction of approach road from dining hall T-

junction to proposed CWG building” for which CPWD recovered Rs.0.02 crore.

- Failure of Consultant/CPWD to assess / estimate the realistic quantities of items of work resulted in extra avoidable payment of at least Rs. 0.15 crore.
- The work was reported to have been completed 25 March 2010 against scheduled completion by 22 December 2008, with a delay of 15 months, besides non-submission of essential documents reported above. CPWD withheld an amount of Rs.0.05 crore pending decision on extension of time, but failed to initiate action for levy and recovery of compensation.

17.10.2 Execution of works

The work was divided into the following broad packages viz.

- Construction of approach road from dining hall T-junction to proposed shooting range;
- Construction of roads, drains, box culverts, back stop walls, side walls and target gallery;
- Construction of facility block, spectators gallery and parking lots including internal electrical installation; and
- Construction of baffle wall providing and laying unfiltered water supply line and chain link fencing.

Deficiencies noticed in the execution of four packages are summarised below:

Table 17.10 – Deficiencies noticed in execution of works

Packages	Deficiencies
<p>Construction of approach road from dining hall T-junction to proposed shooting range</p> <p>(awarded to Narbir Singh at a cost of Rs.2.88 crore for completion in 120 days by 24 April 2009)</p>	<ul style="list-style-type: none"> ■ Sub-standard Granular sub base (GSB) brought by contractor was rejected on 15 April 2009. ■ Hindrance of 42 days was recorded for non-shifting of electrical cable in the hindrance register. We noted that CPWD itself was responsible for shifting of cable. Further the hindrance occurred on 18 April 2009 i.e., just 6 days before the stipulated date of completion of work. ■ The work was completed on 3 October 2009. ■ EOT upto 28 August 2009 was granted in December 2009. <p>CPWD replied that delays were due to non-shifting of electrical cable and non-availability of funds. However, the hindrance register recorded hindrance only for non-shifting of cables.</p>

Packages	Deficiencies
<p>Construction of roads, drains, box culverts, back stop walls, side walls and target gallery</p> <p>(awarded to Narbir Singh at a cost of Rs.11.21 crore for completion in 240 days by 17 November 2009)</p>	<ul style="list-style-type: none"> ■ Despite non-achievement of milestones and delay in completion of work CPWD released the entire balance of Rs.0.56 crore, withheld for non-achievement of milestones, instead of adjusting the same towards levy and recovery of compensation. ■ Material (34.040 T of 16mm steel bars) brought to the site by the contractor was found to be defective, and the contractor was directed to remove the entire steel from the work site. The contractor took over 25 days to cast the base slab of box culvert no. 2, only one CC had been laid, no qualified engineer was deployed at site by the contractor, and adequate efforts had not been made to complete the work in time. ■ Work was completed on 10 May 2010. ■ EOT upto 30 March 2010 was granted in June 2010. CPWD stated in its reply that the delays were due to decisions pending with OC and CRPF authorities and non availability of funds.
<p>Construction of facility block, spectators gallery and parking lots including internal electrical installation</p> <p>(awarded to Bansi Lal & Sons at a cost of Rs.3.77 crore for completion in 180 days by 2 December 2009)</p>	<ul style="list-style-type: none"> ■ The work was completed on 7 May 2010 after delay of five months from the scheduled date of completion. EOT upto 20 February 2010 was granted in May 2010.,
<p>Construction of baffle wall, providing and laying unfiltered water supply line & chainlink fencing</p> <p>(awarded to Narbir Singh at a cost of Rs.2.72 crore for completion in 90 days)</p>	<ul style="list-style-type: none"> ■ The work was completed on 10 May 2010 after a delay of 177 days i.e almost three times the period allowed for completion of work. EOT upto 22 March 2010 was granted in June 2010 <p>CPWD replied that the work was delayed due to non-availability of funds and side by side construction of main works.</p>

Note: The date of completion is the date of inspection by the SE (the authority competent to issue completion certificate) based on which the completion certificate was issued.

17.10.3 Non-completion of training facilities at Jharoda Kalan for police sportsperson

Ministry of Home Affairs sanctioned in August 2009 construction of 5 permanent barracks and providing and laying of synthetic athletic track surface at CRPF campus, Jharoda Kalan by CPWD at a cost of Rs. 7.77 crore. The infrastructural facilities were required for imparting intensive training facilities to 120 selected police

sportspersons for participation in CWG-2010 in the shooting, swimming, athletics, archery, gymnastics, weightlifting and wrestling disciplines. CPWD awarded two contracts in March 2010 for completion of work by July 2010, but the work had not been completed as of January 2011. Thus, the primary objective of imparting training facilities to police sportspersons for participation in CWG-2010 had been defeated.



Incomplete barracks



Construction site of Training Facilities at CRPF Campus, Jharoda Kalan

17.11 Dr. Karni Singh Shooting Range

17.11.1 Introduction

The CWG-2010 requirements included competition arena for 10m pistol and small bore rifle, 25m pistol, 50m pistol and small

bore rifle, range for the finals of the 10m, 25m and 50m competition, spectators areas, transport zones, entries, seating and support areas and Back of House facilities for accredited personnel. The facilities created at Dr. Karni Singh Shooting Range (KSSR) are summarised below:



10 M Range

- Competition arena for 10M pistol and small bore rifle
- 80 firing points
- Fully air conditioned with seating capacity of 500



15 M Range

- Competition arena for 25M pistol
- 60 firing points
- Seating capacity of 500



50 M Range

- Competition arena for 50M pistol and small bore rifle
- 80 firing points
- Seating capacity of 500



Final Range

- Range for holding finals of 10M, 25M and 50M competitions
- Seating capacity of 1000



Trap and Skeet ranges

- Six numbers composite Trap and Skeet Ranges
- Seating capacity of 2000

A new Armoury building for storage of Arms and Ammunition for the sport and Spectator's Plaza were also built.

17.11.2 Change of decision from renovation/up-gradation to reconstruction

Dr. Karni Singh Shooting Range (KSSR) constructed in 1982 for the Asian Games had facilities of 10 mtr, 25 mtr, 50mtr shooting ranges, Trap and Skeet, armoury building, flood lighting etc. with a seating capacity of 15,000. The construction cost of these facilities was Rs.7.41 crore and the life span of the structures was estimated at 80 years. These facilities were in regular use for shooting competitions and between 1995 and 2007, six international competitions and twenty-one national level competitions had been organized at KSSR.

In May 2007, on the advice of the OC, it was envisaged that the facilities could be upgraded and new ranges for pistol and rifle events, built at an estimated cost of Rs. 33 crore. In October 2007, at the direction of SAI, CPWD prepared estimates for three alternatives, giving different mixes of the reconstruction of existing ranges and creation of new ranges/facilities. In January 2008, MYAS finally approved reconstruction of existing ranges, and building new ranges for final events along with additional ranges for Trap and Skeet and back of house facilities at an estimated cost of Rs. 65 crore.

A time lag of seven months between May 2007 and January 2008 created an avoidable squeeze of time at the execution stage. Simultaneously, CES, the consultant engaged in June 2007, for design consultancy for augmenting the facilities at KSSR was contracted at Rs. 0.35 crore for the assignment and later, due to change in scope of work with the decision to construct new facilities, the consultant's fee increased

by Rs. 0.56 crore. We found that, CES was finally paid Rs. 0.81 crore, including Rs. 0.31 crore for the design consultancy assignment for augmentation work.

17.11.3 Non-recovery of extra expenditure of Rs.20.10 lakh incurred due to failure of the contractor to complete the work

The work of civil and electrical works were tendered at an estimated cost of Rs. 56.56 crore against which the L1 bidder, Era Infra Engineering Limited (EIEL) bid Rs 71.65 crore, which was justified by reworking the material costs at market rates and introducing cost components like additional cost due to compression of time, labour costs attributable to provisioning of labour huts off-site, labour transportation etc.

The dates of start and completion of works were October 2008 and August 2009 respectively. EIEL had submitted a construction programme for completion by the scheduled date. However, the work did not proceed as per this construction programme. Though a show cause notice under clause 3 of the Agreement was issued to the contractor in March 2009 for breach of contract, the progress continued to be slow. After expiry of the stipulated date of completion of work in August 2009, CPWD decided to execute the work of Trap and Skeet nos. 4, 5 and 6 and underground tank through JMC. Extra expenditure of Rs.0.20 crore incurred by award of work to JMC at rates higher than included in the contract with EIEL, but could not be recovered from EIEL, which had defaulted, because of the absence of the 'risk and cost' clause in the agreement.

We recommend that the amount may be adjusted against the Performance Guarantee provided by EIEL at the time final settlement of bill.

17.11.4 Award of work to ineligible contractor

Due to failure of EIEL to complete the work in time, CPWD decided in August 2009 to execute work of trap and skeet numbers 4,5 and 6 and underground tank through other agencies. Of the six offers received in response to the press notice, none, including JMC, qualified the eligibility criteria of having completed at least 3 works of Rs.3 crore and above during the last five years and completion of each such work within the stipulated date of completion. Despite the failure of JMC to qualify the criteria, CPWD awarded the works to JMC, after relaxing the condition to one similar work of one crore per month at an extra cost of Rs. 0.20 crore over the rates of original contractor. Even JMC failed to complete the work on time. JMC also executed works at IG Stadium, which has been separately commented upon in paragraph 17.9.2.1 of this Audit Report.

17.11.5 Irregular treatment of substituted items as extra items

Agreement items of work with partial modifications were required to be treated as substituted items, and the rates there for were required to be worked out after adjusting agreement rate of original item for the difference in market rate of original and substituted items. Case study 16.1 indicates two instance of such overpayments.

17.11.6 Defects in execution of work

Several deficiencies in quality of works executed were noted at different stages by the implementing agency. These deficiencies persisted even after the Games were concluded. An illustrative list of such defects are listed below

- leakage in roof sheeting over shooting area in 50 mtr ranges;
- non-settlement of paver blocks/CC pavers at numerous locations;
- non-functioning of aluminium doors and windows in some ranges;
- depressions in newly constructed roads;
- weep holes in target areas and final range (near RCC wall); and
- defects in electric substation work etc.

Rs.0.20 crore had been withheld in August 2010 from the contractor's bill. CPWD reported that most of the defects had been rectified, and the few pending road repairs would be done after the winter season.



Seepage in walls



Patched up in road surface



Weepholes in target area

Venues developed by Delhi Development Authority

Delhi Development Authority (DDA) developed competition/training venues at Siri Fort Sports Complex (SFSC), Yamuna Sports Complex (YSC) and Saket Sports Complex (SSC) at a total awarded cost of Rs. 561.50 crore.

There was an inexplicable delay of nearly a year in engagement of Peddle Thorp Architect Pty as design consultants for construction works of the indoor stadia at SFSC and YSC (excluding archery competition venue) between June 2006 (when the bids were opened) and final award of contract in May 2007. This resulted in cascading delays in execution of work due to time required for finalisation of designs and preparation of estimates for issuing RFP.

We found deficiencies in the selection and performance of Architect Bureau-GSA Group Consortium as design consultant for the archery competition venue, training venues and refurbishment work at SFSC, YSC and SSC. The award was based on a single financial bid. Further, there was no evidence of deputation of the representatives of the foreign partner (GSA-Group) to India, and there were numerous deficiencies in the performance of the design consultant.

We found significant deficiencies in the procurement of chairs (with justification rates being unreliable). Deficiencies were also noticed in the contracts for synthetic surface for table tennis court as well as maple wood flooring at one venue.



Siri Fort Badminton Court



Yamuna Sports Complex – Archery Venue

18.1 Introduction

Delhi Development Authority (DDA) developed competition/training venues at Siri Fort Sports Complex, Yamuna Sports

Complex and Saket Sports Complex at a total awarded cost of Rs. 561.50 crore. The venue wise major works, their tendered cost and the contractors' details are given in Table 18.1 below

Table 18.1 – Works at DDA Venues

Work	Consulstant	Estimate Cost	Tendered Cost	Contractor
Siri Fort Sports Complex (SFSC) including Saket Sports Complex (SSC)				
Construction of indoor stadium for squash and badminton	Peddle Thorp Melbourne Pty. Ltd.	118.09	154.40	B.E. Billimoria & Co. Ltd
Providing raft foundation for the indoor stadium for squash and badminton		19.64	24.17	Sportina Payce Infrastructure P Ltd.
Refurbishment of existing training facilities (including those at Saket Sports Complex)	Consortium of Architects Bureau and Group GSA Pty. Ltd., Australia	20.82	23.72	Sharma Constructions

Work	Consultant	Estimate Cost	Tendered Cost	Contractor
Yamuna Sports Complex (YSC)				
Construction of indoor stadium for table tennis	Peddle Thorp Melbourne Pty. Ltd.	122.84	162.94	B.E. Billimoria & Co. Ltd.
Providing cast in situ bored piles for pile foundation		14.26	16.47	ITD-ITD Cem (JV)
Construction of archery competition venue, training venues for archery, hockey, lawn bowls and refurbishment of existing training venues	Consortium of Architects Bureau and Group GSA Pty. Ltd., Australia	38.24	46.67	Brahmaputra Infrastructure Ltd.

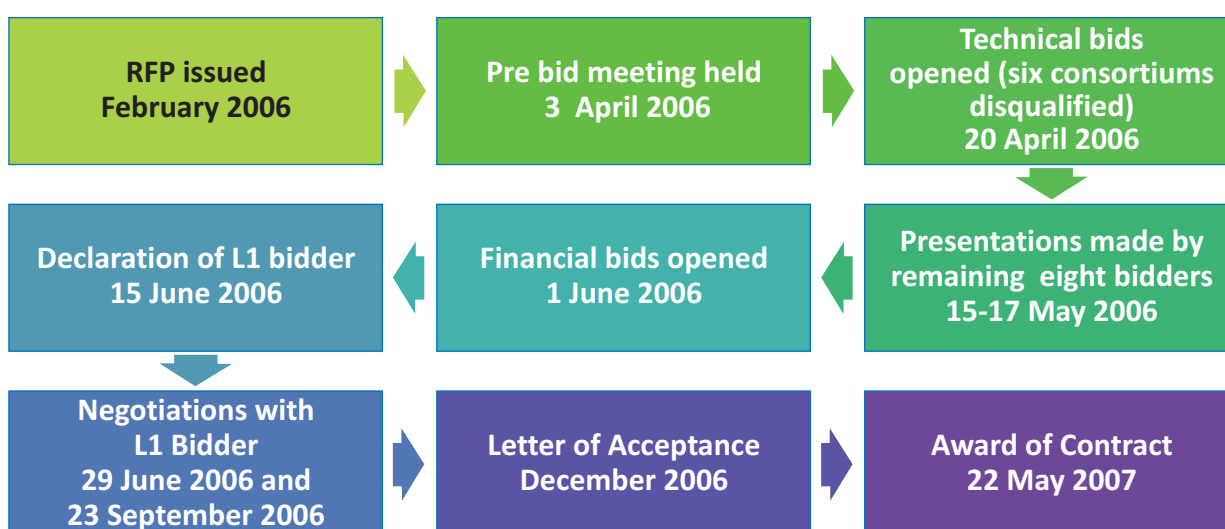
18.2 Selection of Consultant

18.2.1 Selection of Peddle Thorp Melbourne

In February 2006, a joint RFP was issued for engaging design consultants for the Games Venues (competition and training venues for squash and badminton at SFSC/ table tennis at YSC) and Games Village (practice area). 20 bids were received from 14 consortiums, of which, six were rejected at the stage of opening of the technical bids.

The remaining eight consortiums submitted bids, with two of them bidding for design consultancy work both at the Games Venues and the Games Village. Five financial bids for the design consultancy of the Games Venues were opened and Peddle Thorp Architect Pty Ltd. (subsequently engaged as Peddle Thorp Melbourne), the L1 bidder, was selected at a fee of Rs. 16.60 crore and the contract signed in May 2007. The chronology of events is depicted in figure 18.1 below

Table 18.1 — Selection of Peddle Thorp as Design Consultant



We found that there was an inexplicable delay of nearly a year from the date of declaration of L1 bidder in June 2006 and the final award of contract in May 2007. This resulted in cascading delays in execution of work due to the time required for finalisation of designs and preparation of estimates for issuing RFP.

The process of tendering for construction of these works was started in June 2007 (immediately after the engagement of the design consultant) with identification of three packages – one each for construction of new competition venues at SFSC and YSC, and the third for the refurbishment of existing training facilities at SFSC, YSC and SSC. Due to paucity of time, Peddle Thorp Melbourne (PTM) recommended splitting the works of construction of competition venues into foundation work and superstructure work. Subsequently, these were awarded to two different agencies. In our opinion, this unnatural segregation of foundation work from the superstructure work was primarily due to an inordinately long time taken in award of the design consultancy. It had the consequential effect of excluding the foundation work from third party quality assurance scrutiny, (for which RITES Ltd. was engaged) which got limited to the superstructure work only. No methodology statement was also made available by the contractor for the foundation works, thereby further compromising the quality assurance process.

Further, while responding to the RFP, the consortium led by Peddle Thorp Architect Pty Ltd, Australia included seven other members¹, of which, only one i.e. SMEC International Pty. Ltd. finally featured in the

Detailed Association Agreement, submitted to DDA post award of the contract, with Peddle Thorp Melbourne (representing Peddle Thorp Architect Pty Ltd.). This Detailed Association Agreement was also signed on 23 May 2007, a day after the award of contract. DDA did not question these changes.

18.2.2 Selection of Architect Bureau-Group GSA consortium

In July 2007, a separate RFP for engaging the design consultant for the Archery Stadium competition venue at YSC and refurbishment of existing training facilities at SFSC, YSC and SSC² was advertised on the DDA website. Two firms responded – Architect Bureau in consortium with Group GSA Pty. Ltd. Australia (AB) and Kapoor & Associates. The latter's bid was disqualified on 31 August 2007 after a presentation and the single financial bid of AB was opened on 19 September 2007 (against 1 September indicated at the time of technical evaluation). The work was awarded on 12 November 2007 at Rs. 6.25 crore and the agreement was signed on 15 November 2007.

We found that the MoU submitted by AB consortium was dated September 2001 and evidenced a strategic alliance between the two parties to identify projects and opportunities and work together, but was not specific to the project under

¹ Conell Mott Mac Donald, Australia; SMEC International Pty. Ltd; Marshall Day Acoustics Pty Ltd., Australia; Sustainable Bentt Environment Pty. Ltd. Australia; SGL Consulting Group of Australia; Clifton Coney Group Pty Ltd. and Lingamaneni Estates Pvt. Ltd, India

² Construction of archery competition venue; Training venues for archery, hockey and lawn bowls; and refurbishment of training venues for aquatic and rhythmic gymnastics at YSC

consideration. This was not challenged by DDA. Further, as per the agreement with DDA, 70 percent of the work was to be done by Group GSA, its representatives were to visit India 10 times and technical representative of GSA deputed to India for two months. Although DDA stated that the project was conceived, conceptual plan prepared and presented before the OC and the department predominantly by Group GSA, we found no evidence of deputation of Group GSA's representatives on record.

We also found deficiencies in the performance of AB, as detailed below

- AB delayed submission of drawings. 61 drawings for the archery competition venue at YSC. These were issued between April and May 2010 against the target date of March 2009, with delays ranging from one to 15 months.
- Though the requirement for providing toughened glass was indicated in the drawings for YSC, the same was not included in BOQ due to non finalisation of design and specifications by AB. The work had to be awarded as an extra item at Rs. 2.29 crore.
- The BOQ required providing and installation of Yonex court mat/Taraflex synthetic flooring of 9mm thickness which is not as per Yonex brand specifications. This item had to be subsequently executed as a separate item at a cost of Rs. 1.54 crore.
- AB was also required to get detailed soil investigation done for the archery venue at its cost, but this was done by DDA at a cost of Rs. 0.02 crore resulting in undue benefit to AB.

18.3 Selection of Contractors

The joint RFQ process for pre-qualification of agencies for construction of Games venues and practice area in the Games Village and the deficiencies in assignment of contract for practice area in the Games Village to Sportina Payce Infrastructure P Ltd. has been discussed in paragraph 20.6.4 of this report.

At the RFQ stage, three works were identified for games venues, which were subsequently split into six works on the recommendation of PTM. Out of the eight agencies³ that pre-qualified from this process, only four i.e BE Billimoria & Co. Ltd, Sportina Payce Infrastructure Ltd (instead of Sportina Payce Constructions Ltd.), ITD-ITDCem (JV) and Unity Brahmputra Consortium submitted bids. The others chose to keep out of the bidding process. Of the six works, four were awarded to the L1 bidders and two were retendered due to abnormally high rates and subsequently awarded on open tender basis, (though only two-three bids were received). The details of bidders and successful agencies are given in Annexe 18.1

In addition, 30 items with an estimated cost of Rs 9.60 crore were not included in the BOQ attached to the tender document for the work of construction of badminton and squash competition venues. Subsequently, 20 of these items had to be awarded as extra items at a cost of Rs. 11.02 crore, and 10 were not executed at all.

³ ITD-ITD Cem JV; BL Kashyap and Sons Ltd.; BG Shirke Construction Technology Pvt. Ltd.; Gammon India Ltd.; Consortium of Unity-Brahmaputra; Shapoorji Pallonji & Co. Ltd.; BE Billimoria & Co. Ltd.; and Sportina Payce Construction(India) Pvt. Ltd-SPV .

In our view, the bidding process was not fully reliable and to that extent the prices obtained from it cannot be termed as the best prices determined by fair and open market competition. The following facts are indicative of the unreliability of the competitive bidding process

- only four of the eight prequalified bidders submitted bids. While three of them were awarded at least one contract each, the fourth (Brahmaputra Infrastructure Ltd., in its individual capacity) won a bid through open tender;
- one agency, Sportina Payce Infrastructure that bid was not strictly an eligible agency; and
- in the open tender, though the response was very limited, costs lower than the initially bid costs were obtained.

18.4 Execution of work

18.4.1 Unreliable justification of rates

In the following cases of procurement of chairs/synthetic surfaces, we found that the justification of rates was unreliable

- In the contract with Nussli-Comfort Net for providing and fixing 2,336 retractable chairs at a total cost of Rs. 4.63 crore, the justified rates of Rs. 17,566 per chair was prepared based on a market quotation of Nussli-Comfort Net itself. We found that the actual cost of these chairs as stated in the tax invoice was only Rs. 1,850 per chair with a cost implication of extra expenditure of Rs. 2.74 crore (for 1,746 chairs actually installed).
- Brahmaputra Infrastructure Ltd. installed 211 upholstered chairs at the archery venue in YSC at a cost of Rs

17,470 per chair for which justification was prepared at Rs.13,764 without obtaining market quotations; similarly justification of Rs. 7,184 per chair for 1,818 ordinary chairs procured at a cost of Rs. 9,890 per chair was also prepared without obtaining any market quotation; and

- As per OC's specifications of April 2009, only Taraflex and Nagase Kenko make of synthetic surfaces were to be laid in the table tennis court. Consequently, combined tendering for these was done for YSC and JMIU and the contract was awarded to Freewill Infrastructure Pvt. Ltd. at a tendered cost of Rs. 1.29 crore. We found that while the awarded rate per sqm was Rs. 2,943.25, the justified cost on the basis of actual cost of import by the agency worked out to Rs. 1,188.52 per sqm, indicating exorbitant margins of 148 per cent.

18.4.2 Installation of maple wood flooring in three venues

In April 2009, OC specified the brands for wooden flooring as Connor, Robbins, Haro, Prestige Sport System and Honer Sports Flooring. Though the work of installation of wooden flooring was already included in the scope of work of the three contracts for construction of venues, DDA chose to withdraw this item from the scope of work of two contracts and award it to Parquet Furnishers Pvt. Ltd as per specifications prescribed by OC, for cost benefit and uniformity through common tendering and at a much lower rate of Rs 3,462 per sqm. Strangely, it allowed the third contractor (Brahmaputra Infrastructure Ltd.) to continue with the work at a higher rate. The details are given in table 18.2.

Table 18.2 — Rate for Maple Wood Floor

Work and contractor	Rate as per existing Contract	Rate as per joint tendering after withdrawing
Table tennis venue in YSC (BE Billimoria & Co)	Rs. 5790 per sqm	Rs. 3462 per sqm
Refurbishment of existing facilities at SFSC and SSC (Sharma Constructions)	Rs. 7500 per sqm	Rs. 3462 per sqm
Construction of archery venue & refurbishment of existing facilities at YSC (Brahmaputra Infrastructure Ltd)	Rs. 6831 per sqm	Not re-awarded

The arbitrary decision to not withdraw the work from Brahmaputra Infrastructure Ltd. resulted in excess spending of Rs. 0.24 crore (for 722.55 sqm of work executed).

Further, during the installation of wooden flooring in the table tennis venue at YSC, an extra item of Rs 0.38 crore was permitted for fastening padded sleepers anchored to the floor below the wooden flooring because of bending of floating floor system. In our view this was a rectification, the cost of which should either be borne by Parquet Furniture Pvt. Ltd. or the original contractor that executed the civil work underlying the wooden flooring.

18.4.3 Installation of Mild Steel barricading at SFSC

In October 2008, at the behest of LG, Delhi, DDA decided to provide MS barricading in SFSC in order to keep the jogging track open to public. The work was included in the BOQ of the work for refurbishment of

existing facilities at SFSC/SSC awarded to Sharma Constructions in March 2009. It was observed that no drawings indicating the location of the MS barricading were prepared and due to objections from SFSC residents, of the 486 barricades supplied, only 236 could be installed. Clearly, poor planning led to wasteful expenditure of Rs. 0.49 crore

18.4.4 Underutilisation of Sewage Treatment Plant at SFSC

A Sewage Treatment Plant(STP) of 152 KLD capacity was created at a cost of Rs. 0.32 crore. However, we found that the plant could be utilised only at 30 percent of its capacity as the size of the pipes provided for taking the raw sewage into the plant were inadequate and most of the sewage was pumped out using additional pumps, by-passing the STP.

18.4.5 Installation of DG sets

Despite securing power supply from two independent feeders as prescribed by EKS (OC's Consultant), DDA procured two DG sets of 1250 KVA each and one of 725 KVA for Rs. 4.32 crore at YSC for the full power load of the stadia, rather than restricting it to the Games critical load of 1850 KVA.

18.4.6 Additional security deposit on specialised items

As per agreement, additional security deposit in the form of bank guarantee was to be retained at the rate of five percent of the cost of the specialised work. We found that no such bank guarantee had been retained on the plea that substantial payments were still to be made to the contractors.

It may be ensured that a bank guarantee of five percent of the cost of work is obtained before final settlement of bills.



Venues developed by other agencies

NDMC and PWD, GNCTD developed competition/training venues at Thyagaraj, Talkatora, Shivaji, and Chhatrasal Stadia and Government Model Ludlow Castle School. In addition, three other sets of competition/ training venues were developed by Delhi University and its affiliated colleges, Jamia Millia Islamia University (JMI) and All India Tennis Association (AITA).

None of the respondents to the NIT issued by NDMC for appointment of Architect Consultant for Shivaji and Talkatora Stadia were technically eligible. Despite ample time being available for retendering, NDMC appointed Raja Aederi Consultants Pvt. Ltd., one of the ineligible respondents.

The main contractor hired for Shivaji Stadium was a foreign company, China Railway Shisiju Group Corporation (CRSGC), when it is apparent from the conditions of the NIT, that such was not the intention. Shivaji Stadium could not be completed in time for the Games and the completed hockey pitch in the stadium has an East-West orientation, as against the required North-South orientation

Simplex Project Ltd. was engaged as the main contractor for the works at Talkatora Indoor Stadium on a single bid basis. Further, our analysis revealed that justified rates for a substantial portion of items was higher than the applicable CPWD DSR rates. Thus it is difficult to conclude that the best price was determined for the work in a competitive market. The quality of construction was also found deficient by CTE, CVC.

In the case of Thyagaraj Stadium, PWD, GNCTD adopted the percentage rate tendering, which should be resorted to only when major part of the estimated cost is based on the Delhi Schedule of Rates (which was not so in this case). We found several instances of inflation of costs in the detailed estimates. We also found several instances of adoption of higher cost items for estimation/execution from among multiple options, and also numerous instances of specifying a single brand or “equivalent”, thus favouring these brands, with consequential reduced competition and increased costs. We also found multiple forms of power back up (despite power supply from two independent feeders as stipulated in the venue brief) – a solar power generator unit (at a cost of Rs. 14.10 crore) and a dual fuel gas turbine with add on Vapour Absorption Machine (VAM) (at a cost of Rs. 22.41 crore). The expenditure on the turbine and the VAM is largely infructuous, as it would be highly expensive to generate power from this unit post-Games.

Percentage rate tendering was also adopted for the Chhatrasal stadium and Government Model Ludlow Castle School. We found irregularities in the appointment of the design consultant for the Chhatrasal Stadium. At Ludlow Castle, a limited tendering approach was irregularly followed, purportedly on account of shortage of time, although subsequent delays in award of the work belayed this sense of urgency.

JMI was selected as a training venue for Rugby 7s and table tennis. We found that the Rugby 7s field, developed at a cost of Rs. 2.11 crore, was being converted back into a cricket field, which defeats, at least partly, one of the stated objectives of CWG-2010 of creation of state of the art sporting infrastructure. Further, Rs. 2.58 crore of funds was diverted for creation of sporting facilities (basket ball, lawn tennis, volley ball, hockey/football etc.) other than the facilities for which JMI was designated as a CWG-2010 training venue. While we recognise that development of university premises for providing sports facilities is desirable, the diversion of funds sanctioned for a specific purpose is irregular.

Delhi University and its affiliated colleges were designated as the competition venues for Rugby 7s and training venues for netball, boxing, rugby 7s, athletics and women's wrestling. We found that there were substantial delays in the start of work, for want of approval of the revised estimates from MYAS. Further, the legacy plan for training venues at individual colleges, covering the optimum utilisation of developed infrastructure as also arrangements for their regular maintenance and upkeep, is still pending.

The R.K. Khanna Tennis Complex, under the All India Tennis Association, was designated as the competition venue for tennis. An estimated budget of Rs. 65.65 crore was allocated by MYAS for upgradation of the seating capacity of the tennis court, conversion of grass courts with temporary seating into synthetic courts with permanent seating and setting up lighting systems of the prescribed lux levels. We found that the project management consultant was irregularly selected on nomination basis. However, we found that AITA's concept of deleting the steel portion from the original contract (on account of volatility in steel prices in 2008) and procuring it directly from SAIL had its advantages, especially clubbed with the non-inclusion of any escalation/de-escalation clause in the contract.

19.1 Introduction

NDMC and PWD, GNCTD developed competition/training venues at Thyagaraj, Talkatora, Shivaji, and Chhatrasal Stadia and Government Model Ludlow Castle School. In addition, there were three other sets of competition/ training venues:

- Delhi University (DU) and its affiliated colleges;
- Jamia Millia Islamia University (JMI); and
- All India Tennis Association (AITA)

The venue wise major works, their tendered cost and the contractors' details are given in Table 19.1.

Table 19.1 — Works at other Venues

(In Rs. Crore)

Work	Consulstant	Estimate Cost	Tendered Cost	Contractor
Talkatora Indoor Stadium				
Construction of new sports facility Block with basement parking	M/s Raja Aederi Consultants Pvt. Ltd	28.18	52.98	M/s Simplex Projects Limited
Addition and alteration of existing stadium		10.60	19.19	M/s Simplex Projects Limited
Shivaji Outdoor Stadium				
Construction of two hockey pitches, stadium, new sports facility block with two level basement parking	M/s Raja Aederi Consultants Pvt. Ltd	80.85	160.27	M/s China Railway Shisiju Group Corporation
Thyagaraj Stadium				
Package 1	Peddle Thorp Arch. Melbourne in JV with Kapoor Associates	95.33	103.96	JMC Projects (I) Ltd
Package 2		89.01	108.80	JMC Projects (I) Ltd
Chhatrasal Stadium	Benjamin Benjamin & Vats	50.68	60.26	Era Infra Engg. Ltd.
Ludlow Castle	A.G. Krishna Menon	8.50	11.25	Arora Construction Co.(P) Ltd.
Delhi University (including affiliated colleges)	Engineers India Ltd.	235.59	251.82	Nagarjuna Construction Co. Ltd.
JMI University	RITES Ltd.	42.57	31.92	RITES Ltd.
All India Tennis Association	SG Lakhanpal and Associates	3.23	3.23	Skyline Engineering Contracts

19.2 Venues developed by New Delhi Municipal Corporation (NDMC)

19.2.1 Selection of Raja Aederi Consultants Pvt. Ltd as Architect consultant

In April 2006, two separate NITs were issued for appointment of Architect Consultant for improvement/upgradation of Talkatora Indoor Stadium (TIS) and Shivaji Stadium, with the key eligibility parameter of experience in providing services for sports venues of prescribed contracted value¹. Three bids² were received and the tenders opened on 23 May 2006. Based on technical bids, only two applicants were found eligible and the contract was awarded to Raja Aederi Consultants Pvt. Ltd., being the L1 bidder, for which LOI was issued on 3 July 2006 and contract signed in October 2006.

We found that none of the three bidders were technically eligible. While Arkittkurel Grids, was rejected for non submission of requisite documents, the technical bids submitted by Kothari & Associates and Raja Aederi Consultants (Pvt.) Ltd, were also deficient. Kothari & Associates submitted merely a list of completed works without any certificates. Raja Aederi Consultants Pvt. Ltd 's technical bid was also ineligible on the following points

- It had submitted the bid on the basis of an unregistered MoU (written on an ordinary paper) with Sterling Engineering Consultancy Services Pvt.

¹ Three completed similar works not less than Rs.15 crore or two similar works not less than Rs. 20 crore or one similar work not less Rs. 25 crore in the last 5 years

² Arkittkurel Grids, Kothari & Associates and Raja Aederi Consultants (Pvt.) Ltd.

Ltd. dated 18 May 2006, signed five days before the opening of the bid i.e. 23 May 2006. Interestingly, the original last date of submission of bids was 16 and 17 May 2006, which was extended on the request of the potential bidders;

- Raja Aederi Consultants (Pvt.) Ltd., as such, had no independent experience in providing architectural services for sports venues of the prescribed contracted value; and
- Sterling Engineering Consultancy Services Pvt. Ltd. provided an undated experience certificate issued by another architect Shashi Prabhu & Associates, instead of the client, stating that the former had rendered Structural and Design Engineering services for an indoor stadium project of National Sports Club of India.

Clearly, none of the applicants were technically eligible. Considering that the tender had been called in May 2006 when venue briefs were still to be received³, there was still scope for retendering and seeking an agency suitable for executing the services required, rather than choosing from a pool of ineligible bidders.

Further, the scope of work was increased from improvement/upgradation of the stadium to designing for major new construction at the stadium with an additional fee @ 3 percent of estimated cost or actual cost whichever is less with a maximum of Rs. 4.25 crore (in addition to Rs. one crore already awarded for the work relating to renovation and upgradation).

³ Venue brief was received for Talkatora Indoor Stadium in November 2006 and that of Shivaji Stadium in May 2007.

19.2.2 Shivaji Stadium

19.2.2.1 Selection of China Railway Shisiju Group Corporation (CRSGC) as contractor for Shivaji Stadium

In February 2008, NIT for the composite contract for improvement/upgradation works at Shivaji Stadium was issued. Six agencies⁴ submitted their bids and after opening the technical bids on 24 March 2008, all were technically qualified. On 10 April 2008, the financial bids were opened and CRSGC was declared the L1 bidder and the LOI issued on 19 May 2008.

We found that though the intent was not to engage a foreign company directly (not even through a JV), CRSGC, a foreign company, with no existing established base in India was engaged. Its bid should have been rejected at the technical evaluation stage itself. The reasons for the same are listed below:

- No global tender was issued; the NIT was only published in national news papers, loaded on NDMC website and circulated to a panel of 18 Indian contractors;
- The primary eligibility condition was experience of execution of construction of new multi-storied block of Central Government or State Government departments/ Municipal Boards / Autonomous Bodies / PSUs, indicating an Indian context. CRSGC produced similar experience of working in China instead of India; and

- CRSGC did not produce requisite registration certificates from competent authorities for local taxation and registered place of business in India. These were produced only post opening of the financial bid; and
- Generally, when foreign participation is envisaged, formation of JV with a local company or creation of a separate legal entity in India is insisted upon to ensure compliance with local law, familiarity with local conditions and facilitate settlement of legal disputes, if any. No such provisions were made in this NIT.

Clearly, the intent was not to hire a foreign company and it should have been declared ineligible in the first instance. Further, its inability to deliver in Indian conditions and its reliance on Simplex Project Ltd., a sub-contractor for material and labour, finally reflected in the project not being completed in time for the Games. However, we do not know the exact extent of sub-contracting of the composite work by CRSGC to Simplex Project Ltd.



Barricading in the names of main/sub-contractor at worksite

⁴ China Railway Shisiju Group Corporation; Ahulwalia Contracts (India) Ltd., JMC Projects (India) Ltd., Nagarjuna Construction Co. Ltd., YMC Buildmore Pvt. Ltd. and Unity Infraproject Ltd.

19.2.2.2 Avoidable expenditure on specialized items of Electrical works

Items such as air conditioning plant, lift, transformers, diesel generating sets, security system, firefighting equipments, etc. were included in a composite tender in the case of Shivaji Stadium, unlike the practice adopted in Talkatora Stadium.

Though a composite tender for Shivaji stadium and separate tenders for Talkatora Stadium were invited around the same time, rates for the latter were 11 to 45 per cent below that of the composite work of Shivaji stadium. Had a separate tendering approach been followed, estimated saving of Rs. 2.23 crore could have been achieved.

NDMC's reply that composite tender was floated in compliance with CPWD Manual⁵; ensure co-ordination among various agencies and in view of time constraint, is not acceptable since at Talkatora Indoor Stadium, the work was for more than Rs. 10 crore but a composite tender was not floated and the stadium was ready in time for CWG-2010 unlike Shivaji Stadium.

19.2.2.3 Avoidable extra cost on procurement/installation of DG sets

Despite the power requirement of the stadium being catered from two independent sources of power supply, two DG sets of 1000 KVA each accounting for 62 per cent of the load requirement of 3240 KVA were procured for Rs.2.19 crore. The Venue Brief did not prescribe backup DG sets to cater to the Games critical load for a training venue.

⁵ Para 15.3 of CPWD Manual 2007 prescribes composite tender for works costing more than Rs. 10 crore.

19.2.2.4 Orientation of pitch not as per International Hockey Federation norms

As per the Venue Brief submitted by EKS, two hockey pitches (main & warmup) complying with International Hockey Federation specifications, were to be provided for CWG hockey training, and pitches should have a North-South alignment (+/- 15 degrees).

The stadium had provision of two hockey pitches, but only one could be completed before the games and has a East-West orientation as against north-south orientation required, primarily due to space constraint. Clearly, there was disconnect between the venue brief, the conceptual plan and drawings on the ground. The final usability of this stadium for top level hockey events is open to doubt

Similarly, in MDC Hockey Stadium as well, the warm up pitch does not have the required north-south orientation and is primarily East-West, belaying claims of adherence with international sporting standards.

19.2.2.5 Non-completion of the training stadium in time for CWG-2010

The venue brief for the stadium was received in May 2007, the architect was engaged in October 2006 and the composite contract for the work was awarded in May 2008, with the scheduled completion as of November 2009. Of the major works only one hockey pitch could be prepared. The other pitch, two level basement parking, multi-storeyed facilities building and the stadium still remain incomplete.

We found that despite very close monitoring by the Empowered Committee of GNCTD, headed by the Chief Secretary, and repeated assurances by Chairman, NDMC, the facility could not be made available for CWG-2010. The main reason was the inability of NDMC to provide hindrance free site till March 2009 due to litigation with existing occupants of the restaurants and kiosks within the stadium complex. Despite, the decision to upgrade the stadium in July 2005, it is inexplicable why NDMC waited till the last minute to ensure vacation and availability of a hindrance free site.

The contractor as well failed to deliver within the scheduled time of 18 months i.e. by September 2010 even after handing over of the clear site in March 2009.

Responsibility for failure to deliver the venue in time needs to be fixed.

19.2.3 Talkatora Indoor Stadium (TIS)

19.2.3.1 Engagement of Simplex Projects Ltd as the main contractor

There were two major civil works to be undertaken at TIS. The tendering process for each is summarised below

Table 19.2 – Tendering process for award of works

Work	Tendering Process	Time line
Sport Facility Block	NIT issued;	August 2007
	Tender opened	September 2007
	Work Awarded	December 2007
Addition and Alterations	1st Call Tender opened rejected due to high rate	November 2007 December 2007 January 2008
	2nd Call Tender opened	January 2008 February 2008
	Work Awarded	April 2008



Talkatora Indoor Stadium - Boxing

We found that though the tender was advertised in the newspaper, NDMC website and circulated among the panel of contractors, in both contracts only one bidder, Simplex Projects Ltd. responded. While NDMC chose to retender the contract for additions/alterations, it decided to accept the single bid for the construction of the sports facility block. It is pertinent to note here that the period of execution of the contract was 18 months (sports facility block) and 12 months (addition/alteration work), and, therefore, there was scope for rebidding. Further, on analysis of justified rates of items constituting 44 percent of the justified cost, we found that these were 16 per cent higher than CPWD DSR rates applicable. Under the circumstances, it was desirable to re-bid and test the market once again.

In the absence of competitive bidding and difference in the justified costs and those worked out in audit on a test check basis, it is difficult to conclude that the best price was determined for the work in a competitive market.

19.2.3.2 Quality assurance for Talkatora Indoor Stadium and Shivaji Stadium

In November 2008, NDMC engaged SGS India Pvt. Ltd. as the Third Party Inspection/Quality Assurance (TPIQA) agency for ongoing construction/ up gradation works at Shivaji Stadium and Talkatora Indoor Stadium for a lumpsum fee of Rs. 1.06 crore. The following deficiencies in the quality of works and TPIQA services were noted

- TPIQA was engaged in November 2008, six months after the work had commenced in Talkatora Indoor Stadium

with 30 percent overall achievement of work which was unsupervised by the TPIQA;

- Though the TPIQA was required to conduct quality tests of input material, it only reviewed the testing facilities of the contractors and NDMC and the reports submitted by them. It did not review the test registers maintained by NDMC;
- NDMC also did not take effective action on the suggestions put forth by TPIQA in its periodical reports; and
- CTE, CVC also found several deficiencies in the quality of work executed. Both the cube test and core test of Talkatora Indoor Stadium failed; cement consumption was also reported as low in Talkatora Indoor Stadium. NDMC had sent clarifications regarding method of checking of cement quantity, but CTE had not given its final view as yet.

Overall, it can be seen that the quality of construction works, particularly in Talkatora Indoor Stadium, was compromised despite the engagement of SGS India Pvt. Ltd. as TPIQA. Strangely, NDMC gave an “excellent grading for technical proficiency” to SGS India Pvt. Ltd., even before the completion of work.

19.2.3.3 Extra expenditure on substituted chairs

The contracted rate for 3000 chairs was Rs. 2190 per chair, which was a part of the composite contract. These were substituted with tip up chairs. Till date, a payment of Rs. 1.53 crore has been made to the contractor for 2704 chairs @ Rs. 5000 and 446 chairs @ Rs. 4000 each. The cost of similar tip up

chairs in Siri Fort Stadium was Rs. 2081, resulting in extra expenditure of Rs.0.82 crore in TIS, which the department assured it would recover.

19.2.3.4 Irregular framing of rate analysis for deviated/substituted/extra items

While determining the market rate for the purpose of regulating the claim of the contractor (Simplex Projects Ltd) for deviated/substituted/ extra items, 10 percent over the cost of the material and labour was to be allowed to cover contractor's overhead and profit as per the contract.

In 21 of the 85 cases of claims of deviated/substituted/ extra items reviewed by us, we found the contractor's overheads and profit was taken as 15 percent instead of 10 percent applicable. Details are given in Annexe 19.1.This resulted in overpayment to the contractor of Rs.1.17 crore and corresponding extra liability of Rs.0.86 crore to NDMC.

In addition we found that in the claim for the substituted item of fixing structural glazed curtain wall system/space frame glazing system, while calculating the market

rate of the tendered item, the justification rate that was determined three years ago was adopted, instead of adjusting it to the current price index or obtaining fresh rates from the market. This resulted in an undue benefit to the contractor of Rs. 0.60 crore, based on tendered rates adjusted with price index.

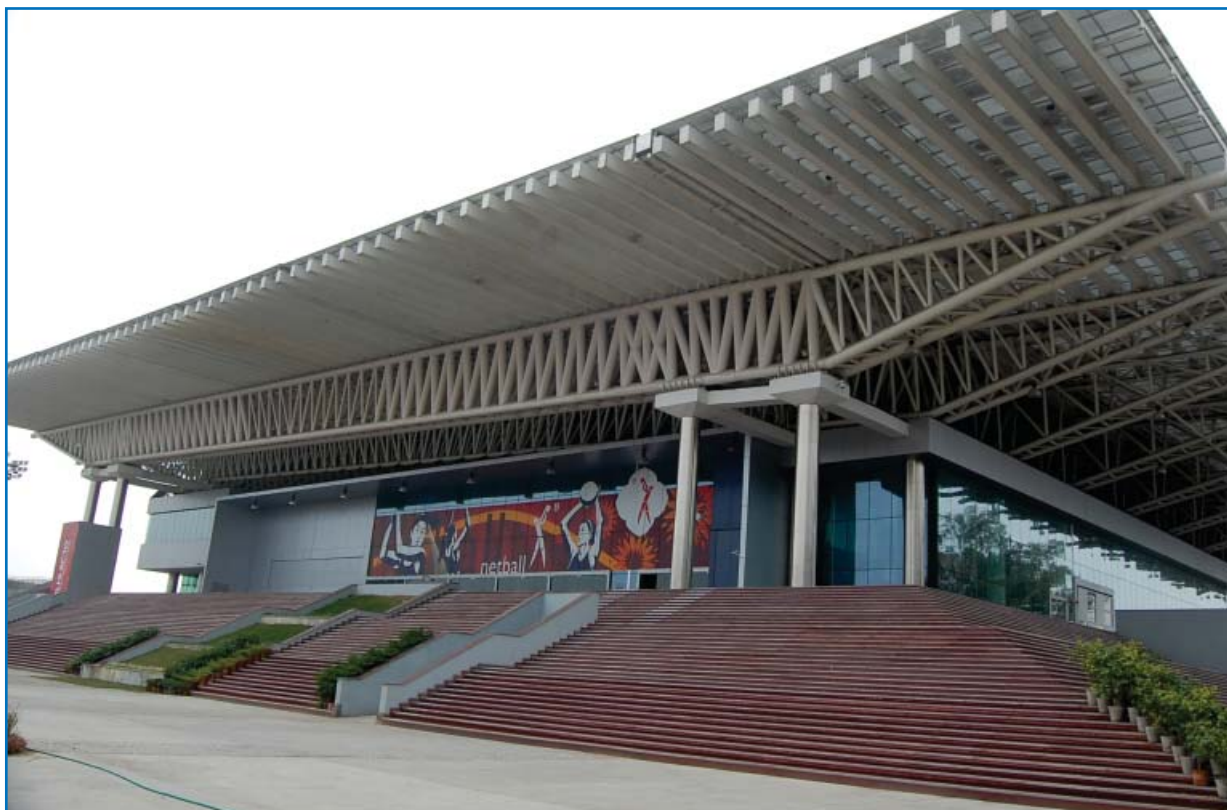
19.2.3.5 Avoidable expenditure on ready mix lean concrete for filling in pit of column

As an engineering practice, column pits are filled with earth excavated on site, which was also envisaged in the contract. Instead, in the instant case, the contractor was permitted to fill it with a much more expensive option of ready mix lean concrete resulting in avoidable extra cost of Rs. 1.39 crore. In addition, Rs. 0.16 crore were also paid to remove the excavated earth from site.

In its reply, NDMC stated that no space was available at the construction site to store the excavated earth. The picture below indicates the space available at the construction site.



Picture of the construction site at Talkatora Indoor stadium indicating space available for construction activity.



Thyagaraj Stadium

19.3 Venues constructed by PWD, GNCTD

19.3.1 Construction/ Upgradation of Thyagaraj Stadium

19.3.1.1 Overview

Construction/ upgradation of Thyagaraj Stadium involved:

- Construction of a multipurpose air-conditioned indoor stadium with a seating capacity of 5000, which could be used for various sports;
- Two warm up courts and one competition court for net ball; and
- Synthetic track of 400m x 8 lane for athletics (training venue).

19.3.1.2 Planning and Award

Peddle Thorp Melbourne (Australia), in joint venture with Kapoor & Associates, was appointed as the design consultant at a cost of Rs. 5.98 crore in December 2006. The preliminary estimated cost of the stadium of Rs. 297.45 crore was approved by the GNCTD Cabinet in September 2007, and detailed estimates for 23 works were approved by PWD, GNCTD for Rs. 250.86 crore from September 2007 to January 2010. Work amounting to Rs. 304.07 crore had been executed on the 23 works against which, payment of Rs. 281.60 crore had been made to the contractors till October 2010.

The main works for structures under packages I and II were awarded to JMC Projects (India) Ltd. at costs of Rs. 103.96 crore and Rs. 108.80 crore. The work of

package-I was completed in April 2009 at a total expenditure of Rs. 112.09 crore while under package-II, an amount of Rs. 96.87 crore had been paid till date.

19.3.1.3 Overpayments to the contractor (JMC Project)

We found:

- Inadmissible payment of Rs. 3.03 crore separately for plates, nuts and bolts in steel work (trusses), in addition to payment for actual length of pipe, which already included costs of plates, nuts and bolts;
- Avoidable payment of Rs. 2.51 crore for plates, nuts and bolts in other item of steel works (purlins) due to not specifying the mode of measurement for payment, as was done in case of steel work for trusses; and non adoption of uniform mode of measurement and payment; and
- Non-deduction of Rs. 0.33 crore on account of reduction in customs duty on

steel in the 2007-08 budget; the Department indicated the amount recoverable was only Rs. 0.29 crore.

19.3.1.4 Inflation of costs in detailed estimates

The CPWD Manual provides that percentage rate tenders should be resorted to only when the major part of the estimated cost put to tender is based on the Delhi Schedule of Rate (DSR), irrespective of the value of the tenders. However, PWD, GNCTD adopted a percentage rate tender, although more than 80 per cent of the cost for the two packages were for non-DSR items. Since the bidder is asked to quote a single percentage rate and does not have an option of quoting different percentages for different items, any error leading to an increase in the estimated cost of an item cannot be easily factored into consideration by the bidder. Consequently, an inflated cost estimate provides a higher baseline for potential bidders. We found the following instances of inflation of costs in the detailed estimates:

Table 19.3 – Instances of inflation of costs in the detailed estimates

(In Rs. Crore)

Item	Escalation in Cost Estimate
Adoption of incorrect exchange rate (Rs. 43/ US\$ instead of Rs. 40.28/ US\$) in computing cost of imported structural steel	1.41
Adoption of higher wastage rate of 10 per cent (instead of 5 per cent) for fabrication and commissioning of trusses	2.14
Inflated estimation for Kalzip roofing @ Rs. 5627.77/ sq.m. The contractor engaged another agency to execute the item @ Rs. 4393/ sqm. Even after including CPOH ⁶ of 10 per cent, the actual market price would be only Rs. 4832.30/ sqm.	0.87

⁶ Contractor's Profit and Overheads

19.3.1.5 Higher cost item for detailed estimates/ execution

We found the following instances of adoption of higher cost items for detailed

estimates and execution from among the options provided by the consultant in the preliminary estimates (which included lower cost items):

Table 19.4 – Instances of adoption of higher cost items

(In Rs. Crore)

Item	Escalation in Cost Estimate
Use of costlier acoustic false ceiling (Sonapanel brand) costing Rs. 4208.30 / sqm against the alternative costing Rs. 1650/ sqm	1.85
Use of more expensive nylon, fire retardant carpet (of “Milliken” make), rated as moderate duty, costing Rs. 5464.30/ sqm against the estimated cost of Rs. 1539.70/ sqm for heavy duty usage	0.70
Use of costlier toilet partitions (Merino Titan Series Cubical boxes) costing Rs. 19,556/ sqm against the estimated cost of particle board partitions of Rs. 792.60/ sqm and laminated glass partitions costing Rs. 18,300/ sqm.	1.00
Installation of composite panels of paper towel dispenser, hand dryer and waste paper bins (D-Line make) in toilets @ Rs. 2.42 lakh	0.37

19.3.1.6 Specifying a richer/ higher specification

We found that costlier acoustic wall panelling (using perforated ACP) was executed even outside the Field of Play (FOP) over the corridor and external concourse, instead of applying plaster and plastic paint (as done in the VIP area); this resulted in extra cost of Rs. 1.24 crore.

19.3.1.7 Procurement of Items by specifying a single Brand

We found that 31 items valuing Rs 24.28 crore (Annexe 19.2) were included in the detailed estimates by specifying either a single brand by name, or stating the requirement as brand “X” or equivalent. These items were included as per the recommendations of the consultant and rate of these items decided/ analysed on the basis of single quotations. No justification was recorded for specifying the brand. Some examples of rates of single brand used for preparation of estimates are as under:-

Table 19.5 — Examples of rates of single brand used for preparation of estimates

S.No.	Name of Item	Brand of Item	Rate of procurement (rs. per unit)
1.	Hall wall hung WC. pan, seat with cover,	Roca	21,067
2.	Concealed cistern	Geberit	8,254
3.	Duo fix mounting element	Geberit	6,213
4.	Single urinal basin with PVC 6 lts. auto flushing cistern	Roca	34,524
5.	Wash basin including Sensotronic sensor faucet	Roca, Duravit, Jaquar	27,540
6.	Paper towel dispenser , Hand dryer, Waste paper bin	D-line	2,41,813
7.	Blower/ hand dryer	GEM or equivalent	24,356
8.	Paper towel dispenser	D-line or equivalent	33,835
9.	Paper waste bin	D-line or equivalent	30,445

Further, payment of Rs. 18.22 crore was made on execution of 23 items of the same brand as specified in the BOQ and three items worth Rs. 3.50 crore were executed as equivalent brands. Five items specified with the brand name were not executed. Clearly, specific brands were favoured, resulting in reduced competition with consequential increases in project cost.

19.3.1.8 Multiple forms of power back-up

The venue brief for Thyagaraj stadium stipulated power supply from two independent feeders and power backup for critical supplies. Instead, PWD went in for two additional power generation units, purportedly on account of their green and environment friendly nature:

- A roof top solar power generating unit of 1 MW peak capacity was installed at a cost of Rs. 14.10 crore. Although excess power supplied by this solar unit would

receive Generation Based Incentive under the Jawaharlal Nehru National Solar Mission, resulting in a tariff of Rs. 17.91/ unit, Rs. 12.41/ unit represented an incentive given by the GoI;

- A 2.5 MW dual-fuel gas turbine was awarded at a cost of Rs.19.58 crore and an add-on Vapour Absorption Machine at a cost of Rs. 2.83 crore; in addition, not only were these works awarded on single tender basis to Turbomach India Pvt. Ltd., the expenditure on this turbine and VAM is largely infructuous as it would be highly expensive to generate power from this unit post-Games.

19.3.2 Construction of Chhatrasal Stadium

19.3.2.1 Overview

Chhatrasal stadium was to be upgraded as a training venue for athletics. The estimated cost of Rs. 83.00 crore was approved by the GNCTD Cabinet in August 2008, and detailed estimates of Rs. 55.87 crore were

approved by PWD in December 2008. Benjamin, Benjamin and Vats were appointed in March 2008 as the design consultant at a cost of Rs. 1.33 crore. The main work for the structure was awarded to Era Infra Engineering in January 2009 for Rs. 60.26 crore. Payment of Rs.48.78 crore had been made up to October 2010 to the contractor.



Chhatrasal Stadium

19.3.2.2 Appointment of consultant

We found irregularities in the appointment of Benjamin, Benjamin and Vats as the design consultant:

- The condition of relevant experience vis-a-vis sports venues in the NIT was removed at the Press Notice stage;
- Different weightages for criteria for technical evaluation were used for the Chhatrasal Stadium (as compared to the Thyagaraj Stadium) giving less weightage to experience of key personnel; if the

weightages had been adopted as for Thyagaraj Stadium, Benjamin, Benjamin and Vats would not have been technically qualified.

19.3.2.3 Use of percentage rate tender

As in the case of Thyagaraj Stadium, PWD used the percentage rate tender, even though 40 per cent of the tendered cost were for non-DSR items (which should have deterred resorting to percentage rate tendering).

19.3.3 Construction of Training Venue at Ludlow Castle

Government Model Ludlow Castle School No. 2 was selected as a training venue for wrestling. AG Krishna Menon was appointed as the design consultant at a cost of Rs. 0.60 crore in December 2007. Estimated cost of Rs. 20.33 crore was approved by the GNCTD Cabinet in November 2008, and detailed estimates of Rs. 9.34 crore approved by PWD in December 2008. The work was awarded to Arora Construction Company Private Ltd. at Rs. 11.25 crore.

In our Study Report of July 2009, we had highlighted the fact that GNCTD awarded design consultancy in December 2007 wrongly for Government Model Ludlow Castle School No. 1 (instead of School No. 2). This was rectified only in June 2008.

We found that for award of design consultancy, EOI was not followed and limited tenders were irregularly called, purportedly on account of shortage of time. However, although the consultant appointment committee had approved the proposal for appointment in August 2007, the work was awarded to AG Krishna Menon only in December 2007, belying the purported sense of urgency.

As in the case of other stadia, PWD resorted to percentage rate tendering for the main work, despite the fact that more than 35 per cent of the tendered cost was for non-DSR items. Further, the tendered amount of Rs. 11.25 crore was 32 per cent above the estimated cost of Rs. 8.50 crore. For this purpose, a justified cost of Rs. 10.50 crore was arrived at. We found undue inflation of the justified cost by Rs. 0.96 crore on account of miscellaneous charges (already included in CPOH) and higher justification rate of structural steel (compared to the same items for Chhatrasal stadium).



Training venue at Ludlow Castle School

19.4 Venues developed by Jamia Milia Islamia University (JMI)

19.4.1 Introduction

In June 2006, JMI was selected as one of the training venue for Rugby 7s and table tennis, and Rs. 42.57 crore were released by MYAS.

19.4.2 Reconversion of Rugby 7s field into cricket field

The Rugby 7s field was prepared by replacing the grass of the existing cricket field at JMI with Bermuda grass princess 77. Till August 2010, Rs. 2.11 crore had been paid for it.



Restoration work of cricket field in Rugby 7s training venue

As JMI does not provide sports facility or training in Rugby for their students, immediately after the Games, JMI requested (November 2010) RITES to start the work of development of cricket nets including cricket pitch alongwith the main cricket wickets, replacing the Rugby 7s field.

Reconversion of the Rugby 7s field into cricket field defeats, at least partly, one of the stated objectives of CWG-2010 of creation of state-of-the-art sporting infrastructure.

19.4.3 Deviation from the Approved Scope of Work

As per the EFC memo, JMI was to develop

- training venue for table tennis;
- training venue for Rugby 7s and
- necessary infrastructure for these venues.

However, in addition to these works, execution of twelve sub- works was undertaken by JMIU, which included providing and laying all season turf for basketball court, lawn tennis court and jogging track, renovation of volleyball court, hockey/ football field and providing furniture and furnishing items⁷. Funds to the tune of Rs. 2.58 crore were diverted to meet the expenses of these works, as indicated in the table given below.

⁷ The item of loose furniture and cafeteria furniture was deleted by the Ministry. Nevertheless, this item of work was executed by JMI.

(Rs. in crore)

S.No.	Name of Work	Upto date Expenditure	Total tendered expenditure
1.	Lawn tennis court and basketball court	0.47	0.62
2.	Jogging track	0.27	0.35
3.	Hockey/ football field & volleyball court including horticulture work	0.25	0.49
4.	Providing furniture and furnishing items	Bill has not been raised by the firm	1.12
		Total	2.58



Lawn tennis court



Hockey / Football Field



Basketball court



Volley ball court

Development of university premises for providing sports facilities is, no doubt desirable. However, in this case, the expenditure on these additional sports

facilities was incurred out of expenditure sanctioned for certain specific sports facilities to be used during CWG-2010, which is irregular.

19.4.4 Execution of Sub-standard Work

Our physical inspection of the table tennis hall revealed that the acoustic panels on one portion of the wall had completely come out, exposing the unfinished wall beneath it. The finish of fitting of other acoustic panels too was bad. The synthetic sports surface carpeting of wooden floor was uneven and bumpy at a few places.



Lawn tennis court

19.5 Venues developed by Delhi University



Netball & Boxing Training Venue

19.5.1 Introduction

The DU-CWG 2010 project of Delhi University involved:

- development of the main competition venue for Rugby 7s;
- Netball & boxing training venue at DU main venue;
- training venues for Rugby 7s (at seven colleges⁸) and for women's wrestling indoor hall at SRCC;

⁸ Daulat Ram, Khalsa, Ramjas, Kirorimal, St. Stephens, SRCC and Hindu.

- athletic track at DU polo ground; and
- other associated infrastructure works.

19.5.2 Delay of start of work of training venues

The work of training venues viz. athletics track, Rugby field with facility blocks in colleges and indoor wrestling, to be started in August 2008, was held up and started after January 2009 for want of approval of revised estimates by MoYAS. This resulted in delay in completion of work. We found that there was a delay of:

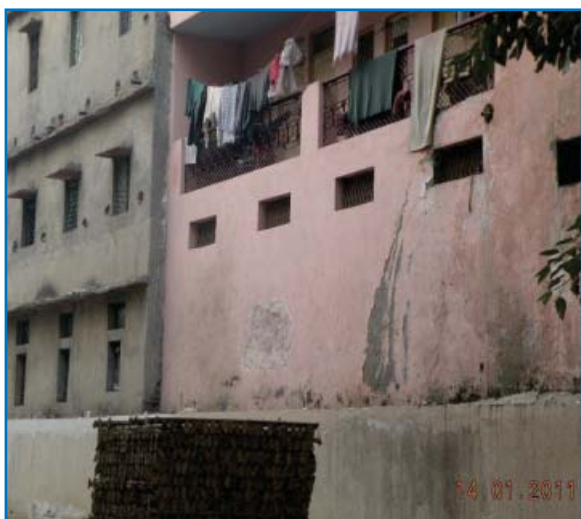
- five months in start of construction work of Ramjas College, Stephan College, Kirori Mal College, SRCC Wrestling Hall and Athletic Polo Ground;
- four months to eight months in completion of all training venues; and
- five months in handing over of training venues to OC/DU.

19.5.3 Work started without the approval of DUAC and MCD

- DUAC had not given final approval till completion of the CWG; and
- MCD had neither accepted the application nor given approval for construction of facility blocks in training venues.

19.5.4 Non utilization of rugby, athletic and wrestling training venues

The training venues for rugby (Ramjas and SRCC), indoor women wrestling training venue (SRCC), and athletic training venue (Polo Ground), constructed at an approximate cost of Rs.59.32 crore, were not used by the participants for training purpose. These venues were reportedly



SRCC - Boundary Wall

dropped by the OC, as Delhi Police had not given security clearance for these venues.

Our visit to SRCC training venues revealed the following position:



SRCC - Play Ground



SRCC Road towards Main entrance

Considering the condition of surroundings of these venues, especially the entry areas for both SRCC and Polo Ground, it is evident that there was a definite lapse and lack of foresight in selecting these venues for developing training facilities for the Games.

19.6 Venue development by All India Tennis Association (AITA)



Centre court after renovation

19.6.1 Introduction

In October 2009, an estimated budget of Rs. 65.65 crore was allocated by MYAS for the renovation and construction of R.K. Khanna stadium for Tennis to All India Tennis Association (AITA). It covered the following works:

- Revising specifications of the centre court with increased seating capacity of 5000 from the existing 4000;
- Conversion of grass court with temporary seating into synthetic court with permanent seating for 1000 spectators;
- Creation of six match courts and six practice courts, with similar surface as the centre court, and seating capacity for 1000 spectators from existing 16

synthetic courts, grass court and four mini tennis courts;

- Setting up lighting system of the prescribed lux levels for HDTV coverage (2200 lux in the centre court); and Upgradation of support facilities.

19.6.2 Selection of Project Management Consultant (PMC)

In September 2007, AITA appointed S.G Lakhapal and associates as the consultant for preparing estimates and supervision of works at 4.93 per cent of the project cost without inviting any bids.

AITA indicated that SG Lakhapal was chosen because of its long association with AITA in the past. The selection of the consultant on nomination basis, was irregular.

19.6.3 Selection of Civil, Plumbing and electrical contractors

In February 2008, out of six bidders⁹, three bidders¹⁰ qualified technically - out of which the bid of only Globe Civil Projects was unconditional. Instead of limiting itself to the only unconditional bidder, on 18 June 2008, AITA signed an agreement with Skyline Engg Contracts for Rs.15.17 crore. On 20 June 2008, a supplementary agreement was signed, whereby TMT steel was to be supplied by AITA, thereby reducing the contract value by Rs.2.12 crore and the negotiated contract amount was Rs.13.06 crore

There was an increase of Rs.3.54 crore in costs, and Rs. 2.88 crore was paid to contractor on account of lifts, UPVC windows and revision in the cost of façade.

In our opinion, instead of signing a supplementary agreement with contractor whereby TMT steel was to be supplied by AITA, it would have been desirable that this aspect had been thought of before inviting bids, which would have increased competition.

It was noted that the prices of steel were volatile during 2008, and the concept of deleting the steel portion from the original contract and AITA procuring it directly from SAIL had its advantages, especially clubbed with the non introduction of any escalation/de-escalation clause in the contract. According to AITA, direct procurement of steel led to cost savings of Rs. 0.83 crore.

⁹ NPCC, Dewan Chand, Chawla Techno Contructions, Globe Civil projects, Skyline Engg contracts, Jamil Ahmad and sons

¹⁰ Chawla techno constructions, Globe Civil Projects Pvt Ltd, Skyline Engg contracts (I) Pvt Ltd

19.6.4 Appointment of contractors for stadium chairs

In October 2009, out of three bidders¹¹, only two bidders were technically qualified and Indo Office Solutions¹² was technically rejected. Camatic Pty quoted Rs.4.28 crore for supplying stadium chairs, while Audience gave a financial bid of Rs.5.55 crore. AITA constituted a committee to visit Audience in Wiltshire, England to assess the capability of the company to supply and install chairs.

In January 2010, Camatic was awarded the work for Rs.3.44 crore, out of which Rs. 3.21 crore has been paid to contractor and Rs. 0.23 crore retained by AITA for defect liability period.

Camatic Pty did not submit EMD with their financial bids however AITA appointed them for supplying chairs. AITA indicated that Camatic had been supplying chairs for Wimbeldon, and was a reputed manufacturer. It was also stated that there were numerous valid grounds for rejecting Indo Office solutions. As regards Audience, a Committee of AITA which had gone to England, had questioned its ability to supply the chairs in time for the test event. Given the time available for the test event, AITA had little option but to award the contract to Camatic. However, the contract itself was awarded only in January 2010, whereas the technical and financial bids were opened in October 2009. Delay in analyzing and awarding the contract had the potential for adversely affecting the holding of the test event.

¹¹ Indo Office Solutions Pvt Ltd, Audience Systems Ltd and Camatic Pty Ltd.

¹² Indo Office Solutions, though technically rejected by AITA, was a significant player in supply of overlays managed by the OC



Quantum chairs installed in all courts

19.6.5 Conduct of Test Events and Tournaments

As per the International Tennis Federation (ITF) report, test events (Asian Junior Tennis Championships) before CWG-2010 were conducted successfully, between 24-30 May 2010, in the Stadium. ITF praised the competition venue for its Centre court, show court 1, VIP and media lounges,

lighting, sports equipments etc. and concluded that the test event for the CWG-2010 provided valuable practice for all the functional areas in operation at the event. It allowed the venue to operate in event conditions. After CWG 2010, five tournaments have been conducted at the stadium, demonstrating that it has use for legacy purposes.

Commonwealth Games Village

The Commonwealth Games Village, near the Akshardham Temple, had three major components – a residential complex for housing the athletes and officials, practice areas for athletes, and temporary structures (overlays) for the international zone, village operations and other areas.

We found that key issues related to the selection of site were not properly addressed. Except for strengthening of the Akshardham bund, there was no evidence of compliance with the mitigation/ abatement measures on the river Yamuna as stipulated by the Ministry of Environment and Forests while according conditional environmental clearance. DDA essentially attempted to abdicate responsibility for this issue. We could also not verify compliance with the orders of the Hon'ble Supreme Court stipulating monitoring of construction activities by a PM-appointed committee. Further, the temporary noise barriers erected on the NH-24 flyover were defective, but the associated test reports were, interestingly, received only on 29 October 2010.

We found serious irregularities in the award of the contract for construction of the residential complex in PPP mode to Emaar MGF Constructions Pvt. Ltd. There was a series of misrepresentations and accommodations at the RFQ and RFP stage that resulted in Emaar MGF Constructions Pvt. Ltd, which was not qualified in terms of the PQ criteria, emerging as an eligible (and successful) bidder through the consortium route. Emaar Properties PJSC, presented at the RFQ stage as the lead partner with the requisite experience, turnover and net worth, faded behind layers of subsidiaries/ associates, effectively making a mockery of the premise that it would bring the necessary experience and financial strength, directly to the consortium led special purpose company. Further, a short time period of just seven days was allowed after a significant addendum, introducing significant changes to the bid conditions. In response to the RFP, two bids were received from Emaar MGF Constructions Pvt. Ltd and DLF Ltd. While DLF's conditional bid was summarily rejected without any interaction or negotiation, DDA chose to engage in a series of correspondence with its financial consultants, legal advisors and Emaar MGF Constructions Pvt. Ltd to find solutions to address the deficiencies in its proposal. Finally, only Emaar MGF Constructions Pvt. Ltd was declared technically qualified, and was awarded the contract on the basis of a single financial bid, thus denying DDA the benefit of financial competition.

The execution of the residential complex project was also plagued by several irregularities and deficiencies. The FAR constructed by the project developer substantially

exceeded not only the sanctioned plan, but also the maximum permissible FAR under the Master Plan for Delhi – 2021. Emaar MGF also illegally constructed 17 additional dwelling units in the basement meant for parking. DDA allowed several financial concessions to Emaar MGF, including revision of milestones and delayed / non-levy of liquidated damages.

The Central Building Research Institute, Roorkee (CBRI) was appointed by DDA as the third party independent quality inspection agency for the residential complex only after most of the foundation work was executed. It pointed out serious lapses in construction work through thirteen reports between June 2008 and October 2010. These included deficient secondary reinforcement of beams and columns, lack of adequate concrete cover to reinforcing steel, improper beam-column joints, improper alignment of columns and tapered columns (which were plastered to cover up the deficiencies, contrary to CBRI's advice), and differences in the levels of grade slabs leading to seepage and leakages in the basements. CBRI concluded that on seeing the permeability of the concrete and the corrosion of reinforcing steel, it gave an impression that the service life of these towers could not be more than 20 years, without substantial expenditure on repair and retrofitting. DDA did not take adequate action on these reports, as the deficiencies continued to recur in CBRI's successive reports.

Against the stipulated deadline of 1 April 2010, the residential flats were handed over to DDA between June and August 2010 in incomplete condition. DDA pointed out additional defects in the flats at the time of taking over, which were only partly attended under emergent situation.

There were serious deficiencies with regard to the design consultancy for construction of the practice areas. A consortium led by Suresh Goyal and Associate was appointed as the design consultant on the technical strength of its international partner, who later backed out. DDA took no steps to ensure that the design consultant brought in comparable international expertise at their own cost as replacements. There were significant deficiencies in preparation of designs, drawings, bills of quantities and estimates and delays in achieving designated milestones, without adequate penal action by DDA.

The selection of Sportina Payce Infrastructure Ltd. as the main contractor for the practice areas was manipulated to ensure that Sportina Payce Construction (India) Pvt Ltd. pre-qualified and the successful bidder for the project was different from the pre-qualified consortium. DDA could not produce evidence of the association with the execution of the project of the projected lead member with relevant international experience, on whose strength the bid was pre-qualified. Subsequently, due to poor performance, the contract was terminated, and re-awarded.

The selection of GL Litmus Events Pvt. Ltd. as the contractor for delivering temporary structures (overlays) for the international zone and other areas was equally flawed. As in

the case of the contracts for the residential complex and the PPP areas, the successful bidder was entirely different from the pre-qualified entity, and the foreign entity with relevant expertise was not part of the successful bidding entity. Due to delayed award of the contract in April 2010, DDA could not implement effective quality measures. The contractor did not supply material as per specifications and its designs were rejected by the proof checker. Further, for a contract of Rs. 41.38 crore, the bulk of the material for which was to be imported, the value assessed at the Indian customs was only Rs. 5.32 crore.

Delhi Jal Board (DJB) constructed a 1 MGD Water Treatment Plant (WTP) for the Games Village, Akshardham Temple and surrounding areas at a cost of Rs. 35.20 crore. We found that the need for a separate 1 MGD was not clearly established and the plant was over-designed with expensive membrane filtration technology. Further, the tendering process was flawed and irregular, with undue and inexplicable delays. The bid evaluation was tailored to favour award of the work to a single bidder. The WTP is currently shut down and its requirement on a legacy basis is questionable.

DDA also purchased four 1250 KVA each generating sets with excessive and undue redundancy, which are now lying idle. Plans to shift two of these sets to DDA Headquarters (Vikas Sadan) appear unreasonable, as Vikas Sadan's current load is just 1230 KVA.

At DDA's behest, ITDC furnished 1101 flats at the Games Village and 960 upgraded LIG/HIG flats at Vasant Kunj. We could not ascertain legacy plans for the furniture and fixtures procured for these flats. ITDC indicated that these items were purchased on behalf of DDA, which necessarily had to take over the same.

20.1 Overview

The Commonwealth Games Village, developed by the DDA over an area of 59.28 hectare near the east bank of the River Yamuna (near Akshardham Temple), had three major components:

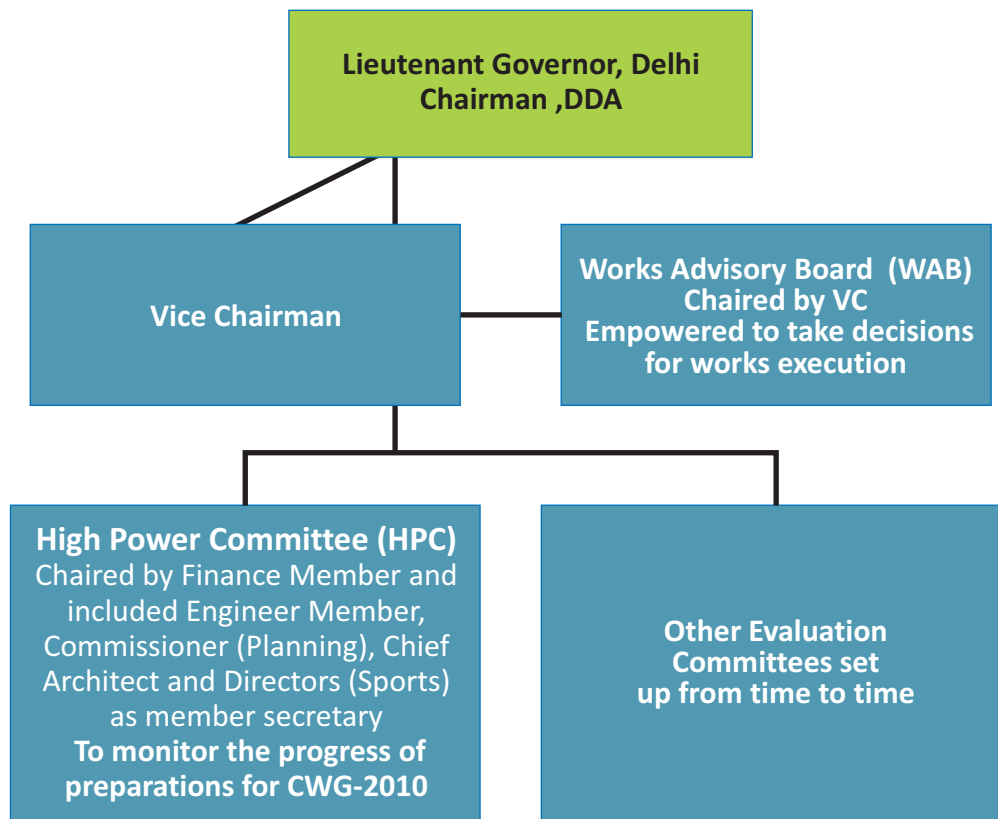
- A residential complex for housing the athletes and officials;
- Practice areas for weightlifting, wrestling, swimming, athletics and fitness centre;

- Temporary structures (overlays) for International Zone; village operations and support area; transport mall, dining hall, kitchen, polyclinic etc .

20.2 Organisation Structure

The organisational structure of DDA, including committees set up specifically for overseeing and making recommendations for CWG-2010 related projects is given in figure 20.1

Figure 20.1 – Organisational structure of DDA



As of January 2011, the total expenditure incurred on the Games Village was Rs. 245.58 crore¹ on practice areas and supporting infrastructure and Rs. 38.58 crore on overlays.



Residential Complex

¹ Excluding the expenditure on the residential complex built through Public Private Partnership.

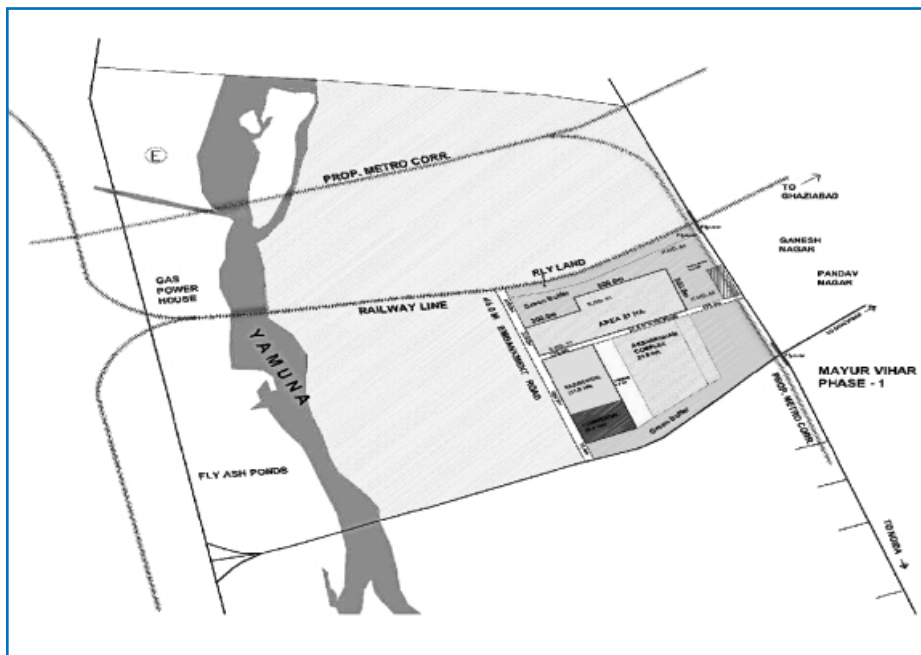


Swimming Pool (Practice area)

20.3 Selection of Site for Games Village

As per the bid document (May 2003), an Athletes Game Village was to be created on

a 100 acre² site, in a prime Delhi area. In August 2003, the site near NH-24³, next to Akshardham temple, for Games Village was presented to the CGF Evaluation commission before the Games were finally awarded to Delhi.



Map indicating location of Games Village

² Mentioned as 100 hectares, elsewhere in the bid document

³ Incidentally, in the bid document the location in the map was indicated on the western side of River Yamuna i.e. on the New Delhi side of the river.

There were two key issues in relation with the selection of the site:

- Environmental and other aspects, primarily focused on proximity to the River Yamuna; and
- Noise pollution from the nearby railway line and vehicular traffic on NH-24.

20.3.1 Environmental and Related Aspects

20.3.1.1 Conditional clearance by Ministry of Environment and Forests not complied with

Although the location of the Games Village was known since August 2003, DDA approached the Ministry of Environment and Forest (MoEF) for environmental clearance only in September 2006; reasons for this delay were not documented. In November 2006, MoEF, recognising that there were evident environmental concerns to be addressed adequately, directed that a study needed to be carried out to:

- Find out the magnitude of additional efflux in the river during high flow conditions in the stretch upstream of the Nizamuddin bridge and the bund between the national highway and the railway bridge upstream;
- Assess the possibility of abating the efflux by various measures;
- Estimate the extent of loss of recharge of groundwater; and
- Estimate the increment in traffic due to the proposed project.

In December 2006, MoEF cleared the project on the condition that **as far as possible, the works should not be of a permanent nature and unless the detailed**

studies suggested otherwise, the river bed would have to be restored to the river. In

January 2007, DDA reported that it intended to commission a study on "Hydraulic Model Studies for assessing the effect of Akshardham Bund on the flow conditions in the River Yamuna at Delhi" through the Central Water and Power Research Station, Pune (CWPRS); the study report was submitted to MoEF on 6 March 2007. MoEF finally cleared the project on 2 April 2007 after progressively relaxing the conditions as indicated below:

- On 29 March 2007, DDA was permitted to commence planning of construction works; however, construction of permanent nature could commence only after the mitigation/abatement measures against upstream flooding identified in the CWPRS report were completed; and
- On 2 April 2007, this was relaxed to permit commencement of construction works subject to completion of the mitigating/ abatement measures identified by CWPRS, Pune before completion of the buildings.

The main mitigative and abatement measures identified by CWPRS in its report were:

- Raising and strengthening the embankments along the river in Delhi to ensure safe discharge and check over-topping;
- Strengthening the existing embankments and guide bund to check flood discharge;
- One layer of stone crates on sloping portion as well as an apron over

geofabric filter to be laid to protect various bunds and bridges;

- Protection of the existing bridge piers and strengthening of guide bunds of other structures existing between the Indraprastha barrage and the Nizamuddin road bridge; and
- Arrangements to protect flooding area due to back flow of water on the upstream side of the Akshardham temple, on both sides of the river.

However, DDA took action only on one aspect viz. strengthening the Akshardham bund. Regarding the other measures, DDA stated that they had written to GNCTD and Northern Railway but could not provide any details of the action taken, essentially attempting to disclaim responsibility for this key aspect. Independently, we confirmed from the Irrigation and Flood Control Department, GNCTD that only one work⁴ had been awarded in July 2010, but was yet to be completed.

While according conditional clearance to the project, MoEF clearly stated that the flood mitigation and abatement measures emerging from the studies would need to be undertaken under the aegis of DDA, the project proponent. However, DDA completely abdicated its responsibility. We could also not verify compliance with the conditions stipulated by the MoEF.

20.3.1.2 Court Case on site

In 2007, a petition was filed in the Hon'ble Delhi High Court, contending that the ongoing construction would affect the

⁴ *raising and strengthening of right embankment of the river Yamuna between the Nizamuddin railway bridge and the Nizamuddin road bridge*

ecological integrity of the "river bed", besides causing irreversible damage to the "flood plain". The High Court directed the setting up of a separate Committee for ascertaining whether the site was located on the Yamuna riverbed or floodplain; this Committee was also required to examine and monitor the construction carried out by the DMRC on the site in the same manner as in the case of Games village.

This decision was reversed by the Hon'ble Supreme Court, which allowed DDA to proceed with construction. On the basis of an assurance of the Attorney General that an existing Committee appointed by the PM consisting of Lt. Governor of Delhi as Chairperson, Chief Minister of Delhi as Vice-chairperson, and other members representing various departments would, in association with Dr. R.K. Pachauri, monitor the entire activities, the Supreme Court overturned the High Court's order for constitution of a separate committee, and allowed the project to proceed.

We found that compliance with the assurance of the Attorney General on monitoring of construction activities by the said Committee, in association with Dr. RK Pachauri, (based on which the Supreme Court allowed the project to proceed) could not be verified. Despite enquiries from Cabinet Secretariat, DDA, GNCTD (UD Department) and the LG's Office, the status of monitoring, if any, by the committee could not be ascertained. On our enquiry in this regard from Dr. R K Pachauri, he stated that he had not had any association with the said committee, nor had he attended any meeting for this purpose.

20.3.2 Provisioning for noise barriers

To address the concern of the OC consultants EKS, and the President, CGF, regarding noise pollution at the Games Village site due to traffic on the railway line and NH-24, noise barriers were erected along the railway track and the flyover on NH-24 at a tendered cost of Rs. 4.75 crore.

20.3.2.1 Noise barrier erected along the railway track

The contract to erect noise barriers along the railway track was awarded to Lloyd Insulation (India) Ltd. in July 2010 for Rs. 1.75 crore.

As part of our July 2009 Study Report on preparedness for CWG 2010, DDA had clarified that it would be installing permanent noise barriers for which approval had already been received from the National Physical Laboratory, and the final designs were being discussed with the Railways. However, this was not done, and DDA chose to install temporary noise barriers along the railway track.

Further, DDA chose not to conduct a test of the material used for noise barrier from an independent third party quality assurance agency, and relied upon the test report of the manufacturers. Since we are not aware of the measures, if any, taken by the Railways during CWG-2010 to mitigate the noise of railway traffic alongside the Games, we could not verify the efficacy of the noise barriers constructed on the railway side.

20.3.2.2 Noise barriers erected along the flyover on NH-24

The contract to erect noise barriers along the flyover on NH-24 was awarded to Construction Catalyser Pvt. Ltd. in May 2010 for Rs. 3 crore. The contract specified the physical characteristics of the plexiglass noise barrier that was to be installed. We observed that the samples sent for testing to the third party laboratory (Shriram Institute for Industrial Research) failed to meet the desired criteria subsequently. Interestingly, although the samples were sent in June 2010, the report was received from the laboratory only on 29 October 2010, well after the conclusion of CWG-2010; this effectively eliminated all chances of taking corrective measures in a timely manner.



Noise barrier on NH-24

20.4 Appointment of Financial Consultant for the Games Village Project

In June 2006, DDA awarded a contract for Rs. 4.73 crore for financial consultancy for the Games Village Project to a consortium led by Pricewaterhouse Coopers Pvt. Ltd.(PWC) with James La Salle Property Consultants Pvt. (I) Ltd. (international expert).

The scope of work of the financial consultant included advice on development options for the Games village on a Public Private Partnership (PPP) mode or any other appropriate mode involving development through auction of plots for developing hotel/service apartment, and the possibility of private participation in development of Games Village /competition venues. Since the last two options were not pursued, a note was put up to the High Powered Committee (HPC) of DDA in September 2008 for foreclosure of the consultancy as per the agreement, for works no longer required to be undertaken by the financial consultant and restricting the consultancy fee on pro rata basis. In addition, it was also indicated that the key personnel promised by the consultant were either not deployed or replaced without prior permission of DDA, as required.

We found that the HPC, instead of restricting the payments to be made to the financial consultant, avoided taking a decision and noted that “a view has to be taken for reducing the scope of work as per the agreement and only those issues which are relevant for taking services of PWC should be worked out. Director CWG would work out the proposal in consultation with the SEs.” We could not ascertain the follow up action, if any, in this regard either by the designated officers or by the HPC. Ultimately the financial consultant was paid Rs. 4.02 crore, which included payment for services actually not rendered.

20.5 Residential Complex

20.5.1 Decision on construction of flats in PPP mode

In the bid document of May 2003, the cost of constructing the athletes village was estimated at USD 163.83 million (Rs.753.62 crore)⁵, of which USD 106 million (Rs. 487.60 crore) were expected to be recovered from sale of 2-3 bedroom apartments built to accommodate the participants.

In August 2003, the then LG, Delhi, Shri Vijai Kapoor strongly recommended designing the Games Village with legacy use as hostels for various colleges, which would address a major deficiency in the existing educational infrastructure of Delhi. However, in March 2005, the GoM, decided that the option of constructing hostels was not feasible, mainly due to post Games maintenance difficulties. In January 2006, after considering the three funding models i.e.

- private participation through auctioning plots for building hotels/service apartment/guest house;
- building Games village entirely through Government funding; and
- Public private participation (PPP) in development of hotels and residential apartments,

GoM decided to develop the Games Village through the PPP route.

20.5.2 Process of tender and award

In December 2006, the RFQ was issued and 15 agencies applied for pre-qualification,

⁵ Converted at 1USD = Rs.46

out of which 11 agencies⁶ were prequalified. These included leading names such as DLF Ltd., Shapoorji Pallonji & Company Ltd., L&T, Parsvanath, Ansal and Unitech, besides the winning Emaar MGF consortium.

The RFP was uploaded on the DDA website and the pre-qualified agencies were informed on 9 May 2007. The main conditions of the RFP were:

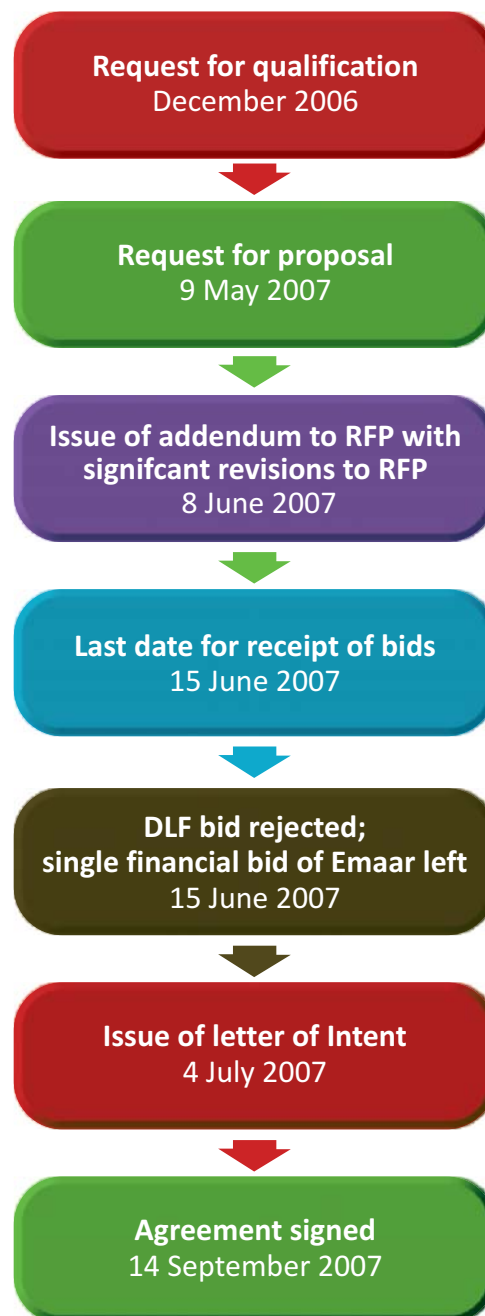
- developing residential apartments on a plot of 11 hectare;
- Floor Area Ratio⁷ (FAR) of 200 percent;
- 50 percent of the FAR achieved to be DDA's share;
- a Biddable upfront fee at a minimum of Rs. 300 crore; and
- Bank Guarantee of Rs. 500 crore.

Since no response was received by 1 June 2007, the bid conditions were revised through an addendum issued on 8 June 2007 and the last day for submission of bid was refixed as 15 June 2007. Only two responses were received. DLF's conditional bid was rejected, leaving a single financial bid from Emaar MGF Constructions Pvt. Ltd. for Rs 321 crore. The Lol was issued on 4 July 2007 and the contract signed on 14 September 2007. The sequence of events is pictorially depicted in figure 20.2.

⁶ Consortium of Emaar Properties PJSC, Dubai, DLF Ltd., Omax Ltd., Nagarjuna Construction Company Ltd., Shapoorji Pallonji & Company Ltd., Larsen and Toubro Ltd., Parsvanath Developers Ltd., Ansal Properties and Infrastructure Ltd., Consortium of CSC-HK-Soma Enterprises, Consortium of Namkwang-SPSL-PDI-CMCL, and Consortium of Unitech-IL&FS-PSDA-FCL

⁷ Floor Area ratio indicates the ratio of the size of the plot and the floor area of the construction.

Figure 20.2 — Sequence of tendering process for selection of Developer



20.5.3 Undue favour shown to Emaar MGF in pre-qualification (PQ) and technical qualification

As per the RFQ, existing incorporated entities could apply either individually or as a consortium. While an un-incorporated

consortium could apply on the basis of an MoU, which would also identify a lead partner holding not less than 26 per cent equity shareholding and voting rights, a separate incorporated entity was to be formed before bidding, on the same pattern of shareholding as indicated in the MoU.

The critical PQ requirements were:

- i. Experience of three years of residential facility/property development;
- ii. Minimum average annual turnover of Rs. 200 crore over the last three years; and
- iii. Net worth of Rs. 100 crore on the last day of the latest financial year.

In case of a consortium, the lead member was to fulfil conditions (i) and (ii); and all members holding more than or equal to 26 percent of shareholding had to fulfil condition (iii).

Incidentally, the Guidelines for PPP on Request for Qualifications of the Government of India do not stipulate the formation of an incorporated entity before award of the contract, but merely require the submission of a binding Joint Bidding Agreement by the consortium partners, undertaking to constitute a Special Purpose Vehicle for entering into the PPP concession agreement. The RFQ floated by DDA, however, required a separate incorporated entity to be formed (with the same shareholding pattern as indicated in the MoU submitted in response to the RFQ) before submission of bids.

We found a series of misrepresentations and accommodations at the RFQ and RFP stages that resulted in Emaar MGF Constructions Pvt. Ltd, an existing company at the RFQ stage but not qualified on any of the three conditions, to emerge as a successful bidder through the consortium route. Emaar Properties PJSC, presented at the RFQ stage as the lead partner with the requisite experience, turnover and net worth, faded behind layers of subsidiaries, effectively making a mockery of the premise that it would bring the necessary experience and financial strength, directly to the consortium led special purpose company.

An un-incorporated consortium with Emaar Properties PJSC, Dubai, Emaar MGF Land Pvt. Ltd., MGF Developments Ltd., and Discovery Estates Pvt. Ltd. applied at the RFQ stage on the basis of an MoU that projected Emaar Properties PJSC, Dubai as the lead member that would hold 26 percent shareholding in the Special Purpose Company (SPC) to be set up before making a bid at the RFP stage (the other members of the consortium holding 25 percent, 25 percent and 24 percent shareholding, respectively). This is pictorially depicted in figure 20.3 of the four consortium members, only the lead member fulfilled the pre-qualification criteria, and on its strength the consortium was shortlisted, along with 10 other agencies.

Figure 20.3 — RFQ stage (Shareholding as indicated in the MoU)



In response to the RFP, two bids were received i.e. from Emaar MGF Construction Pvt. Ltd., the SPC for the consortium led by Emaar Properties PJSC, Dubai and DLF Ltd; both the bids were conditional and to that extent deficient.

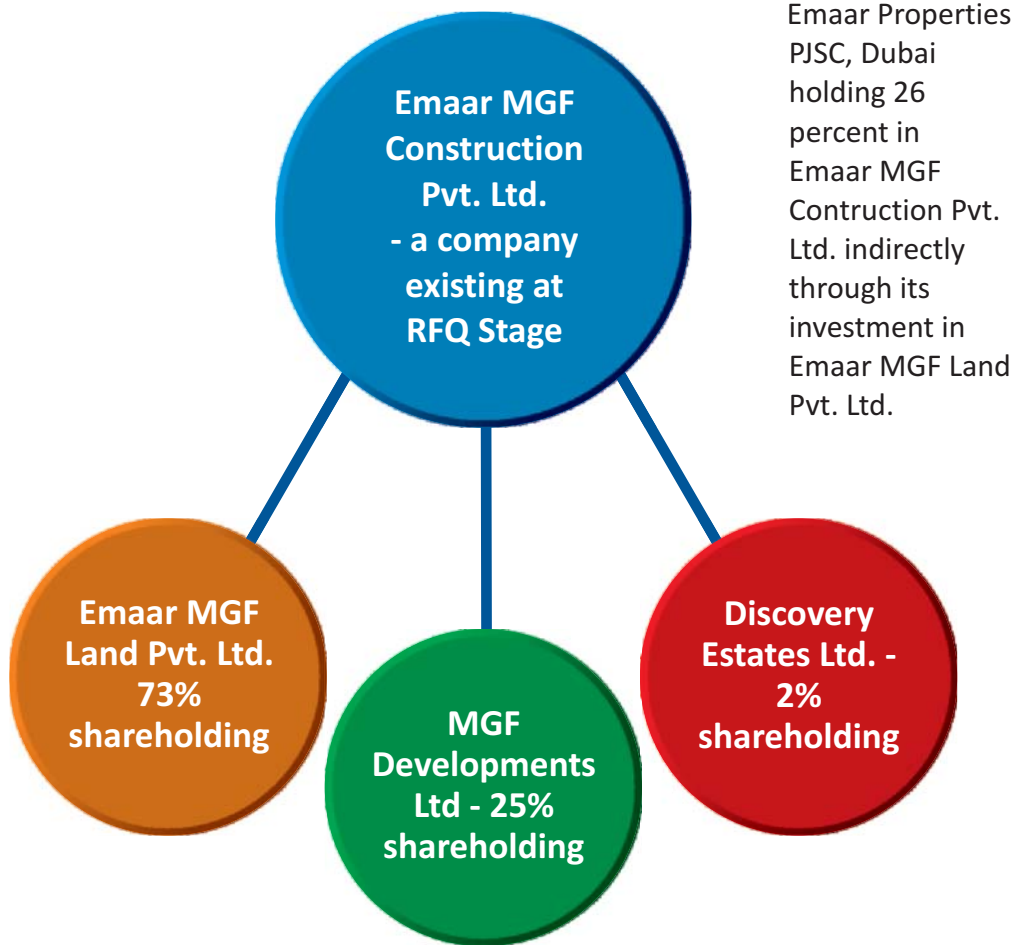
We found that DDA's Evaluation Committee for technical proposal⁸, which first considered the two technical proposal on 15 June 2007, summarily rejected the proposal of DLF Ltd., but chose to engage in a series of correspondence with its financial consultants/chief legal advisor/ legal agencies and Emaar MGF Construction Pvt. Ltd to find solutions to address the deficiencies in the technical proposal of Emaar MGF. Finally, on 28 June 2007, Emaar MGF Construction Pvt. Ltd. was declared technically qualified for opening the financial bid on the strength of an undertaking, rather than actual compliance with the terms of the RFP and RFQ.

Thus, by accepting the conditional proposal of Emaar MGF Construction Pvt. Ltd. while rejecting the bid of DLF Ltd, the technical evaluation committee effectively eliminated financial competition, with the approval of VC, DDA.

Emaar MGF Construction Pvt. Ltd. was a company existing at the RFQ stage; but ineligible on the three PQ criteria in its individual capacity. Further, Emaar Properties PJSC, Dubai did not directly hold 26 percent interest in this company; instead, 73 per cent was held by Emaar MGF Land Pvt. Ltd. (as depicted in figure 20.4) - again a company which could not qualify as the lead partner on the PQ criteria. It was indicated that Emaar Properties Dubai indirectly held 26 per cent share in the SPC through its shareholding in Emaar MGF Land Pvt. Ltd. This was not as per the PQ criteria which required a **direct investment** of at least 26 per cent by the lead partner.

⁸ Finance Member (in Chair), Engineer Member, Principal Commissioner, Commissioner (Planning), Commissioner (LD), Chief Architect, Chief Legal Advisor, Financial Advisor and Chief Engineer (SEZ).

Figure 20.4 – Shareholding pattern at RFP stage – Emaar Properties PJSC, Dubai – the lead member, did not hold 26 percent shareholding directly



The technical proposals were opened on 15 June 2007 and between 15 and 27 June 2007, there were a series of communications between the Evaluation Committee, financial consultant, chief legal advisor of DDA, two other legal agencies – Amarchand Mangaldas and Shri Gaurav Sarin - and Emaar MGF Constructions Pvt. Ltd. (but not directly with Emaar Properties PJSC, Dubai, the lead member) regarding the deficiencies with regard to:

- SPC being an existing company on the RFQ date;
- change in the shareholding pattern of the SPC as compared with that indicated in MoU; and
- absence of 26 percent direct shareholding of the lead member (Emaar Properties PJSC, Dubai) in the SPC.

The chronology of events between 15 and 28 June 2007 are given in Table 20.1.

Table 20.1 — Chronology of events between 15 and 28 June 2007

Date	Events/ Remarks
15 June 2007	<ul style="list-style-type: none"> ■ Two bids were received from DLF Ltd. and Emaar Consortium. ■ The Evaluation Committee, as per the minutes of the meeting, outrightly rejected the proposal of DLF Ltd., which was approved by the VC. However, we found no evidence of communication to DLF Ltd. at this stage. Emaar Consortium was asked to make a technical presentation. ■ Letter from a pre-qualified vendor, CMCL, regarding insufficient time after amendments to terms and conditions of RFP.
19 June 2007	<ul style="list-style-type: none"> ■ CE (SEZ), DDA asked Emaar Consortium for clarifications in respect of fulfilment of conditions of RFP clause. ■ Emaar MGF Construction Pvt. Ltd. submitted clarifications on deviation from the RFQ proposal and RFQ/ RFP clauses, regarding the existing company (Emaar MG Construction Pvt. Ltd) being presented as the Special Purpose Company.
20 June 2007	<ul style="list-style-type: none"> ■ DDA asked Emaar Consortium regarding variation in shareholding pattern from that depicted in the MoU submitted at the RFQ stage.
21 June 2007	<ul style="list-style-type: none"> ■ Emaar MGF Construction Pvt. Ltd. submitted a clarification regarding indirect shareholding of Emaar PJSC, Dubai in the SPC. ■ DDA asked its financial consultant, PWC, for its opinion on the letters from Emaar MGF Construction Pvt. Ltd.
22 June 2007	<ul style="list-style-type: none"> ■ Emaar MGF Construction Ltd. wrote to DDA, indicating that as per Press Note 2 (2005) of Ministry of Commerce and Industry, Foreign Direct Investment (FDI) in townships could take place only after award of the project.
23 June 2007	<ul style="list-style-type: none"> ■ DDA, through PWC, sought the opinion of Amarchand Mangaldas regarding 26 per cent direct equity of Emaar Properties PJSC, Dubai in the SPC, in view of Press Note 2 (2005). ■ Amarchand Mangaldas gave their opinions on Emaar MGF Construction Ltd.'s letters of 19, 20 and 21 June 2007, regarding a valid and binding undertaking from Emaar Properties PJSC for 26 per cent direct investment in the SPC.
25 June 2007	<ul style="list-style-type: none"> ■ CE (SEZ) submitted a note to the Chairman, HPC of DDA seeking extension of the deadlines, <i>“since the proposals from the two bidders for the project are still under scrutiny”</i>. We could, not, however, verify action taken, if any, on this note.

Date	Events/ Remarks
26 June 2007	<ul style="list-style-type: none"> ■ CE (SEZ) wrote to Chief Legal Advisor, DDA seeking his advice on the matter. ■ DDA wrote, through PWC, to Amarchand Mangaldas for their advice on the format of the undertaking from Emaar MGF Construction Pvt. Ltd. (and not from Emaar Properties PJSC, Dubai). ■ Amarchand Mangaldas wrote two letters dated 26 June 2007 (with the same reference no. 4857) to DDA, indicating the format of an undertaking from Emaar MGF Construction Pvt. Ltd. that Emaar Properties PJSC, Dubai would invest in the SPC; this was different from their advice of 23 June 2007 regarding an undertaking from Emaar Properties PJSC, Dubai. One letter had three clauses, while the other letter had four clauses. The fourth clause suggested removal of the term “direct” before the term “shareholding”, in view of Emaar MGF Construction Pvt. Ltd.'s letter of 21 June 2007 confirming that Emaar Properties PJSC Ltd. would exercise 26 per cent voting rights in the SPC. It also indicated that although Emaar Properties PJSC may route the investment through one of its investing companies of the Emaar Group, the relevant investment company must clearly state that it was making the investment for the benefit of Emaar Properties PJSC, and this declaration would have to be filed with the Registrar of Companies. Incidentally, the signatures of the partner of Amarchand Mangaldas, Piyush Joshi, on the letters of 26 June 2007 differ from that of 23 June 2007. ■ DDA's Chief Legal Advisor sought the advice of Shri Gaurav Sarin, Standing Counsel on the undertaking, as well as on “direct investment” by Emaar Properties PJSC, Dubai. ■ Emaar MGF Construction Pvt. Ltd. submitted an undertaking that Emaar Properties PJSC shall directly own 26 per cent of the equity of Emaar MGF Construction Pvt. Ltd. within six months from the date of Lol.
27 June 2007	<ul style="list-style-type: none"> ■ Shri Gaurav Sarin wrote to DDA, indicating that permitting indirect shareholding of the lead member would amount to deviation from the requirements of the RFP documents. Further, Shri Sarin indicated that Emaar MGF Construction Pvt. Ltd had indicated the inability of the lead member (Emaar Properties PJSC, Dubai) to give the undertaking, but had expressed its willingness to give an undertaking (that Emaar Properties PJSC, Dubai would make the necessary investment). Shri Sarin indicated that the undertaking given by the bidding company should be forwarded by DDA to the lead member (Emaar Properties PJSC, Dubai) and their confirmation/ acceptance sought, such confirmation

Date	Events/ Remarks
	<p>amounting to ratification of the undertaking by the lead member. However, Emaar MGF Construction Pvt. Ltd. had already submitted its undertaking on 26 June 2007.</p> <ul style="list-style-type: none"> ■ The Evaluation Committee, as per the minutes of the meeting, decided to recommend Emaar MGF Construction Pvt. Ltd as technically qualified for opening of the financial bid, and the bid of DLF to be returned. VC's approval for the proposal was sought.
28 June 2007	<ul style="list-style-type: none"> ■ VC approved the proposal for technical qualification of Emaar MGF and disqualification of DLF. ■ Emaar MGF was informed of its being technically qualified, while DLF was informed of its being technically disqualified and its bid was returned.

The sequence of events clearly indicates that the Evaluation Committee gave a series of relaxations to Emaar MGF Constructions Pvt. Ltd. right from the RFQ stage till it finally emerged as the sole financial bidder for the project. In contrast, DLF's conditional bid was summarily rejected without any interaction or negotiation with the applicant.

Table 20.2 – Summary of deficiencies in bids of Emaar-MGF Constructions Pvt. Ltd. and DLF Ltd.

Emaar-MGF Constructions Pvt. Ltd.	DLF Ltd.
<ul style="list-style-type: none"> ■ The lead member (Emaar Properties PJSC, Dubai) did not hold the stipulated 26 per cent direct shareholding in the SPC (Emaar-MGF Constructions Pvt. Ltd).⁹ ■ The shareholding pattern of the SPC was different from that indicated in the MoU submitted at the RFQ stage. 	<p>DLF did not submit a technical proposal (for which it requested additional time till 6 July 2007), and only submitted a financial bid.</p> <p>DLF stipulated the following conditions with its bid:</p> <ul style="list-style-type: none"> ■ An assurance from DDA to obtain all requisite approvals within three months from the signing of the project development agreement. ■ Increase in bidders' share of residential apartments from 2/3rd to 80 per cent.¹⁰

⁹ Despite the undertaking for direct shareholding of Emaar Properties PJSC, Dubai within 6 months of LoI, this condition of direct shareholding was never fulfilled.

¹⁰ The pattern of bidders' share of residential apartments was subsequently changed by DDA through the May 2009 bailout package, where it agreed to buy 333 apartments @ Rs. 11000/ sq. feet from the developer's share.

Emaar-MGF Constructions Pvt. Ltd.	DLF Ltd.
<ul style="list-style-type: none"> The SPC (Emaar-MGF Constructions Pvt. Ltd) was an existing company at the RFQ stage, which was not in line with the RFQ criteria. 	<ul style="list-style-type: none"> Permission to deposit balance bid upfront amount (excluding the EMD) and the first instalment of performance security of Rs. 100 crore only after obtaining approvals from statutory authorities. Minimum technical specifications of the proposed project work should be at the discretion of DLF Ltd. Performance security to be correspondingly reduced on attainment of milestones. Allocation of at least a clear 28 months for project execution from obtaining of requisite approvals.

- The technical qualification of the Emaar-MGF bid was not in conformity with the terms of the RFQ and RFP. The repeated pleas of Emaar-MGF Construction Pvt. Ltd for various dispensations only serve to confirm such non-compliance at the time of bidding.
- Emaar-MGF's plea regarding the restrictions of Press Note 2 (2005) on FDI before project award is to be considered in the context of DDA's RFQ making an incorporated entity with the specified shareholding (as per the MoU) mandatory before bidding. Emaar-MGF's plea would be applicable for all consortia with foreign partnership. The possibility of other foreign consortia being discouraged from bidding due to this criterion cannot be ruled out.
- Even the undertaking for direct investment was given not by the lead member (Emaar Properties PJSC Ltd.) but by the SPC itself (Emaar MGF Construction Pvt. Ltd.), committing that Emaar Properties PJSC would, in future, have a 26 per cent shareholding in it;

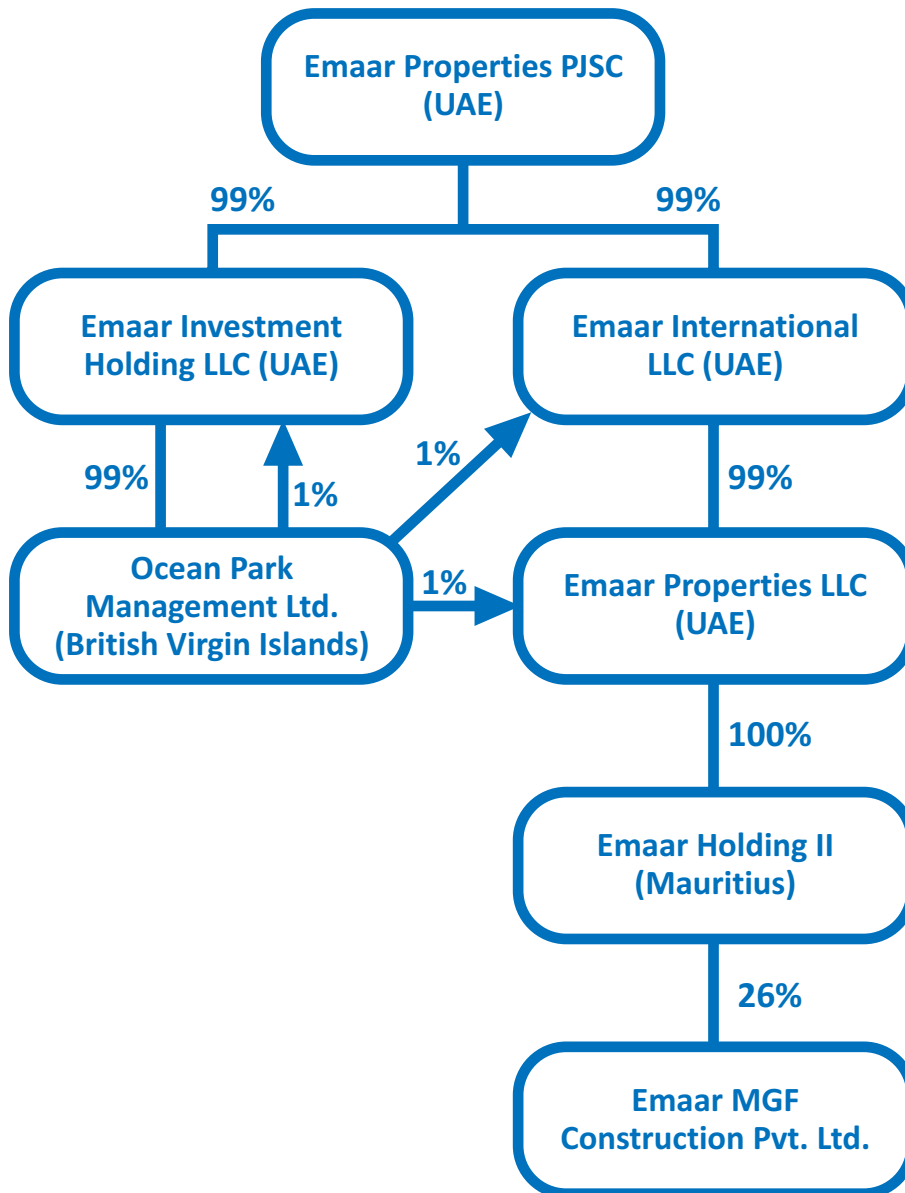
this does not prima facie appear to make sense to us. Further, we have no evidence to verify whether Shri Gaurav Sarin's advice that this undertaking should be sent to the lead member for confirmation/ ratification was carried out or not.

- The need for obtaining a multiplicity of legal opinions from different agencies (Amarchand Mangaldass, Shri Gaurav Sarin, and the Chief Legal Adviser) only suggest an intention to obtain "favourable" advice, facilitating technical qualification of Emaar MGF Construction Pvt. Ltd.
- The undertaking from Emaar MGF Construction Pvt. Ltd. had a provision, stipulating forfeiture of upfront amount and performance guarantee and cancellation of contract in the event of its non-fulfilment (which was also included in the agreement) was largely meaningless. Given the paucity of time and the immoveability of deadlines, such a provision was not realistically operatable.

The undertaking by Emaar MGF Construction Pvt. Ltd was not complied with, and no penal action was initiated. Eventually, in April 2008, nine months after the issue of Lol and six months after the award of the work, it was clarified that **Emaar Properties PJSC, Dubai held 100**

percent shares, though indirectly, through various other subsidiaries in Emaar Holding II Mauritius, which in turn held 26 percent in the SPC. A pictorial depiction of the shareholding pattern of the SPC at execution stage is depicted in **figure 20.5.**

Figure 20.5 — 26 percent indirect shareholding of Emaar Properties PJSC as per clarification given in April 2008 (as intimated by DDA to us)



20.5.4 Short time allowed for bidding after addendum

The addendum to RFP issued on 8 June 2007, introduced significant changes to the bid conditions. The addendum was approved by VC, DDA who also recorded on file that LG, Delhi had been informed about the changes. The changes in the conditions brought in by the addendum are indicated below:

- DDA's share in the FAR reduced to one third from half;
- Bank Guarantee reduced from Rs 500 crore to Rs. 400 crore; and
- Penalty for delays in achieving milestones reduced from Rs. 15-50 lakh per day to Rs. 15-20 lakh per day, along with relaxation in quantum of work and time for the 1st and 2nd Milestone.
- The time allowed to bid was only 7 days. DDA stated it considered the number of days allowed enough for adjusting bids to these amendments. However, we found that two agencies indicated that the time allowed for bidding was insufficient
- The consortium of Namkwang-SPSL-PDI-CMCL lodged a complaint with DDA indicating that due to insufficient time, the consortium, despite being keenly interested, was unable to bid; and
- DLF Ltd, while submitting the financial proposal on the due date, requested for an extension of time for 21 days to submit its technical proposal.

It appears that the short period permitted for submitting bids acted as a deterrent to

competition. Strangely, of the 11 shortlisted parties, many of whom are established construction companies, only two responded on the last date of submission of bid. Moreover, the responsibility for obtaining statutory approvals was cast on the bidder, while DLF had sought assurance from DDA in this regard.

A PPP arrangement is predicated upon appropriate allocation of risks between the public and private parties. While, under normal circumstances, obtaining of statutory approvals could reasonably be termed as the responsibility of the private party, in this case, the critical issue relating to approvals was approval for the site itself, which is not in the hands of the developer. In our opinion, the clause mandating the responsibility of the developer for all approvals was unduly restrictive. Only those developers, who were confident of fullest efforts by DDA/ Gol to ensure necessary approvals for the site (consequently minimizing financial risks to the developer), would have been active and enthusiastic about submitting bids for the project.

Finally, only one financial bid was opened and accepted, effectively denying DDA the benefit of competitive tension that would have ensured that it secured the maximum upfront amount.

20.5.5 The bailout package

In December 2008/February 2009, Emaar MGF requested DDA for financial assistance, on account of slow down in the real estate sector and its inability to raise resources. In May 2009, DDA extended a bailout package worth Rs 766.89 crore in the form of procurement of 333 apartments at the rate of Rs. 11000 / per sq ft plinth area on the ground that the project was of national prestige and was to be completed in time.

We had commented on the extra avoidable expenditure of Rs 89.94 crore on the bailout package in para 9.1 of the Report of the Comptroller and Auditor General of India, Union Government (Civil) Autonomous Bodies No. 23 of 2009-10.

In our view, the need to extend a bailout package arose primarily, as neither the financial arrangement nor the terms and conditions of the contract took into consideration the overriding and inflexible need to ensure completion of the project prior to the CWG-2010. The progress of work on the ground had already been allowed to drift with the project achieving only the 2nd Milestone by December 2008, instead of the targeted 3rd Milestone. The rigidity of the timeline necessarily lent an opportunity to the project developer to force DDA's hand to agree to a bailout package, when faced with a situation of a fast approaching deadline. On the other hand, if the real estate sector had done better than anticipated, additional benefits would have accrued to the developer, while the downside would necessarily have to be borne by DDA/ Government.

20.5.6 FAR violation

We found that Emaar-MGF constructed FAR in excess of the sanctioned plan as well as the maximum permissible limits under the Master Plan of Delhi as indicated in the table 20.2 below:

Table 20.3 – FAR at different stages

Parameter	FAR achievable/achieved
As per agreement	201280 sqm
As per sanctioned plan	205140 sqm
Maximum permissible under the Master Plan for Delhi-2021	220005 sqm
Completion plan	231000 sqm

We also found that Emaar MGF failed to notify DDA, as per the building by-laws, of the completion of work upto plinth level to enable DDA to confirm that it was in accordance with the sanctioned plan.

All construction in excess of the FAR permissible under the Master Plan of Delhi is unauthorised.

In case the FAR as constructed in excess of the sanctioned plan, but within the Master Plan limits, is regularised by following due process, DDA should secure its one third share in it and the proportionate increase in upfront money as contracted, as it should do for FAR achieved in excess of the agreement as well (action on which was still pending as of January 2011). However, the FAR constructed by the Developer is in excess of that permitted under the MPD -2021, valued at Rs. 130.17 crore @ Rs 11000 /sqft and it amounts to an undue benefit to the Developer, unless DDA decides to impound or demolish it.

20.5.7 Illegal construction

In addition to the FAR violation, Emaar MGF illegally constructed 17 dwelling units in the basement meant for parking and not included in the FAR. We found that the developer started building these units after the submission of the completion plan in June 2010. DDA noticed this ongoing illegal construction in July 2010, but could not enforce its notice to Emaar MGF to cease/demolish such construction. Currently, the Appellate Tribunal for MCD has ordered DDA to take appropriate action according to law, after disposal of the application for regularisation.

20.5.8 Other post award concessions allowed to the developer

We found that DDA allowed several financial concessions to the developer during the execution of the project.

20.5.8.1 Revision of milestones:

The developer could achieve only the 6th and 7th Milestone (of the total 9 milestones) as per the original schedule. Liquidated Damages were leviable for delays in achieving of 1st to 5th Milestone and thereafter for the 8th and 9th Milestones. However, the HPC extended the dates for the 1st to 4th Milestone, but the developer could still not achieve the revised 4th and the unrevised 5th Milestone.

We found that Rs. 81.85 crore liquidated damages refundable on the achievement of the 6th Milestone, were not recovered from the developer resulting in an undue benefit of Rs. 7.36 crore¹¹ toward interest costs.

¹¹ Calculated at the rate of 10 percent per annum; the rate at which mobilisation advance is given under CPWD manual

Further, non-achievement of 8th and 9th milestone attracted a non-refundable liquidated damages of Rs.106.9 crore, of which DDA recovered Rs 90 crore in October 2010, by invoking the Bank Guarantee of Rs. 183 crore at the direction of Ministry of Urban Development, Gol. DDA, in its reply, has assured that it would recover interest on the liquidated damages for delays in achieving 2nd, 4th and 5th milestone and the claim for remaining liquidated damages of Rs. 16.90 crore for non achievement of 8th and 9th milestones had been raised.

20.5.8.2 Refund of bank guarantee

Bank Guarantee of Rs. 100 crore was released in October 2009 after delayed achievement of 4th Milestone, without deducting any Liquidated Damages as envisaged under the agreement.

20.5.8.3 Non - recovery of infrastructure charges

DDA failed to recover infrastructure charges from the developer in respect of its share of the cost of the Water Treatment Plant and Sewage Treatment Plant created by DJB and demanded from DDA; this is detailed in paragraph 21.4.

20.5.8.4 Expenditure on installation of signages

The contract with the developer included installation of signages to be decided by the monitoring committee in consultation with the OC. However, we found that a separate contract for installing signages in the residential complex was also given by DDA to Meroform India Pvt. Ltd. for Rs. 0.11 crore without any corresponding recovery from the developer.

20.5.9 Quality of construction

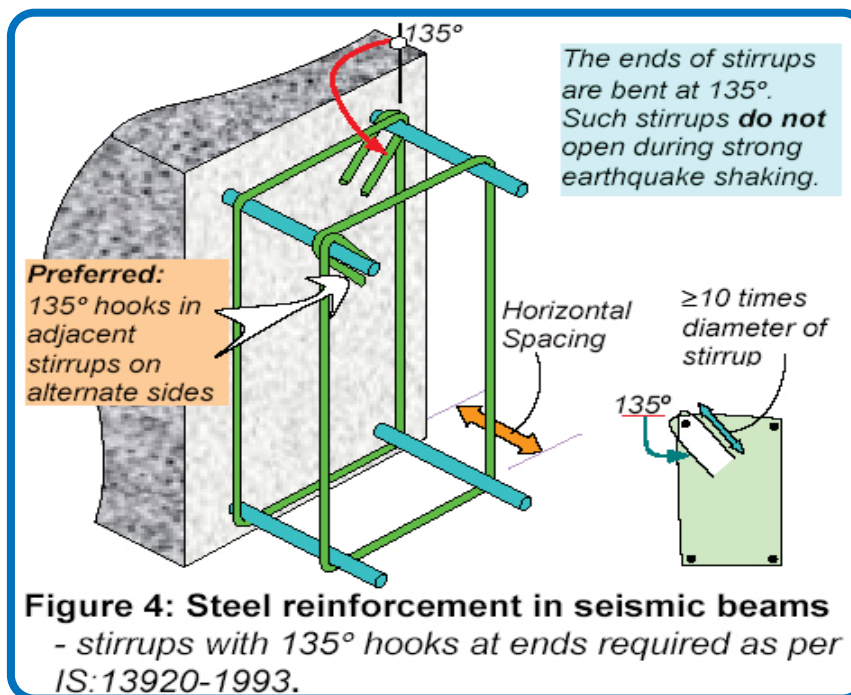
Emaar MGF awarded most of the construction work for the residential complex to Ahluwalia Contracts (India) Ltd. Central Building Research Institute, Roorkee (CBRI) was appointed as the Third Party Independent Quality Inspection Agency only in May 2008, eight months after the start of work, by which time most of the foundation work had been executed. As such CBRI was unable to assure the quality of the foundation laid. In our opinion, this is a serious lacuna considering the site location and the height of the structure.

CBRI submitted thirteen Reports between June 2008 and October 2010 based on its inspection of the construction in which it reported serious lapses in construction work. Some of the major deficiencies reported by CBRI are summarised below. All photographs in this section are from CBRI's reports, except where indicated otherwise.

20.5.9.1 Deficiencies in ductile detailing of secondary reinforcement (providing appropriate hooks for the stirrups and lateral ties)

Ductile detailing is an arrangement of secondary reinforcing steel in the beams and columns in the forms of stirrups and lateral ties respectively. Proper spacing of these items and bending of their hooks is mandatory, so that the main reinforcing bars will remain intact, and immediate damage to the structure is avoided in the event of earthquake.

Deficiencies in ductile detailing were reported in CBRI's Report Nos. 1 and 2. Despite some corrective action taken in the initial stages, the deficiencies persisted as reported in CBRI's Report Nos. 4 and 10. Some pictures of the execution of ductile detailing by Emaar MGF are shown below:



Diagrammatic representation of ductile detailing

The hooks may be bent as under and length of hook shall be measured from centre of the main bar to the tip of hook (as shown in figure). The ties in the column shall be provided as detailed herein.



Inadequate hook length and absence of 135° angle reported in CBRI Report No. 2



Concreting was in progress without bending reported in CBRI Report No. 4

20.5.9.2 Lack of Cover to Reinforcing Steel

Protection is provided to the reinforcing steel by properly covering the bars with concrete so that the reinforcing steel will not come in contact with oxygen, moisture, chlorides, and acidic environment, which may promote its corrosion.

Despite CBRI's repeated insistence to provide adequate cover to the reinforcing steel (as mentioned in Report Nos. 3, 9, and

10), no action was taken and negligence on the part of the contractor continued.

Chipping of the cover concrete, and cutting of secondary reinforcement was also observed by CBRI in the towers (Reference CBRI Report Nos. 9, 10, and 11). The reinforcement was totally exposed to the open environment due to chipping of cover.

Photographs given below indicate the damage to the construction on these counts.



All in one (Exposed Steel, Hole in Beam Column Junction, Insertion of Jute Bag) Tower 15 as reported in CBRI Report No. 9



All in one (honey combing, seepage, corrosion, and jute bag) in Tower 7 as reported in CBRI Report No. 9



Exposure of Reinforcement Column cap
(Report No. 9 - Tower 20, 4th floor)



Reinforcement is seen in beam bottom
(Report No. 9-Tower 23 - 6th Floor)



Chipping of beam (Report No. 9-Tower 1)



Chipping and cutting of
reinforcing steel – Report No. 11

20.5.9.3 Improper Beam-Column Joints

The joint between the beam and column is a very important aspect from the structural engineering point of view. The column and the beam can be strong and be able to carry more load, but if the joint between these structural elements is weak, it may endanger the safety of the structure both in normal and seismic conditions.

CBRI had pointed on several occasions (Reference Report Nos. 2, 3, 4, 6, 9 and 12) improper detailing of these joints. However, DDA did not take any serious note of CBRI's findings and did not take action against the contractor. CBRI also indicated (Reference Report 6) that improper detailing of joints might be dangerous in the event of an earthquake. Some pictures of the execution of improper detailing are shown as overleaf:



Main bars of the beams located outside the vertical bars of the column - Report No. 3



Half the width of the beam is outside the column - Report No. 3



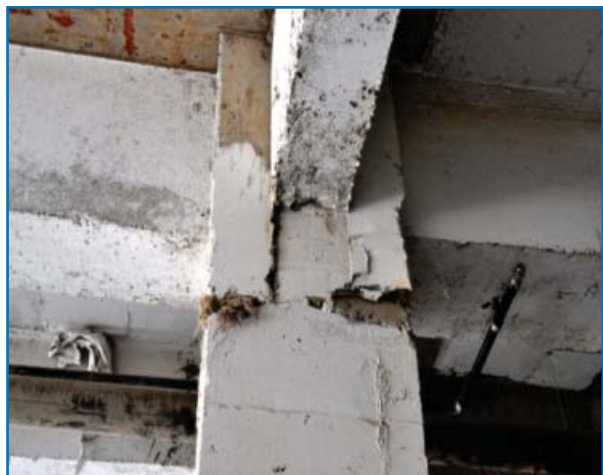
Chidiya Ghar in Beam-Column Joint (- Report No. 9 -Tower-5)



Exposed bars in the joint (- Report No. 9-Tower-6)



Plastic Bag in Beam and Shear Wall Joint (- Report No. 9-Tower-15)



Absence of monolithic construction, presence of gunny bags (Basement) - Report No. 12

20.5.9.4 Improper Alignment of Columns

Perfect vertical alignment of columns is most important in multi-storied buildings. Any misalignment produces geometrical eccentricity in the columns and, in turn, produces additional moments (additional loads) on the columns.

CBRI pointed out (Report No. 3) that many columns in the basement floors of Towers 3, 4 and 5 were out of plumb and some of them were tapered (the width decreased from 300 to 230 mm). This situation poses a serious problem in the event of an earthquake as the construction site is located in Seismic Zone-IV, that too on alluvial soil. CBRI reported the matter to

Emaar MGF, Ahluwalia Contracts (India) Limited and DDA with a request to ensure that no cosmetic treatment (plastering) be made, as it would be difficult to identify these columns at a later stage, when it was decided to repair and retrofit these columns. Nevertheless, all these columns had been plastered to cover up the deficiencies. CBRI Reports strongly recommended structural repair and retrofitting of these columns.

CBRI again pointed out (Report No. 9) that some of the columns had been raised by adopting jacketing and by using micro-concrete (cosmetic treatment). No action was taken by DDA on this finding also.



Tapered Column in the Basement of Tower-3 (Report No. 3)



Bent up Column in the Basement of Tower-3 (Report No. 3)



Tapered and Bent up Column in the Basement of Tower-3 (Report No. 3)



Column Out of Plumb in the Basement of Tower-3 (Report No. 3)



Plastering of defective column in Tower-5 (Report No. 3)



Another column in Tower-5 after cosmetic treatment (Report No. 3)



Tower -10: Tapered column (LB) Report No. 9



Two in one: Tilt of the column and lack of cover for the reinforcing steel (Tower-34, Upper Basement) Report No. 9

20.5.9.5 Water-Proofing Treatment in Retaining Walls and Grade Slab

Waterproofing is important in the construction of RC structures, as it helps to prevent the ingress of moisture into the concrete (which would promote the corrosion of reinforcing steel and deterioration of concrete, hence reducing its service life).

CBRI (Report No. 2) suggested norms for water-proofing treatment, but indicated in their 10th report that the contractor did not follow their recommendations.

20.5.9.6 Difference in the Levels of Grade Slabs

According to CBRI Report No. 10, there was a clear difference in the levels of grade slabs of the tower area and the non-tower area. No concreting and no waterproofing treatment had been undertaken to cover the vertical surface of the soil. The area was later filled up (in buried under soil). CBRI had already pointed out (November 2009- Report No. 10) that water might percolate in the basement area, as the water table rises in the rainy season. Subsequently, CBRI reported (July 2010, Report No. 12) that the basements were flooded with rainwater and there were seepages and leakage from the joints. The leakage and seepage was noticed even in January 2011 by us in a joint inspection (the photographic evidence collected by us is given below).



Photograph of the basement taken by audit in January 2011

Incidentally DDA did not obtain provisional certificates from CBRI for major milestones, as envisaged under the contract.

20.5.9.7 Shortened life of Towers

CBRI, in its report of July 2009, concluded that “On seeing the permeability of the concrete and the corrosion of reinforcing steel, it gives an impression that the service life of these towers can not be more than 20 years. These towers demand a lot more expenditure for the repair and retrofitting beyond this period”. Clearly, the safety, serviceability and durability of the residential complex was jeopardized due to negligence of both the contractor/developer and failure on the part of DDA to initiate action on the serious lapses pointed out by CBRI.

DDA replied (February 2011) that quality control was a continuous process and that observations in one report were attended and action taken reports were submitted in the subsequent reports; the process had

been duly followed. The reply is not tenable, as CBRI was continually pointing out deficiencies (as summarised above) in its subsequent reports, which indicated that no serious efforts were made.

20.5.10 Unfinished Games Village

Emaar MGF was to hand over the completed project (including landscaping work) on 1 April 2010, in a ready to use/liveable condition, with no pending construction unfinished work, construction equipment debris, construction material etc on the site. The project could not be completed even at the time of CWG-2010¹² and the towers were handed over to DDA between June and August 2010 for furnishing of the flats by ITDC and OC. These flats were not completed/finished and numerous defects were noticed by DDA. These deficiencies are in addition to the various structural issues pointed out by CBRI in its report. The main defects noticed by DDA summarised below:

¹² DDA has informed us that the date of completion has now been noted as 13 December 2010

- Undulating basement floor and absence of flooring (which was hidden under debris);
- Heavy leakage of ground water in all the lift pits (73 in number) indicating that no water treatment had been done in the lift pits;
- Defective water proofing of terrace, resulting in seepage in apartments;
- Improper slope of floor in bathrooms;
- Shafts not covered, leading to collection of water in basements;
- Supply of single phase power in some apartments;
- Improper coverage of expansion joints;
- Gunny bags embedded in concrete surfaces in the basement;
- Chokages in the drain pipes; and
- Landscaping not completed and no arrangement of water for the landscaped area.

Some of these deficiencies were attended to, in an emergent situation, by DDA and agencies of GNCTD (we are unable to determine the amount spent by these agencies on this activity separately). Major construction defects remained unattended during CWG-2010. Till date we do not have any record to indicate that these defects were subsequently rectified by the developer, nor do we have any evidence that monetary adjustments have been made.

Due to the unfinished condition of the residential complex, the OC made alternate arrangements for the accommodation of the delegations of 41 countries that were entitled to stay at the Games Village during

its soft opening during the period 16 to 29 September 2010, at a cost of Rs.0.84 crore.

An additional expenditure of Rs. 4.16 crore was also incurred for shifting the polyclinic, dope control centre and resident centre from its originally identified location in the lower ground floor to a temporary structure (overlay) due to likelihood of flooding; sewerage and drainage problem; circuitous approach and low height of ramp which hindered entrance of ambulances.

20.6 Non-residential Permanent Structure – Practice Area

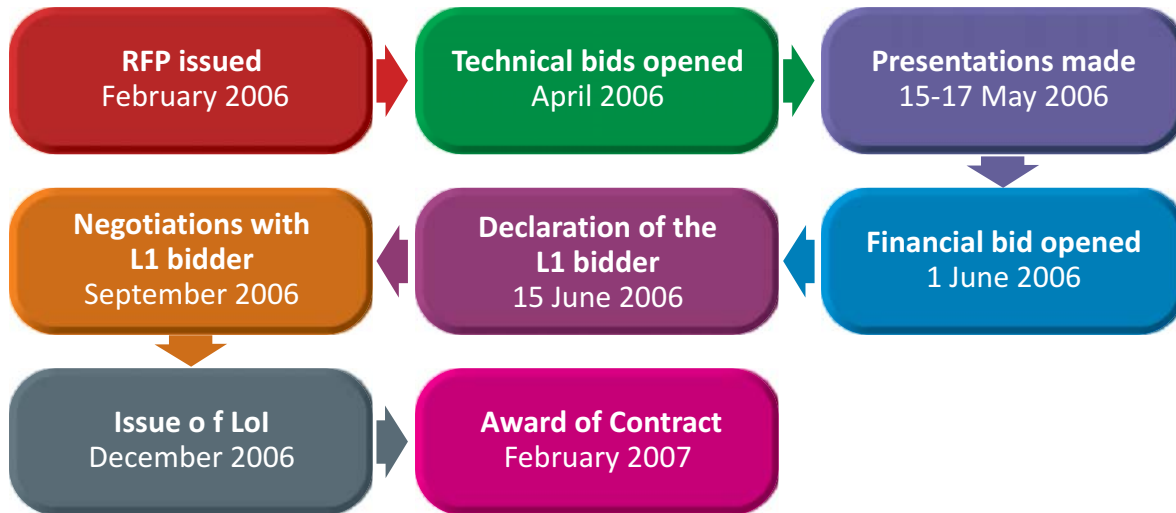
20.6.1 Introduction

The Games Village was to have sports practice and training facilities for weight lifting, wrestling, swimming, and athletics, as well as a fitness centre. These works were undertaken at a cost of Rs. 284.45 crore. The main consultant for these works was Suresh Goyal & Associates in consortium with Decathlon SA and Shri Daryl Jackson(SGA); the developers were Sportina Payce Infrastructure Pvt. Ltd. and SAM India Pvt. Ltd.

20.6.2 Selection of Suresh Goyal and Associates as Design Consultant

In February 2006, an RFP for engaging a consultant for designing the Games Village. Of the 12 bids received, 5 were shortlisted based on presentations and the contract was awarded to the agency that scored highest on the basis of a techno-commercial evaluation in February 2007. The chronology of events depicted in Figure 20.6.

Figure 20.6 — Chronology of events resulting in selection of Design Consultants



We found that despite SGA being declared the L1 bidder in June 2006, the issue of letter of intent was delayed by six months. During this time, the HPC entered into a rate negotiation with the L1 bidder; (the L1 bidder had quoted Rs 17.25 crore which was reduced to Rs. 15.65 crore) and thereafter took another three months to issue the LoI. Such inexplicable delays post tendering are not only detrimental to timelines, but also indicate lack of transparency.

Further, SGA's high score on technical evaluation was primarily due to the inclusion of Decathlon SA (with experience of Athens Olympics) as the master planner and sports architecture specialist, in its consortium and Rs. 6.10 crore of the consultants' fee was justified on the grounds of its engaging international expertise.

Subsequently, Decathlon SA was not associated with the execution of the contract, thus vitiating the very premise on which SGA was selected. In November 2007, Decathlon SA informed DDA that

despite being a member of the consortium, it had not been associated with the project due to an unresolved dispute with Suresh Goel & Associates on the scope of work and associated fees. Subsequently, as late as May 2008, Suresh Goel & Associates informed DDA that the contract deliverables till date had been submitted without the association of Decathlon SA and sought an ex-post facto approval of replacement of Decathlon's staff with certain staff which it had already engaged. This was contrary to the agreed terms, which required any replacement of the staff only with prior consent of DDA.

Further, in February 2008, HPC directed retaining 25 percent of the fee of SGA, but subsequently released the retained amount as well between May 2008 and October 2008, on the plea that work was suffering and also considering the overall work done by the design consultant.

Clearly, SGA was engaged as the design consultant on the premise that it would bring in international expertise, and accordingly its fees were also justified. However, no such benefits accrued to DDA due to the dispute with Decathlon SA, the master planner and sport architecture specialists with the requisite international experience. DDA was not even aware that SGA brought in relevant international expertise (comparable to Decathlon) at its own cost, and irregularly accorded ex post facto sanction for replacement of Decathlon's staff with Suresh Goel Associates' own staff and thereafter even released full payment.

20.6.3 Performance of Design Consultant

20.6.3.1 Deficiencies in preparation of designs, drawings, bill of quantities and estimates

The design consultant was responsible for preparation of designs, drawings, bill of quantities and estimates. Based on a test check of records, we found that several deviations of work/ extra items had to be undertaken due to deficiencies attributable to the design consultant e.g.

- Defective estimates (7 cases of Rs. 8.97 crore);
- Mismatch in original and working drawings and BOQs (one case of Rs. 0.43 crore);
- Estimates not prepared as per site requirement (5 cases of Rs. 5.41 crore);
- Slab of the underground reservoir not designed as per vehicular load (one case of Rs. 0.52 crore); and

- Deviation due to change of specification and scope of work (one case – Rs. 1.05 crore)

20.6.3.2 Reduction in scope of work

Design of the roof cover of swimming pool and overlay, which was included in the scope of work SGA was assigned to other agencies¹³, but the fee paid to SGA was not reduced.

20.6.3.3 Delays in achieving of milestones

As per the RFP, the design consultant was to achieve 4 milestones; liquidated damages were to be levied for any delays. We found that none of the milestones were achieved but DDA instead of levying liquidated damages as per contracted terms, withheld a lumpsum amount of Rs. 0.25 crore. DDA could not provide the date of actual achievement of milestones to us; however, based on the release of stage wise release of payments, we estimate that maximum penalty as per contract i.e. Rs 0.78 crore is inevitably leviable (including Rs. 0.25 crore already deducted).

20.6.4 Selection of Sportina Payce Infrastructure Pvt. Ltd. as Developer

In June 2007, the RFQ for pre-qualification of agencies for construction of athletic track, swimming pool, fitness centre and training hall at the Games Village and three other projects related to venue development¹⁴ was issued. Of the 18

¹³ Roof of the swimming pool was designed by McCoy Architectural Systems Private Ltd; overlays design was prepared by GL Litmus Event Pvt. Ltd.

¹⁴ Construction of new competition venues for squash and badminton (SFSC); Construction of new competition venues for Table Tennis (YSC); and refurbishment of existing facilities at SFSC, YSC and SSC.

applicants, eight¹⁵ were pre-qualified on 13 September 2007 by the evaluation committee¹⁶ these included leading players such as Gammon India Ltd and Shapoorji Pallonji. On 10 January 2008, bids were invited from PQ bidders, and only two agencies bought the tender documents (Sportina Payce Infrastructure (Pvt.) Ltd. and BE Billimoria & Co. Ltd.). The tenders were

opened on 19 February 2008 and the contract awarded to Sportina Payce Infrastructure Pvt. Ltd. on 17 April 2008, the L1 bidder at a negotiated amount of Rs. 63.10 crore with the approval of the Works Advisory Board¹⁷ and concurrence of LG, Delhi. figure 20.7 represents the chronology of events.

Figure 20.7 — Chronology of events leading to selection of Sportina Payce (Pvt.) Ltd.



The entire tendering process took 10 months, of which 3 months were spent in examining the eligibility of the applicants. However, we found that Sportina Payce Construction (India) Pvt. Ltd. (the SPV representing the consortium led by Payce Consolidated Ltd., Australia; Pynter Dixon Construction Pty. Ltd., Australia; Sportina Exim Pvt. Ltd., India and Robertson + Marks Architect Pty. Ltd, Australia), submitted an **un-notarised MoU** evidencing the consortium, contrary to the RFQ requirement. Interestingly, though **all four**

member of the consortium were purportedly incorporated bodies, only two signed with the companies' common seal. Despite a scrutiny process of three months, this agency was declared pre-qualified by the Evaluation Committee. Further, though the company pre-qualified was Sportina Payce Construciton (India) Pvt. Ltd, the tender documents were bought by Sportina Payce Infrastructure Pvt. Ltd., a different legal entity, registered only on 16 January 2008, but applied for the tender document on 15 January 2008;

¹⁵ ITD-ITD Cem JV; BL Kashyap and Sons Ltd.; BG Shirke Contruaction Technology Pvt. Ltd., Gammon India Ltd.; Consortium of Unity-Brahmaputra; Shapoorji Pallonji & Co. Ltd.; BE Billimoria & Co. Ltd.; and Sportina Payce Construction(India) Pvt. Ltd-SPV.

¹⁶ Finance Member, Engineer Member, Principal Commissioner, Commissioner (Plg), Chief Engineer (SEZ), Commissioner (LD), Chief Architect, Chief Legal Advisor and Financial Advisor (H)

¹⁷ Vice Chairman- DDA, Finance Member, Engineer Member, Chief Engineer(SEZ) and Chief Accounts Officer

The shareholding composition of the PQ agency, as projected in the MoU, was

- Payce Consolidated Ltd., Australia – 72 per cent;
- Pynter Dixon Construction Pty. Ltd., Australia – 2 per cent;
- Sportina Exim Pvt. Ltd.- 25 per cent; and
- India and Robertson + Marks Architect Pty. Ltd, Australia – 1 per cent.

In contrast Sportina Payce Infrastructure Pvt. Ltd. (the successful bidder) was promoted by

- Smt Sheetal Hiren Sheth w/o Hiren Himat Lal Sheth and
- Shri Hiren Himat Lal Sheth s/o Himat Lal Deepchand Sheth.who were also the shareholders of Sportina Exim Pvt. Ltd. Though the Articles of Association of the company stated that the shareholding would be adjusted as per MoU, and 2 directors would be from Payce Consolidated Ltd. Australia; we found the evidence of this adjustment only in the return filed with Registrar of Companies after the Annual General Meeting held on 30 September 2009.

Further, we found that as per RFQ condition, any consortium member holding more than or equal to 26 per cent of the equity shareholding or voting rights, was required to have net worth equal to 40 percent of the estimated project cost. Sportina Exim Pvt. Ltd. did not meet this criteria, and circumvented it by showing a shareholding of 25 percent at the MoU stage. However, it increased its holding to 26 percent shareholding in Sportina Payce Infrastructure (P) Ltd., the company which was finally awarded the contract.

It is amply evident that the MoU was manipulated to ensure that Sportina Payce Construction (India) Pvt Ltd. pre-qualified.

Ultimately the successful bidder was an entity, different from the pre-qualified agency, without any confirmed association with Payce Consolidated Ltd., Australia – the projected lead member with experience of design and construction of mixed use development in Australia, on the basis of which the consortium was pre-qualified. DDA could also not produce any evidence of the association of Payce Consolidated Ltd in the execution stage as per MoU.

Subsequently, in October 2009, after a payment of Rs. 17.79 crore had been made, the contract was terminated on the grounds of mismanagement, lack of resources, lack of will and vision, engineering skill and management expertise – thus confirming the agencies' ineligibility in the first instance. Liquidated damages of Rs 5.75 crore were levied on the contractor, but had not yet been recovered.

The balance work of Rs 45.31 crore was re-awarded after tendering to Sam (India) Built Pvt. Ltd. for Rs. 29.59 crore (including an additional work of Rs. 1.18 crore) and to Shiv Naresh Sports Pvt. Ltd. for Rs. 8.93 crore.

20.6.5 Quality of works executed

The quality assurance work was undertaken primarily through the Quality Assurance Cell (QAC) of DDA. However, we noticed that

- The swimming pool constructed in the Games Village was not certified by any

internationally or nationally recognised agency;

- Out of 42 deficiencies pointed out by QAC pertaining to the swimming pool, training hall, fitness centre and athletic track, 22 remain pending as of date; and
- Though the Chief Engineer, CWG had expressed concerns about the quality of the kerbstones laid in the Games Village; we found no evidence on record of the corrective measure taken thereafter.

20.6.6 Procurement of Bio-toilets

Toilets were required outside the boundary walls of the Games village and venues for use of security personnel.

On 7 September 2010, LG, Delhi directed that bio-toilets may be procured for Games Village and DDA owned venues. Thereafter, after a flurry of activity, orders for supply of 10 bio-toilets at the rate of Rs. 4.75 lakh each were placed on two agencies (each to supply five bio-toilets) on 18 September 2010. These bio-toilets were to be kept inside the Games Village and venues (for legacy and maintenance), and hired mobile toilets were to be provided outside the boundary walls. Eventually, 6 bio-toilets (costing Rs 0.29 crore) were installed outside the boundary wall of the Games Village and Sri Fort Sports Complex, supposedly for security guards, in addition to the mobile toilets hired from MCD. The decision to buy bio-toilets at exorbitant prices at the last minute, duplicate facilities hired by MCD, is inexplicable. The legacy value of these bio-toilets is not clear.



Bio-toilet

20.7 Temporary structures/overlays

Overlays in the Games Village primarily comprised temporary accommodation created for housing the international zone, dining hall, polyclinic, transport mall etc.

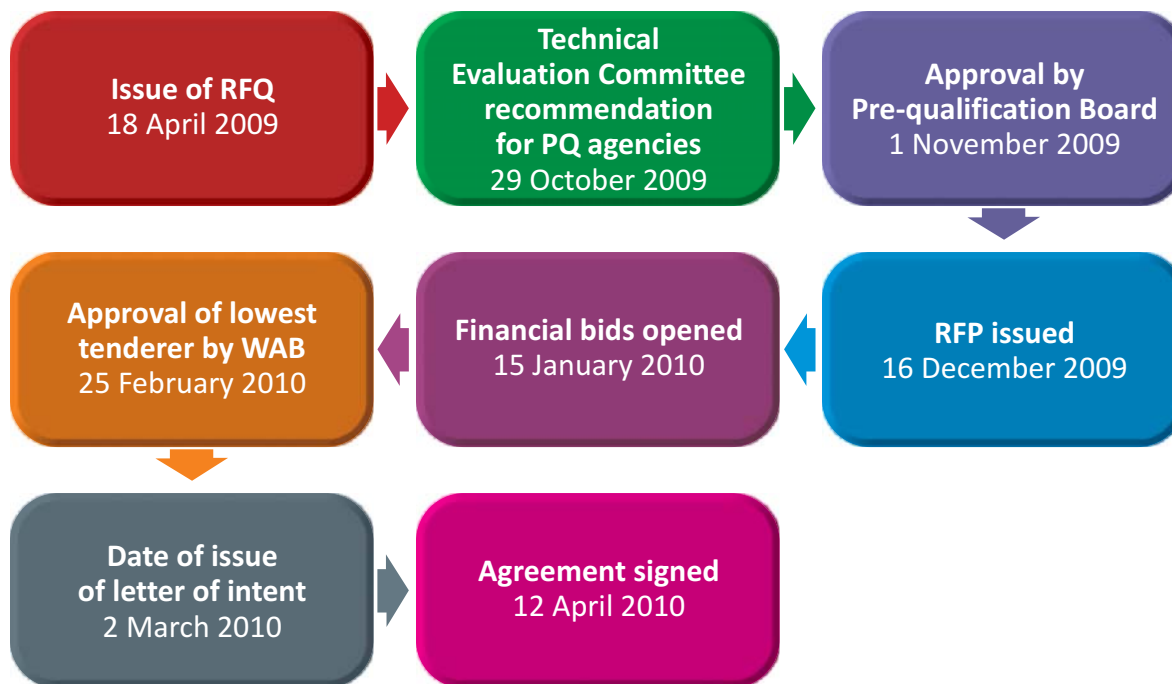
20.7.1 Selection of GL Litmus Events Pvt. Ltd.

In April 2009, an RFQ for designing, building, maintaining and rental contract for temporary accommodation using tensile fabric roofing with white colour PVC polyester fabric was issued, to which 12 responses were received. On 29 October 2009, the Technical Evaluation Committee recommended four agencies¹⁸ for short-listing to the Pre-qualification board, which approved only three agencies¹⁹ for pre-qualification. Financial bids were invited from these agencies in December 2009, the bids opened on 15 January 2010 and on 25 February 2010, WAB approved award of contract to the L-1, consortium led by GL Events Services SA (France). The contract was finally signed on 12 April 2010, a year after the issue of RFQ. Figure 20.8 depicts the chronology of events.

¹⁸ JV of ESG Group Ltd. & Arena Events Services Group Ltd. (both England based companies); Consortium of GL Events Services SA (France) and Meroform India Pvt. Ltd.; Consortium of Expro Events (a unit of Lalloji & Sons), Losberger GmbH and Parekh Associates; and Consortium of Deepali Designs and Exhibits Pvt. Ltd. (Indian), Zhuhai Liri Tent Technology Co. Ltd. (China) and Kingsman Fairtech International Pvt. Ltd. (Indian)

¹⁹ The consortium led by Deepali Designs and Exhibits Pvt. Ltd. was rejected on the grounds that Deepali, the lead member, which exclusively did not fulfil the pre-qualification criteria exclusively.

Figure 20.8 – Chronology of events leading to selection of GL Litmus Events



As can be seen from the above, the entire process took a year with six months inexplicably spent only at the pre-qualification stage.

As was the case with all other major contracts awarded by DDA for CWG-2010 and discussed in this chapter this selected consortium did not have the composition (and concomitantly the requisite experience), as was projected in the MoU presented at the PQ stage.

The consortium led by GL Events and Services SA (France) indicated the following shareholding in the joint venture company (GL Events-Litmus Pvt. Ltd.) to be set up subsequently:

- GL Events and Services SA (France) – 70 percent; and
- Meroform India Pvt. Ltd. – 30 percent.

We found that eventually the agreement was signed with GL Litmus Events Pvt. Ltd. with the following shareholding:

- Shri Binu Nanu-70 percent; and
- Meroform India Pvt. Ltd. – 30 percent.

GL Events and Services SA (France), on the experience of which the consortium had been shortlisted was no longer a shareholder of the contracted bidder.

DDA replied that before signing the agreement in April 2010, GL Litmus Events Pvt. Ltd. approved the resolution to transfer 70 percent of its shares held by Shri Binu Nanu to GL Events and Services SA (France). However, no evidence of actual transfer of shares before signing of the contract was produced to us.

20.7.2 Non-verification of designs, quality and quantity

Due to the delay in award of the contract and subsequent compression of delivery time, DDA could not effectively implement the quality control measures envisaged. The contractor did not supply the material as per specifications, and its designs were rejected by IIT Delhi (the proof checker) as these were not as per design requirements in the Indian context. Moreover, we found no detailed record, certifying that the contractor had provided adequate number of structures of the contracted technical specifications.

The Letter of intent was issued on 2 March 2010, by which time the contractor reported that all the material for structures had already been procured. As per the contract, the designs had to be proof checked and approved within 20 days of Lol date, i.e. by 22 March 2010. However, the designs were sent to the proof checker (IIT Delhi) on 19 March 2010. These were rejected by it on 10 June 2010 after protracted correspondence and meetings with the representatives of the contractor, primarily on the ground that the design did not meet the requirement in the Indian context mainly on the criteria of wind speed. It also indicated that the aluminium beams proposed in the design were not as per contracted specifications (2mm thickness against 4 mm).

Further, on the pleas of paucity of time, inspection at bidder's workshop prior to dispatch of material, was also waived off by DDA.

Eventually, the structures were put up, but we found no detailed record certifying that

these were of the detailed technical specifications mentioned in the agreement. We found that for a contract of Rs.41.38 crores, the bulk of material for which was to be imported, the value assessed at the Indian customs was only Rs. 5.32 crore. Moreover, since customs duty exemption for CWG-2010 had not been notified, at time of bidding the contractor bid was inclusive of prevailing duties. While it took the benefit of Rs. 1.43 crore as duty foregone, the benefit of the same was not passed on to DDA. The additional bank guarantee of Rs. 1.27 crore to be obtained at the stage of release of payment after shop drawing approval was not obtained (and incidentally the payment was released without the drawings being approved). Further, the bank guarantee of Rs. 6.62 crore obtained while releasing payment against procurement of material and its inspection at bidder's workshop; was also released in July 2010 despite rejection of designs.

20.8 Other infrastructural facilities

20.8.1 Construction of 1 MGD Water Treatment Plant by DJB

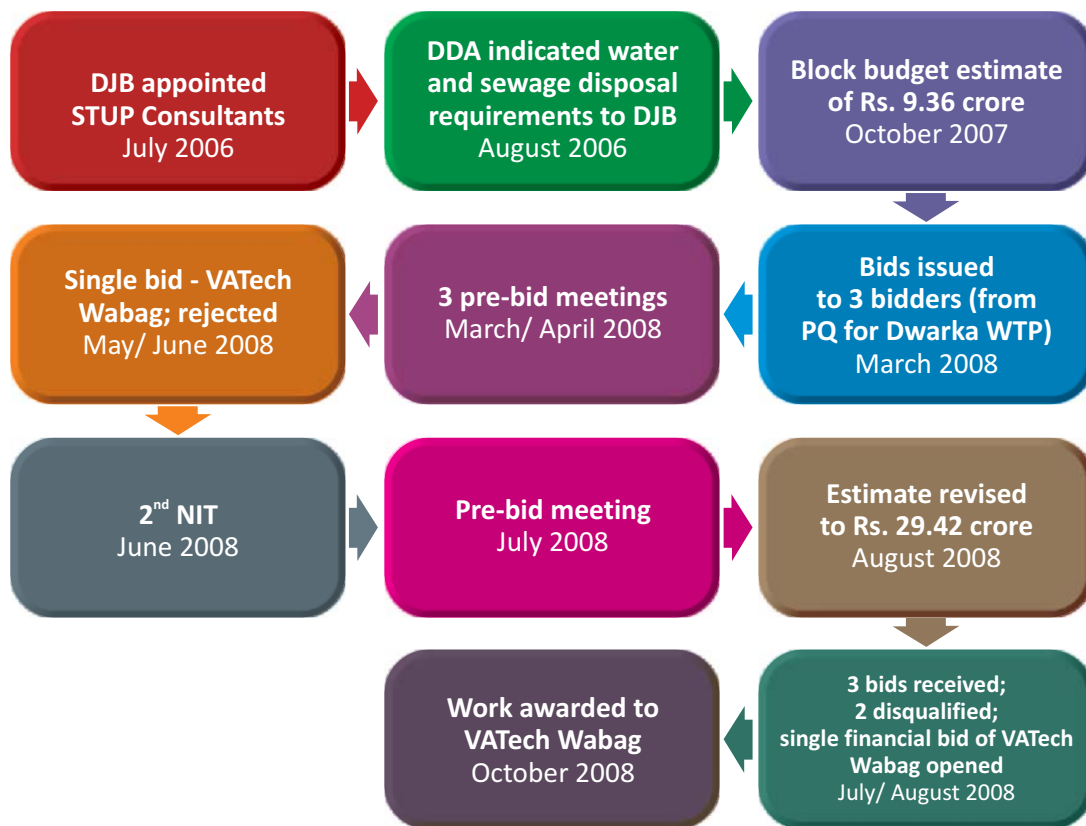
In August 2006, DDA indicated its requirements of water and sewage disposal of 1 MGD and 0.80 MGD respectively for the Games Village, Akshardham Temple and surrounding areas to the Delhi Jal Board (DJB), and asked them to make necessary arrangements. Incidentally, DJB had already decided to set up a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

A contract for setting up a 1 MGD Water Treatment Plant (WTP), with membrane filtration technology was awarded by DJB to

VA Tech Wabag in October 2008 at a cost of Rs. 28.20 crore, with an additional Rs. 7 crore for 1 year of Defect Liability Period (Rs. 1.56 crore) and 3 years of operation

and maintenance (Rs. 5.44 crore). The WTP was scheduled for completion by January 2010. Figure 20.9 depicts the chronology of events

Figure 20.9 — Chronology of events for award of work for construction of WTP



In our view, the WTP was overdesigned for the following reasons:

- **The need for a separate 1 MGD WTP was not clear** - DDA indicated its water and sewage disposal requirements for the Games Village, Akshardham Temple in August 2006 and asked DJB to make necessary arrangements; it did not specifically indicate the need for a separate 1 MGD WTP. We could not find evidence of a formal request from DDA for construction of a separate WTP. Incidentally, DJB had already engaged STUP Consultants in July 2006 itself for a separate 1 MGD water treatment plant.

DJB's reply that the plant was constructed to create an independent source of water free from dependence on external sources "as the Sonia Vihar WTP is dependent on Uttar Pradesh for its supplies" is unconvincing.

- **Over-designed plant with expensive membrane filtration technology** - The water quality requirement was specified as conforming to WHO standards. However, the technology for the WTP was subsequently changed in 2008-09 to membrane filtration technology, on the purported grounds of a "green project with zero discharge". We got the

source water²⁰ tested in January 2011 for 14 parameters indicated in the NIT of June 2008, and found that all parameters (except for total hardness) were met. Such hardness could have been easily treated with the lime and lime-soda softening process, in accordance with the Ministry of Urban Development's Manual on Water Supply and Treatment (which is based on WHO standards). DJB's argument that higher treatments were necessary to bring the water to WHO standards, particularly of turbidity below 0.5 NTU, is not tenable. WHO standards have left the level of turbidity undefined, since it is material only for effective disinfection of water; otherwise, water with turbidity of 5 NTU or less is usually acceptable to consumers²¹. Further confirmation of the plant's overdesign is derived from the fact that the proof of experience accepted in respect of VA Tech Wabag (the single and winning bidder) was that of a fully automated “Treated Refinery **Effluent Recycle Plant**”, and not a mere Water Treatment Plant.

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

- **Undue and inexplicable delays** - The entire process took an unduly long 26 months from July 2006 (appointment of consultants) to October 2008 (award of work). In particular, between August 2006 and March 2008, there was practically no progress, except the approval of a block estimate in

December 2007. Interestingly, there were two rounds of tendering, with only a single qualified bidder (VA Tech Wabag).

- **Injudicious evaluation of bidders** – In the second round of bidding, DJB took an unduly harsh stand in disqualifying one bidder (Triveni Engineering and Industries) and an unduly lenient stand in holding VA Tech Wabag eligible. Triveni submitted experience of three project; all three projects were rejected - one was rejected for not being commissioned in the last seven years, the second was rejected for not submitting certificate in support of experience of successfully commissioning a EPC/DB/DBO contract, and the third was rejected as the capacity of the plant was 3.24 MLD (which fell short of the required 4.5 MLD). VA Tech Wabag submitted experience of only one project - an IOCL project commissioned in October 2006. Going by the same strict standards, this plant did not meet the NIT criterion of being in operation for at least one year after the Defect Liability Period as on 30 May 2008. DJB's records failed to contain any details of the DLP (which would normally be 1 year)²²; consequently, such experience would be invalid.
- **Increase in estimate just before bid receipt** – The estimate for the WTP was increased from Rs. 9.36 crore (as per the December 2007 block estimate) to Rs. 29.42 crore on 26 August 2008, just

²⁰ Ranney Well P4

²¹ In any case, our water tests showed the turbidity less than 1 NTU.

²² In the exit conference, DJB attempted to re-interpret the clause to mean operation and maintenance for one year, after completion of a Peak Guarantee Test (and not DLP); this is not borne out by the wording of the NIT.

three days before opening of the single financial bid of VA Tech Wabag on 29 August 2008. VA Tech Wabag's bid was for Rs. 45.42 crore. DJB arrived at a suggestive (justified) cost of Rs. 32.59 crore, and the price was negotiated down to Rs. 35.20 crore (which was within 10 per cent of the justified cost).

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

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

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

20.8.2 Construction of a 1 MGD Sewage Treatment Plant by DJB

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

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

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

Thereafter, the STP remains grossly under-utilised (less than 17 per cent of its capacity). Without adequate utilisation, the required quantity of Mixed Liquor Suspended Solid (MLSS) bacteria (needed

for proper treatment of sewage) was not sufficiently maintained, defeating the purpose of installing a MBR STP. During the exit conference, DJB indicated that they were bringing sewage from elsewhere and injecting into the STP for this purpose.

DJB raised a demand of Rs. 32.70 crore²³ on DDA which included Rs. 10.58 crore in respect of the residential complex of the Games Village. However, DDA Paid Rs. 24.75 crore to DJB between February 2008 and March 2010, and raised a demand for Rs. 10.58 crore on Emaar MGF only in July 2010: this yet to be recovered.

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

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

The work was irregularly awarded on nomination basis without inviting tenders and without recorded justification of the exceptional circumstances for such award. Further, DJB's contention of urgency is untenable, since GNCTD had decided in February 2008 itself to provide security at these sites.

20.8.4 Procurement of Diesel Generator sets

The OC consultant, EKS, recommended two benchmark solutions for power supply for the Games Village viz. either two high voltage main feeders from of different

zones sub stations or one high voltage main feeder and generators. Despite having power supply from two separate feeders i.e. BSES and BYPL, DDA procured four 1250 KVA Diesel Generator (DG) sets for Rs 6.96 crore as a source of back-up power supply for the training venue and street lighting/ high mast lighting; and dining and operational zone. EmaarMGF separately made arrangements for back-up power supply for the residential area. In addition, Rs. 0.62 lakhs were also spent on procurement of battery driven UPS.

We found that the procurement of DG sets/UPS was redundant considering the two independent power supply sources tapped. Even if such back up had to be arranged, it would have been more economical to do so on hire. Further, we found that these DG sets were lying idle post games. On enquiry, DDA informed that it plans to shift two of these DG sets to DDA's headquarters at Vikas Sadan - one as the back up to the main supply and the other as a stand by for the back up. The solutions seem hastily put together since the load of Vikas Sadan is only 1230 KVA and deployment of two DG sets totalling 2500 KVA appears unreasonable, to say the least.

20.9 Alternate Accommodation at Vasant Kunj

In November 2008, in consultation with GM, ITDC, DDA decided to upgrade 1904 flats already under construction (10-15 percent complete) and 805 LIG flats (97 percent complete) to the level of three star hotels by March 2010. In April 2009, specifications for the upgrade were finalised and Indian Tourism Development

²³ Rs. 4.75 crore in September 2007 and Rs. 27.95 crore in November 2009

Corporation Ltd. (ITDC) was engaged on nomination basis for furnishing the flats.

20.9.1 Incomplete upgradation of flats

We found that of the 2709 flats, only 805 LIG and 182 HIG flats could be upgraded and handed over to ITDC for furnishing.

The remaining flats were only 28 to 50 percent complete till November 2010. This was despite an attempt in July 2010 to fast track the completion of 576 flats by issuing work orders at a premium of 10 percent over justified cost, as approved by LG, Delhi.

20.9.2 Furnishing of Flats by ITDC

DDA entrusted ITDC, a PSU, the work of supply and installation of furniture and fixtures. This covered furnishing of

- 1101 flats at the Games Village, bifurcated into two schemes (Towers 1-17 and 18-34);
- 1285 LIG, 416 MIG and 1008 HIG flats at Vasant Kunj (of which only 805 LIG and 182 HIG flats could be handed over by DDA).

ITDC was to be reimbursed the full cost of supply/ work orders plus 10 per cent departmental charges. In turn, as of November 2010, ITDC awarded work orders for supply of furniture and fixtures for Rs. 49.41 crore. However, it made payments of Rs. 27.89 crore against the advance payment of Rs. 46 crore (inclusive of departmental charges) to ITDC.

We found certain deficiencies in the award and execution of work orders by ITDC:

- The rates quoted by the same supplier for the same items under the two

schemes for the Games Village flats differed in respect of 9 items. ITDC failed to negotiate appropriate reductions, with potential savings of upto Rs. 1.08 crore.

- ITDC had not initiated compensation claims for Rs. 1.52 crore from suppliers for delayed/ short supplies.
- Furniture worth Rs. 3.19 crore and Rs. 10.31 crore had not yet been installed at the Games Village and Vasant Kunj flats respectively. ITDC stated that since DDA failed to construct the flats in time at Vasant Kunj and handed over far fewer flats than envisaged, it was compelled to store the furniture supplied in semi-constructed flats as well as a hangar created for this purpose.
- The stock of linen items at Vasant Kunj was found to be short by Rs. 0.77 crore at the time of audit.

Importantly, we could not ascertain legacy plans for the furniture and fixtures procured for these flats. ITDC indicated that these items were purchased on behalf of DDA, which necessarily had to take over the same.

20.9.3 Extra expenditure on alternate accommodation in hotels

Originally it was envisaged that these flats were to be used by tourists. Thereafter it was decided that International and National Technical Officers were to be accommodated in these flats. However, we found that OC incurred an expenditure of Rs. 4.66 crore (approximately) on accommodating these officers in hotels.

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. Streetscaping programmes are an important component of efforts to redevelop urban areas and can include changes to the road cross section, traffic management, sidewalk conditions, landscaping, street furniture, building fronts, improving signages etc.

In 2004, GNCTD decided to implement streetscaping and beautification of roads for “aesthetics” before CWG-2010. However, in our view, the street-scaping and beautification project was ill-conceived and ill-planned, without a broad overarching vision and perspective of how this would impact urban design and development. The project was not part of Delhi’s City Development Plan under the GoI’s flagship JNNURM programme for urban development and renewal. 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, GNCTD did not deem it necessary to obtain clearance from DUAC for implementation of the streetscaping/ beautification project. Also, considering that traffic management is a key component of streetscaping projects, we also did not find 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. Streetscaping and beautification at exorbitant average awarded costs of Rs. 4.8 crore/ km (compared to NHAI’s estimated cost of Rs. 9.5 crore / km for constructing a four-lane national highway or Indian Railways’ estimated cost of about Rs. 4.1 crore/km for constructing railway track) awarded and executed in an ad hoc and arbitrary manner confirm waste of public funds totalling Rs. 101.02 crore.

The project was largely a consultant-driven project, with the selection of consultants being arbitrary and non-transparent and at an exorbitant average cost of Rs. 12.5 lakh/km. Further, GNCTD did not provide any common design guidelines, with corresponding target budgetary estimates per km of work. The consultants were given free hand to draw up designs and estimates for the packages allotted to them. This resulted in adoption of richer specifications in an arbitrary and inconsistent manner in different packages (with an avoidable cost of Rs. 51.33 crore), with the cost of surfacing the pavement for pedestrian walking ranging from Rs. 717 to Rs. 2679 per sq. meter. We also found adoption of higher rates/ short recovery totalling Rs. 8.27 crore, and other deficiencies in contract management with an avoidable cost of Rs. 8.14 crore.

Third Party Quality Control through the Heads of the Civil Engineering Departments of the Delhi College of Engineering and IIT Roorkee failed to provide adequate assurance on the specifications and materials used in the works, despite expenditure of Rs. 1.47 crore.

21.1 What is Streetscaping?¹

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 realm (public spaces where people interact), which help define a community's aesthetic quality, identity, economic activity, health, social cohesion and opportunity, not just its mobility.

Streetscaping programmes are an important component of efforts to redevelop urban areas and can 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.

Streetscaping can help create more diverse transportation systems and more accessible communities by improving non-motorised travel conditions, creating more urban environments and integrating special design features such as pedestrian improvements, cycling improvements, traffic calming, High Occupancy Vehicles (buses etc.) priority strategies and road space re-allocation.

21.2 Planning for streetscaping/ beautification in Delhi

21.2.1 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

¹ Adopted from Victoria Transport Policy Institute's Online TDM Encyclopedia "Streetscape Improvements – Enhancing Urban Roadway Design" – 18 January 2011.

CWG-2010. The project remained more or less in a dormant stage till May 2008, when GNCTD initiated the process of selection of consultants.

Gol's flagship programme for upgradation of civic infrastructure – the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched in 2005, under which each mission city was to submit a City Development Plan (CDP) with a long term horizon of 20-25 years to facilitate identification of projects. Delhi's City Development Plan for JNNURM, which was approved in October 2006, did not indicate "streetscaping and beautification" as an identified project. Further, we did not find any projects for streetscaping/ beautification approved under JNNURM in respect of other cities. The only JNNURM projects remotely linked to this aspect were focused on restoration and redevelopment of heritage areas.

We did not find 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 deem it necessary to obtain clearance from DUAC for implementation of the streetscaping/ beautification project. Also, considering that traffic management is a key component of streetscaping projects, we also did not find 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.

In our view, the street-scaping and beautification project was ill-conceived and ill-planned, without a broad overarching vision and perspective of how this would impact urban design and development. The project's implementation at exorbitant average awarded costs of Rs. 4.8 crore/ km in an ad hoc and arbitrary manner, as discussed subsequently, confirm the waste of public funds.

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 packages². 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, thus, creating a situation of urgency in execution of the works.

In our opinion, the project was a consultant-driven project. The department did not provide any common design guidelines, with corresponding target budgetary estimates per km of work. The consultants were given a free hand 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) though this was clearly an unachievable target. As expected, the works were not fully completed before CWG-2010.

21.3 Selection of Consultant

21.3.1 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 in Table No. 21.1.

² There were 9 packages for the consultants. However, these were re-grouped into 16 packages for award of work.

Table 21.1 — Chronology of events leading to selection of streetscaping consultants

Date	Events / Activities
02 May 2008	<p>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 Oasis Designs.</p> <p>Bids cancelled since only Oasis Designs attended the meeting with EIC.</p>
31 May 2008	<p>EoI again floated, 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.</p>
07 October 2008	<p>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 consultants³, stipulating allotment of maximum two packages to one consultant.</p> <p>Four consultants (Parekh Associates, Oasis Designs, Pradeep Sachdeva Design Associates and Sikka Associates) participated in the bid. No bid 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 Rs. 8.26 lakh and Rs. 15.00 lakh per km.</p>
12 November 2008 – 11 December 2008	<p>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.</p> <p>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.</p>
	<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.

³ Now including Parekh Associates

In all, Pradeep Associates and Sikka Associates received four and three packages respectively, while Parekh Associates and Oasis Designs received one package each⁴. We found 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 Rs. 10.39 lakh and Rs. 12.50 lakh per km. In all, the consultants were engaged for the streetscaping works at a cost of Rs. 9.20 crore (averaging Rs. 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 inexplicably delayed up to December 2008, creating a situation of urgency in execution of the works. On the ground of urgency, consultants were selected on direct negotiation. The extra cost on engagement of consultants at variable rates, excess payment on account of less execution of work and non-levy of LD was Rs. 1.65 crore.

In our view, the consultant selection 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.

⁴ There were 9 packages for the consultants. However, these were re-grouped into 16 packages for award of work.

21.4 Cost estimation for works

Out of the total estimated cost of Rs. 209.14 crore for the eight packages (PWD portion), 49 per cent (Rs. 101.71 crore) of the cost was on items with costs based on the Delhi Schedule of Rates (DSR) and remaining 51 per cent (Rs. 107.43 crore) on items with costs on Market Rates (MR)/Analysis of Rates. We 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 guideline 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.

In our view, it was the prime responsibility of the departmental engineers to assess the actual rates and specifications required for the items so as to ensure economy, efficiency and effectiveness in execution. Further, since all the zones were under the technical control of EIC, comparison across the zones should have been administratively ensured.

The retired Directors of CPWD appointed as Advisor to the PWD observed that the

consultants had not gone into the engineering details and suggested various designs. They suggested dispensing with various unnecessary/unwarranted works during implementation of the Projects. These were not accepted, and the projects were implemented as suggested by the Consultants.

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

The streetscaping works were finally awarded at per km costs ranging from Rs. 3.63 crore to Rs. 9.75 crore with an average cost of Rs. 5.32 crore. By contrast, NHAI adopts an estimated cost of Rs. 9.50 crore/ km for construction of a four-lane highway, and Indian Railways' estimated cost of construction of a railway track is around Rs. 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 Rs. 717 for paving with normal paver blocks, Rs. 1450 with vitrified tiles and Rs. 2679 with polished granite.

21.4.1 Adoption of Richer Specifications/ Higher Rates/ Short Recovery



We found 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. The result of the above mismanagement was loss of Rs. 59.60 crore to the Government as summarised below:

Table 21.2 – Adoption of Richer Specifications

S.No.	Item of work	Audit Finding	Financial Impact (Rs. in Crore)
1.	Use of granite and vitrified tiles for footpath	 <p style="text-align: center;">Granite Paving</p>	27.37

S.No.	Item of work	Audit Finding	Financial Impact (Rs. in Crore)
		<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. We ascertained that the basic cost of granite in the market was around Rs. 1022/ square metre, against which the estimates adopted Rs. 1500/ Rs. 1765 per square metre. We also noticed that against 5 per cent wastage admissible as per DSR for all granite work, the consultants considered the wastage at 15 per cent.</p>  <p style="text-align: center;">Vitrified paving tiles</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. We also noticed that the finished rate of Pavit brand tile (16 mm) taking into account the market cost, wastage, overheads and other factors was Rs. 965.24 per square metre, whereas he estimates adopted Rs. 1854.16 per square metre.</p>	

S.No.	Item of work	Audit Finding	Financial Impact (Rs. in Crore)
2.	Cement Concrete paver block	 <p style="text-align: center;">Cement concrete paver</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. We noticed that the consultants proposed for fixing factory made CC paver blocks of richer specifications and 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 nine⁵ packages.</p> <p>We noticed that the estimates provided for fixing the CC kerb stones of richer specifications deviated from the specifications as per MoRTH.</p>	4.36
4	Non Motorised Vehicle lane	 <p style="text-align: center;">NMV lane with obstruction</p>	1.76

⁵ YSC, Africa Avenue etc, Dr Karni Singh, CWG Village, Mall Road, Kisan Ghat etc, Bhairon Marg and two packages of MCD.

S.No.	Item of work	Audit Finding	Financial Impact (Rs. in Crore)
		The Non Motorised Vehicle (NMV) lanes were executed at a total cost of Rs. 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. We also noticed that while four ⁶ 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.	
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 ⁷ other estimates provided it for 40 mm thickness over the carriageway. We also noticed that such work was executed on Mall Road as an extra item at higher rates.	3.40
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 ⁸ 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

⁶ Dr Karni Singh Shooting Range/ Bhairon Marg to ITO Fly Over/ Ashram Crossing to Bhairon Marg/roads around various games venues

⁷ K. Ghat, B. Marg Ashram Crossing, Mall Road and Dr Karni Singh Shooting Range

⁸ CWG Village/Mall road/IG Stadium/Dr Karni Singh Shooting Range

In response to our observations, PWD stated that each package had a separate consultant with his own vision of streetscaping, and hence specifications were different across the packages. 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. We disagree with this, since GNCTD had decided (July 2008) to use coloured paver blocks on footpaths of the streetscaping works and EIC had also directed the CEs to avoid extravagant provisions in the streetscaping works. Hence the CEs should not have allowed surfacing the footpath

with granite stone adopting higher rate leading to escalation in project cost.

As regards discrepancies in specification of cement concrete paver blocks, PWD stated 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. We, however, 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.

Table 21.3 — Adoption of Higher Rates/ Short Recovery

S.No.	Item of work	Audit Observation	Financial Impact (Rs. 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 ⁹ projects adopted higher rates.	0.25
2.	Granular Sub Base and Wet Mix Macadam	In five ¹⁰ packages, we 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	We found that the rates for the tack coat on bituminous surface/sub base were provided at higher rates in six ¹¹ estimates compared to the lower rate adopted in Mall Road.	0.54
4.	Reinforced Cement Concrete Hume Pipes	We noticed that the rates of hume pipes were higher in three ¹² estimates compared to the rates adopted in the estimate in Mall Road.	0.93

⁹ Ashram to Bhairon Marg, Bhairon Marg to ITO, Mall Road, CWG Village and Dr Karni Singh Shooting Range

¹⁰ IG Stadium-3 packages, M B Road and Africa Avenue.

¹¹ IG Stadium-3 packages, Yamuna Sports Complex (YSC), CWG Village and MB road

¹² IG Stadium, Dr Karni Singh Shooting Range and Yamuna Sports Complex

S.No.	Item of work	Audit Observation	Financial Impact (Rs. in Crore)
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	We found that the analysis was incorrectly derived in six ¹³ estimates and fixed at higher rates due to calculation error.	0.54
8.	Short recovery for retrieved materials	The cost of the useful materials retrieved out of the dismantlement works was to be deducted from the dues of the contractors. This was either not done, or done at a lower rate in five ¹⁴ estimates.	3.19
9.	Geo textile fabric	Three ¹⁵ 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 that the inaccuracies in the estimated rates cannot affect the rates quoted by the contractors. As such, no loss can be attributed. We disagree with this assertion of the department since in a percentage rate tender, the bidder can quote only a single figure (% 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. We are of the view that any discrepancy in the base rate of an item in a percentage rate tender cannot be easily

¹³ IG Stadium (three packages), M B Road, various games venues and YSC

¹⁴ CWG Village, YSC, Mall Road, Dr Karni Singh Shooting range and Africa Avenue

¹⁵ Mall road, CWG Village and MB Road

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 CEs to follow common rates across all the packages for identical items, especially since multiple external consultants had been engaged for providing the design.

21.5 Tendering process

21.5.1 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.

Of the estimates for Rs. 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 rates. Despite the above position, which did not favour the call of percentage rate tenders, the CEs chose to adopt percentage rate tenders.

21.5.2 Irregularity in award and evaluation of tender

We found 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 Rs. 1.19 crore compared to the initial valid offer of Swadeshi Construction.

PWD stated that Swadeshi Construction had quoted three different rates for civil, electrical and horticulture components. Considering these rates, he was not L1 and

hence his tender was rejected. This was factually not correct since, as per the NIT clauses, the lowest of the three different quoted rates was binding for all the components. The EE, SE and CE accordingly, considered him the L1 bidder and conducted negotiations. Therefore, subsequent rejection of the bid by the WAB was unjustified.

21.5.3 Modification in codified 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 those were technically sanctioned by the CE. The EEs did not follow electronic-tendering despite specific instructions by government.

21.5.4 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 Rs. 41.82 crore and Rs. 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 (Annexe-21.1).

We found that the justified costs were not supported with evidence of the correctness of the rates. Therefore, we 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 five¹⁶ 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 by them. In our opinion, the tenders were accepted at high cost.

PWD stated that the justified rates were arrived at based on market rates, as per the provisions of CPWD Manual.

We disagree, as we did not find documentation in support of the market rates/analysis of rates. For this reason, as mentioned above, we 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.

21.6 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 Rs. 332.45 crore (Shown in Table 21.4) for completion by September 2010.

¹⁶ Kisan Ghat, Ashram to Bhairon Marg, Mall Road, Dr Karni Singh Shooting range and Africa Avenue

Table 21.4 — Award of Streetscaping Work

S.No.	Name of the Contractor	Packages awarded	Awarded Cost (Rs. in Crore)
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

Payment of Rs. 208.02 crore had been made to the contractors for the various packages till date. The department had reported (December 2010) to have completed all the streetscaping works. We noticed 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.





In financial terms, the payments so far made to the contractors were between 34 and 97 per cent (averaging 63 per cent) of the agreement values. In none of the streetscaping works were the final measurements/payments recorded, although the works were reportedly physically complete.


We found that despite non execution of the works as per the milestones and non completion of the works by the stipulated date, LD of upto Rs. 25.96 crore was not realised.

21.7 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 Rs. 8.14 crore beyond the cost of the projects as discussed in Table 21.5.

Table 21.5 — Instances of Poor Contract Management

S.No.	Brief of the audit Observation	Financial Impact (Rs. in Crore)
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>We 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 style="display: flex; justify-content: space-around;">   </div> <p style="text-align: center;">Red Sand Stone Bollard Precast Cement Concrete Bollard</p> <p>In most of the landscaping works, precast CC cylindrical bollards were used in NMV 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 style="display: flex; justify-content: space-around;">   </div> <p style="text-align: center;">Granite Stone Block Haryana Quartzite</p> <p>We found that during execution of footpath of Mall Road, Haryana Quartzite stone was replaced with granite stone/slab.</p>	1.45
4.	<p>The scope of the work of Mall Road did not provide for execution of DBM in the entire stretch of the road. The contractor, Satya Prakash & Brothers Private Limited, however, executed DBM in the entire stretch.</p> <p>We 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.</p>	1.23

S.No.	Brief of the audit Observation	Financial Impact (Rs. in Crore)
5.	<p>As per conditions of the contracts, the contractors were to remove the malba at their cost and risk.</p> <p>We found that despite the above specific provisions, the agreements provided an item in the BoQ for removal of malba, enabling extra payment to the contractors.</p> <p>We also noticed 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 Rs. 280.32 per MT of malba against Rs. 73.42 per MT as per the agreement rate for Satya Prakash & Brothers.</p>	3.49
6.	 <p style="text-align: center;">Scarified Mehrauli Badarpur Road</p> <p>Mehrauli Badarpur Road, a State Highway, was scraped for construction of a footpath, reducing the width of the road. This had reduced the traffic carrying capacity of the road.</p>	
Total		8.14

21.8 Unwarranted engaging of 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 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.

We found 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 only 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 us to conclude 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 Rs. 1.47 crore (Dr. S S Jain: Rs. 0.48 crore and Dr. S K Singh: Rs.0.99 crore) on TPQC wasteful.

21.9 Horticulture Works

21.9.1 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. We 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 percent. The adoption of variable rates for same items without considering the minimum possible rate/DSR rate led to extra cost of Rs. 1.08 crore as shown in the table in Annexe 21.2.

Further, the retired Director (Horticulture) acting as Consultant to EIC for horticulture works mentioned that the consultants had suggested landscaping planting with expensive plants like *Cycus revolute*, *Ficus panda* and *Furcaria* without considering climatic conditions, and their adaptability and suitability for Delhi roads/ venues. Also Phoenix (Khajoor), a desert plant, and Palm, a coastal plant, had been suggested for Delhi roads. His suggestions for dispensing with these plants were, however, ignored. The overall estimated financial impact of these plants was Rs. 1.10 crore in seven packages covered in audit.

21.10 Unwarranted Costly Electrical Furnishing

The consultants suggested design for electrical lighting work by specifying costly electrical furnishing, some of them imported. The quotations for the items were obtained by the consultants. 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.

We observed one instance where electrical fittings costing over Rs. 50 lakh were installed in a small area of 10 metre by 15 metre.







Fittings worth over Rs. 50 lakh installed opposite IG Stadium




A few high cost electrical fixtures are shown below. We are of the view that the government was unnecessarily burdened with this expenditure on overpriced light fittings in the name of aesthetics. 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. We have found from some invoices that the costs of the fixtures were far less than the costs adopted in the estimates. Due to adoption of high cost, undue benefit for Rs. 0.83 crore (Appendix-III) was passed on to the contractors.

Table 21.6 — Instances of high cost electrical items

S.No.	Item	Rate per unit (Rs. in lakh)	Amount (Rs. in crore)	Photograph of the item
1.	Nemo Torch Keselec Schreder (Roads around IG Stadium)	4.30	1.05	

S.No.	Item	Rate per unit (Rs. in lakh)	Amount (Rs. in crore)	Photograph of the item
2.	Trapeze Pole Keselec Schreder (Roads around IG Stadium)	4.54	0.33	
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	

S.No.	Item	Rate per unit (Rs. in lakh)	Amount (Rs. 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	

S.No.	Item	Rate per unit (Rs. in lakh)	Amount (Rs. in crore)	Photograph of the item
8.	Schreder-CFL36 watt (Safdarjang Flyover)	2.91	1.11	

21.11 Greening of Games venues by using potted plants

The Chief Secretary, GNCTD proposed (August 2008) for creation of 30-50 lakh potted plants for deployment around the CWG venues and other areas for providing a pleasing environment. He also sought immediate approval of Chief Minister (CM) since creation of such a large pool of potted plants would require at least two years time. The CM approved the proposal in August 2008. We could not find any venue wise break-up of the plants required or any other yard stick in support of the assessment of the requirement of the plants. The Secretary (E&F), however, decided in a meeting for arranging 60 lakh plants either by local planning or importing from outside the state and assigned the task to DDA, MCD, NDMC, Forest Department (FD), and Delhi Parks & Garden Society (DPGS) for 10 lakh each, and PWD and CPWD at 5 lakh each.

GNCTD sanctioned Rs. 28 crore for this project, of which an amount of Rs. 24 crore had been spent by the agencies (under GNCTD) given the task of arranging the potted plants.

We observed that:

- The target for arrangement of potted plants was set 20 per cent higher than the amount estimated earlier and approved by the CM.
- Most of the potted plants were procured instead of being created in the departmental nurseries as originally envisaged. Commissioner of Police intimated (June/August 2010) to keep the plants away from the venues and the routes on account of security concerns. Of the amount of Rs. 24 crore spent on the procurement of the potted plants, DPGS, FD and PWD spent Rs.10.75 crore on procurement (June-October 2010) of 18.76 lakh plants from private nurseries/ government nurseries outside the state (at average rates ranging between Rs.44

and Rs.65 per plant), even after receipt of the information from the Commissioner of Police.

- The original objective of greening the venues could not be achieved in the light of the advice of Commissioner of Police, rendering the expenditure wasteful.

PWD informed that post Games, of the 3.82 lakh potted plants procured by them, 0.79 lakh perished being seasonal and most of the remaining plants were distributed to various government offices. We visited two of those sites at random, and could not find the potted plants stated to have been issued.

21.12 Street furniture in the vicinity of Games venues

21.12.1 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 in Table 21.7.

Table 21.7 — 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

21.12.2 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.Decaux 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

We 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.
- 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).
- Interestingly, all the four bidders who had qualified the technical bids for DTTDC/ PWD, secured one contract each. In our opinion, 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 prices were set. Since nearly all of them (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 21.8 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 21.8 — Wide range of monthly concession rates for street furniture items

(Range of rates in Rs. per sq.m)

Street Furniture Items	PWD/DTTDC		PWD/DTTDC		CPWD	Other benchmarks
	Minimum	Maximum	Minimum	Maximum		
Public toilets	54	714	238	472	270	MCD High End Toilets (IRR statement) - 1291 DIP ¹⁷ - 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 is serious, although it cannot be fully quantified in the absence of reliable and comparable benchmarks.

21.12.3 Status

The delayed planning and award of SF contracts for different clusters meant that most were not ready in time for CWG-2010.

In fact, two bidders – JC Decaux and Adlabs – indicated, even before the award, that completion would take longer, since many of the SF items were imported and delivery would take time.

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.

¹⁷ Department of Information and Publicity



Upgradation of Street Lighting of Roads in Delhi

The project for modernisation of Delhi Street Lighting System was conceived by GNCTD in June 2006, with plans to implement it across Delhi within 2 years. Detailed lighting standards were prepared in November 2006 to be followed by all the departments concerned viz – PWD, NDMC, and MCD. The project was executed on around 800 km of Delhi roads at a tendered cost of Rs. 286 crore.

The lighting standards provided only the technical parameters of performance of lamps and luminaries¹. PWD, while adopting the same specification stipulated the use of a mix of imported and indigenous luminaries for different categories of roads. The decision on use of imported luminaries was taken with the approval of the CM. Sample luminaries of some of the leading manufacturers were displayed before the CM in September 2007. Subsequently, as per the directions of the CM, luminaries consisting of both indigenous and imported makes were installed on a sample stretch, which was inspected by the CM in October 2007. Based on the inspection and approval of CM, PWD decided to use imported luminaries for certain roads. No technical note regarding reasons for use of imported luminaries along with cost benefit analysis was found on record. The decision taken by PWD regarding use of imported luminaries was also adopted by MCD and NDMC. The technical specifications did not distinguish at all between indigenous and imported luminaries. The imported luminaries were procured at a far higher cost than the indigenous luminaries, leading to avoidable extra expenditure of Rs. 31.07 crore across the three agencies.

The technical specifications for both imported and indigenous luminaries were identical. Department selected as approved, the models demonstrated by the bidders on the basis of inspection by CM. Record of any techno-economic evaluation of the options offered by the bidders in support of such selection was not documented. Consequently, models of various companies of vastly different repute and of different price range were selected at the same level. We found that the procurement price of imported luminaries, which varied from Rs.25,704 to Rs.32,000 per unit, was far higher than the fair price computed on the basis of actual invoice price.

The awarding of work in NDMC after calling of design based tenders resulted in an extra expenditure of Rs. 6.77 crore, as work was awarded to the bidder with higher unit rates for various items. NDMC also awarded additional work of 18.445 km to Philips, incorrectly terming it as deviations to the original contract, but this time without the constraint of efficient design. While the final measurements and payment on this account have not yet been finalised, we believe that this may lead to an additional loss of Rs. 6.13 crore.

¹ Light fixture/ fitting

In violation of the recommendations of the lighting standards, the tenders were restricted to manufacturers of luminaries of international repute, and higher financial eligibility was stipulated, thereby restricting the competition. The work was split into three parts in PWD, with requirement of not more than one work to one bidder, reducing the competition between the bidding firms. After once being declared disqualified, one of the firms, Spaceage was irregularly declared qualified on subsequent re-assessment following his appeal to the CM.

We found that MCD did not ensure conforming to the design specifications given in the lighting standards, leading to the use of larger number of poles and luminaries on certain roads and a consequent avoidable expenditure of Rs. 2.54 crore. We also suspect post tender alteration of bids in both Phase-I and Phase-II of tendering in MCD, which had resulted in enhancement of the quoted amount by Rs. 3.63 crore in Phase-I and by Rs. 3.34 crore in Phase-II.

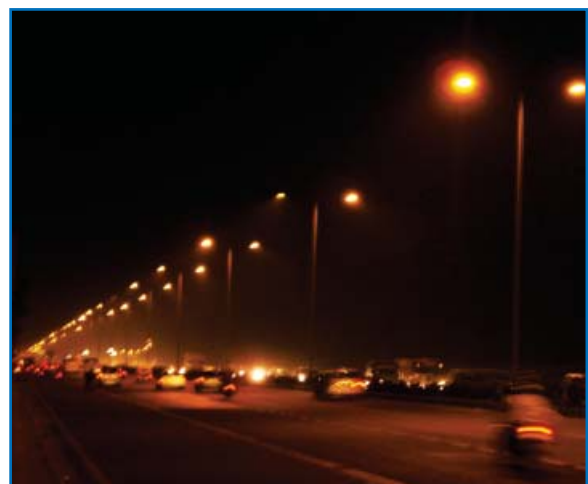
22.1 Introduction

The project for “Modernisation of Delhi Street Lighting System” was conceived by GNCTD in June 2006 for completion within 2 years. Accordingly, standards for integrated street lighting project for Delhi were released in October 2006 by GNCTD and were subsequently revised in November 2006, after considering suggestions/ observations of vendors and implementing agencies. The standards were to be followed by all the agencies. The lighting standards were designed to meet the following objectives:

- To adopt the latest technology in street lighting based on international standards adapted to Delhi's conditions.
- Use of energy efficient electrical equipments.
- Use of automatic switching on and off and monitoring of street lights, thus saving energy consumption and enabling quick maintenance of equipments.
- Improving the urban landscape of Delhi

- Prepare for Commonwealth Games, 2010.

The standards specified the technical specifications like the type and wattage of lamps and luminaries, the height of electric poles, maximum spacing between the poles and desired illumination levels for various types of roads (Dual/single carriageway, service road, slip road etc.). The standards were brand neutral.



Modernised Street Lighting in Delhi

The standard also gave guidance on the contractual obligations to be fulfilled by various agencies in implementing the

lighting systems and maintenance of these systems.

The work was implemented by PWD, MCD and NDMC. The details of length of road and tendered cost for the works under the three agencies are tabulated below:

Table 22.1 – Summary of Street Lighting Works

(In Rs. Crore)

S.No.	Agency	Road Length (km)	Total Tendered Cost
1	PWD	444.39	154.95
2	MCD	258.56	96.53
3	NDMC	86	34.40

We acknowledge the improvement in illumination levels of Delhi roads, brought in by the implementation of a well prepared lighting standards document, which has contributed to an overall consistency in implementation and marked improvement in urban landscape and city infrastructure.

22.2 Use of imported luminaries

22.2.1 Decision on use of imported luminaries

The initial proposal for street lighting in PWD was sent for government approval in November 2006 but was not sanctioned on account of change in scope of work. A revised estimate involving use of indigenously manufactured luminaries was sent in May 2007 and was accorded approval in June 2007, but the approval was withdrawn.

Meanwhile, the CM desired (July 2007) that while PWD was implementing a comprehensive plan for street lighting, such lighting may be demonstrated on at least one or two roads in time for Diwali 2007. PWD invited spot quotations to install street lighting on a sample stretch of roads. The sequence of events is as detailed below:

Table 22.2 – Chronology of Events for Streetlighting on Sample Road

Period	Events
July 2007	<ul style="list-style-type: none"> Spot quotation from three firms using indigenous luminaries for a sample stretch of roads was invited.
August 2007	<ul style="list-style-type: none"> Second call for spot quotation was invited from the same three firms on the same conditions. The bidders now quoted for imported and indigenous luminaries. While Philips quoted only for indigenous luminaries, Trilux quoted for imported luminaries and Keselec-Schreder quoted for both indigenous and imported luminaries.
September 2007	<ul style="list-style-type: none"> Third call for spot quotation from three firms invited in two separate sections, one each for imported and indigenous luminaries. The work was however not executed. Sample luminaries of some of the leading manufacturers were displayed before the CM in September 2007.
October 2007	<ul style="list-style-type: none"> Indigenous and imported luminaries installed on a sample stretch² were inspected by the CM, and also by the PWD minister.

² Ring Road from ITO to Rajghat

Based on the inspection and approval of CM, PWD decided to use imported luminaries on 'A' category roads, a mix of imported and indigenous luminaries on 'B' category roads, and only indigenous luminaries on 'C' category roads.

It may be noted that this 'A', 'B' and 'C' categorisation of roads was not specified in the lighting standard. Thereafter, PWD revised the preliminary estimate by incorporating use of imported along with indigenous luminaries

The decision of PWD on use of imported luminaries on 'A' category roads was also adopted by MCD and NDMC. NDMC specified all of its roads as 'A' category, and called tenders for imported luminaries only.

A total of Rs. 45.80 crore was spent on procurement of imported luminaries, with Rs. 28.95 crore by PWD, Rs. 6.51 crore by MCD and Rs. 10.34 crore by NDMC.

The imported luminaries were procured at a cost much higher than the cost at which indigenous luminaries were procured, **leading to avoidable extra expenditure of Rs. 31.07 crore across the three agencies (PWD, NDMC, MCD) as tabulated below:**

Table 22.3 – Avoidable Expenditure on Imported Luminaries

(In Rs. Crore)

Agency Name	Number of Imported Luminaries	Additional Expenditure Incurred*
PWD	10,631	19.81
MCD	2,337	4.50
NDMC	4,166	6.76
Total	17,205	31.07

* Against average procurement cost of indigenous luminary (400 W and 250W) of Rs. 8600 in MCD

Meaningless differentiation between indigenous and imported luminaries is starkly exemplified in the case of a luminary of Keselec-Schreder make (Ambar-3), procured by PWD as an indigenous luminary at Rs. 15,160 but by MCD as an imported luminary at over twice the cost at Rs.32,000.



Ambar-3, Imported (MCD), Price: Rs.32,000



Ambar-3, Indigenous (PWD), Price: 15,160

22.2.2 Manner of enrolment of imported luminaries

The technical specifications for both imported and indigenous luminaries were identical, and technical test reports of the imported and indigenous luminaries supplied by the various firms were equally compliant with specifications for luminaries given in the lighting standards.

PWD selected and enrolled as approved, the models demonstrated by the bidders, except SpaceAge who was declared qualified later, on the basis of inspection by the CM. We could not find any techno-economic evaluation of the options offered by the bidders in support of such selection. Consequently, models of various companies of vastly different repute and of different price ranges were selected at the same level.

In the case of selection of luminaries of GE (General Electric) and Al-Babtain brands offered by SpaceAge, no evidence of any on-site demonstration was found on record. Further, at the time of award of work to SpaceAge, the Works Advisory Board (September 2008) had desired that luminaries of GE make should be used by SpaceAge. PWD was unable to enforce the same, and could not prevent SpaceAge from installing luminaries of Al-Babtain make in place of GE.

In reply to our observations on use of imported luminaries leading to avoidable expenditure, PWD stated that these were specified for use on selected roads on account of the imported luminaries having the following advantages over the indigenous ones:

- 10 to 15 per cent more efficiency as measured by the higher light output ratio
- Better aesthetic appearance and finish
- Lower maintenance cost

We are of the view that the department's reasoning regarding superiority of imported luminaries on account of higher light output ratio is essentially an afterthought to justify their decision. If light output ratio was considered such a critical performance parameter, it should have been included in the lighting standard issued by GNCTD, and also specified by PWD as a requirement for imported luminaries, which was not done. Further, product brochures of none of the luminaries used in PWD (indigenous or imported) speak about the light output ratio, let alone state its value. Of the luminary test reports supplied by the department, we found that the light output ratio of imported luminaries varied from 78.4 to 88.9, while for indigenous luminaries, it varied from 75.3 to 89.5. This is at variance with the department's assertion the imported luminaries having efficiency greater than the indigenous luminaries by 10 to 15 per cent.

No documentary evidence has been provided regarding lower maintenance costs for imported luminaries. In any case, all luminaries are under a six year comprehensive maintenance contract, and none of the bidders were asked to quote separately for maintenance of indigenous and imported luminaries, as should have been the case if the maintenance costs were known to be substantially different.

22.3 High Cost of procurement of luminaries

We found that the procurement process did not ensure procurement at competitive rates, as explained below:

22.3.1 High cost procurement of imported luminaries

Audit scrutiny of the actual price of the imported luminaries that had been installed by the successful bidders, as ascertained from the invoices, revealed a wide gap between the imported price, and the price paid by the department for the fittings, as given in the table below:

Table 22.4 — Wide gap between import price and price actually paid for imported luminaries

(In Rs.)

Name of Executing Agency	Make & Brand	Cost including mark up (fair Price)	Contracted Procurement Price	Higher price paid per Luminary
PWD, Zone M1	Trilux: Lumega 900	26,222	28,242	2,020
PWD, Zone M2	Schreder: Maya-Maxi / Sapphire 3	16,325	26,371	10,046
PWD, Zone M3	Al-Babtain-smart /05	9,318	25,704	16,386
MCD	Schreder: Ambar 3	11,082	31,328*	20,246
MCD	Philips: Modena	22,660	26,421*	3,761
NDMC	Philips: Modena	22,386	24,819*	2,433

* Weighted Average Cost of procurement

The cost of procurement by all agencies was substantially higher than the fair price including mark up³, being higher by 8 percent to 183 percent. The selection of imported luminary makes and fixing of their base price at high levels, particularly in case of SpaceAge and Keselec Schreder, was in violation of financial propriety. **A price premium was being paid simply on account of the luminaries being imported. Consequently, contractors managed to earn extra profit of Rs. 10.33 crore.**

³ Including cartage, SITC, cost of bulb, contractor profit of 10 per cent for PWD and 15 per cent for MCD and NDMC and cost of maintenance during the Defect Liability Period (DLP).

22.3.2 High cost procurement of Indigenous luminaries in PWD

We noticed that both PWD and MCD had used a combination of indigenous and imported luminaries for their street lighting projects. The analysed rate for providing and fitting of indigenous luminary by PWD was Rs. 15,522 per unit (Philips Velocity 400W) based on a single quotation, whereas these (Model MC3 by Keselec-Schreder and Model Velocity by Philips) were supplied in MCD by two leading manufacturers at Rs. 9100 per unit.

Thus, the execution of items of the same make at higher rate by PWD resulted in an extra expenditure of Rs. 5.59 crore.

22.4 Restrictive and anti-competitive conditions in tendering

22.4.1 Conditions in EOI

The lighting standards prescribed pre-qualification criteria for the prospective bidders. Both PWD and MCD prescribed more restrictive eligibility criteria for financial and technical capability, while NDMC used the list of vendors declared eligible by PWD.

- We found that PWD kept the required annual turnover at Rs. 40 crore in place of Rs. 20 crore indicated in the lighting standards, thereby restricting participation. The limit also exceeded 30 per cent of estimated cost criteria of CVC. MCD made the prequalification criteria for both the phases stricter by fixing the condition of average annual turnover at 30 percent of estimated cost during the last seven years instead of three years.
- The lighting standards stipulated that *“the main contractor shall procure items from respective manufacturers.”* However, both PWD and MCD in their EOI specifically stated that the bidder should be a manufacturer of luminaries of international repute. This severely restricted the competition, and gave disproportionate leverage to the luminary manufacturers in controlling the bidding process.

The parameter of being a luminary manufacturer of “international repute” did

not specify how the clause would be assessed and was very selectively applied. While initially, Spaceage Switchgear India Ltd. was found as ineligible, and later found eligible during reassessment done when the firm represented to the CM, its compliance with requirement of being a manufacturer of luminaries of international repute was never assessed. The vendor installed luminaries from a Saudi Arabian firm, Al Babtain, with whom the vendor had no declared standing relationship, putting to question the eligibility of the vendor as a manufacturer of luminaries of international repute.

The restrictive clause was used to reject two firms, Street Scape, Australia and Utkal Galvanizers Ltd on the grounds that they did not have luminaries' manufacturers as lead partners.

PWD, in its reply, stated that the competent authority, Chief engineer, had taken the decision that luminary manufacturers should be made lead partner for execution of work for the following reasons:

- proper maintenance of the luminaries during the 6 year maintenance period.
- genuineness of the supplies
- their perception that only a few reputed luminary manufacturers are equipped for providing design work for illumination.

In our view, the benefits of increased competition could have been brought in by complying with the GNCTD prepared lighting standards requirement of the main contractor procuring the luminaries from the manufacturers. Such benefits would have been far in excess of the perceived benefits stated by PWD.

22.4.2 Division of work in PWD

The street lighting work in PWD was divided into three parts (August 2007) on the grounds of administrative convenience and early completion, but with the apparent intention of giving one work each to each of the three shortlisted (initially) firms. Further, NIT stipulated that only one work alone would be given to one contractor. This condition contributed to lesser competition among the pre-qualified vendors as only one among the four pre-qualified bidders ran the risk of not winning any bid.

22.4.3 Irregularities in assessing qualification of a firm in PWD

SpaceAge Switch Gears Ltd. submitted (July 2007) EOI as a manufacturer of luminaries of international repute, and of poles in India. The bid by the firm was neither as a JV nor as a consortium, but was in the name of Spaceage Switch Gears Ltd.

The Board of assessors (BoA) disqualified (November 2007) the firm on the following grounds:

- Non supply of imported as well as indigenous fittings.
- Non clarification of works done by their foreign concern.
- The firm could not obtain the required qualifying marks of 75 out of 100, scoring only 48 marks out of 85.

On being disqualified by the BoA, the firm appealed (November 2007) to the CM for inclusion as a tenderer for the work. The vendor's plea to the CM was forwarded to the E-in-C. Subsequently, a re-assessment of the eligibility of the firm was done by the

BoA, who, this time, found the firm to be qualified.

We found that the following aspects of the re-evaluation, leading to an increase in the score from 48 to 67 (out of 85), as unreasonable:

- The score for experience in similar class of work increased from 10 to 15 (out of 15), though the relevant work was done by another firm, related by having a common majority shareholder, but which was in fact, a separate legal entity, and not a part of the bidding entity as a JV or consortium member.
- The firm did not submit any new financial statements in support of the required average annual turnover, yet its score increased from 10 to 19 (out of 19).
- The firm did not submit any new documents relating to personnel, establishment, and plant and equipment, yet its score in this regard increased from 10 to 12.
- The score on presentation before the BoA was also increased from 13 to 16.

The financial bid of SpaceAge was the lowest for M3 zone but the Works Advisory Board (WAB) did not approve the award of work in March 2008 on the grounds that the firm had already been rejected by the BoA, and the reassessment and subsequent inclusion was improper⁴.

⁴ Incidentally, two of the members forming the BoAs were also members of the WAB, but both the diametrically opposite decisions regarding the firm's eligibility had been taken unanimously.

The firm approached (May 2008) the Hon'ble Delhi High Court which quashed the decision of WAB of rejection of tender (July 2008). Consequently, and in view of urgency of work, the Government decided (September 2008) to award the work to the firm.

The firm, SpaceAge, went on to supply low cost imported luminaries of Saudi make, costing Rs.5,040, and charging Rs.25,704 for the same and in the process earning super profits of Rs.2.68 crore.

22.5 Deficiencies in Tendering and award of work

All the agencies followed different approaches for calling of tenders. PWD called tenders based on percentage rate, MCD adopted item rate tender, while NDMC called for design based tenders.

22.5.1 Deficiency in tendering in PWD

22.5.1.1 Incorrect use of percentage rate tender by PWD

The estimates for the street lighting work prepared by PWD was based on market rate, but PWD resorted to percentage rate tendering instead of item rate, in contravention to the provisions of the CPWD manual.

The costs of the following items were over-estimated by PWD with direct implication on the final cost of procurement:

- **Imported luminaries:** The estimated rate for imported luminaries was kept at Rs. 27,000 per unit against the average

cost⁵ of imported luminaries actually used being Rs. 17,288, while the minimum cost was just Rs. 9,318.

- **Indigenous luminaries:** The estimated cost taken by the department for indigenous luminaries was Rs. 15,522, but the same fittings were supplied in MCD at rates of Rs. 8000 to Rs. 9200 per unit.
- **Pole (12 m):** The base rate of Rs. 26,750 taken for estimation of cost of 12 metre pole was inclusive of all charges for fabrication, supply and erection etc. but the same was again loaded, thereby inflating the cost of a pole to Rs. 31,502.

22.5.1.2 Selling of advertisement rights in PWD without competitive bidding process

PWD included the item of rebate in the tender on account of advertisement to be quoted by each bidder for a period of five years. However, this item was included in a separate section, Subhead-C of the tender, which was not to be considered for bid evaluation. Hence, the contractors were under no compulsion to give competitive rates.

As a result, the successful bidder of zone M2 did not quote at all for advertisement rights, while in M1 and M3, the rates quoted were Rs. 1250 and Rs. 300 per pole per month. The department had no option but to cajole the bidder in zone M2 to quote a price of Rs. 750 while the winning bidder of M3 increased his offered price to Rs. 750 per pole per month. Thus, the rates for advertisement rights were not determined competitively, but were given

⁵ Including cost of bulb, cartage, one year maintenance and contractor profit of ten percent.

away as a reward for winning the bid at any price that the winner deemed appropriate.

The selling of advertisement rights without competitive bidding is highly irregular and has potentially led to loss in revenue.

In the present scenario, wherein non competitive bidding prevented determination of true value for the advertisement rights and this component of the agreement is yet to be executed, the department should explore the option of explicitly scrapping this part of the agreement.

22.5.2 Deficiency in award of work in MCD

22.5.2.1 Avoidable expenditure of Rs. 2.54 crore due to non-compliance with design specifications

We found that the lighting standards were not complied with on many dual carriageway roads, where 10 metre poles had been used in place of the prescribed 12 metre poles.

This led to an estimated avoidable extra expenditure of approximately Rs. 2.54 crore due to use of larger number of poles and luminaries. It was also seen that in Phase-I of execution, the offered price of a 10 metre pole (Rs. 28974) was more than the price of a 12 metre pole (Rs. 28358) due to suspected post bid tampering. Installation of a 10 metre pole was more lucrative to the contractor than the 12 metre pole.

MCD, in reply to our observation, stated that the designing was done based on site conditions, and that approval of the competent authority, E-in-C, was taken for

installing 10 m poles on 80 feet (24 m) wide road.

We are of the view that such approval, taken without a techno-commercial evaluation of the impact, and in violation of the already issued lighting standard was incorrect.

22.5.2.2 Extra cost of Rs.0. 48 crore due to specifying decorative luminaries using lamps of a particular brand in MCD

The lighting standards provided for use of 150 watt HPIT (Metal Halide) lamps for pedestrian crossing, slip roads and bus bays. However, MCD specified decorative luminaries using 140 watt lamp of a particular brand, Cosmopolis in the agreement. As per records, a total of 670 such Cosmopolis lamp fittings at a cost of Rs.15,000 per unit were used, whereas comparable 150 watt HPSV fittings were available at Rs. 7800. In these fittings, the HPSV lamps could have been replaced with 150 watt metal halide lamps for providing white colour light, as done by PWD. Thus, specifying decorative luminaries with Cosmopolis lamps in place of standard luminaries with metal halide lamps resulted in extra cost of Rs. 0.48 crore.

22.5.2.3 Suspected post-tender alteration in price bids in MCD

As per the CPWD manual, the officer opening the tenders should encircle all corrections, cuttings, conditions and over-writings, number them and attest them in red ink on each page of the price bid itself, indicating that the cuttings, over-writings and corrections were made before submitting the bid.

These conditions were violated in the tendering for both phases of the work in MCD. The winning bid of Sweka Powertech for Phase-I and Phase-II had large number of over writings/ corrections/ alterations. In neither of the bids did the contractor fill up the column for 'Amount' in the schedule of quantity, and the total for the bid was struck and recorded only in one case (Phase-II).

The matter is under investigation by CBI. Photocopies of the records were obtained from CBI for the purpose of audit.

A scrutiny of price bid of Sweka Power Tech Engineers Pvt. Ltd. (L-1) for Phase-I revealed many cuttings and over writings in the rates of items quoted in the schedule of quantities. The certificates recorded by the accountant either did not tally with the number of corrections made in the page or the certificates themselves had cuttings/ overwriting. In all the cases where such overwriting and corrections in rates were noticed, the final effect was to enhance the quoted price and not vice versa. The corrections in figures have been done in a manner as to minimize the physical alteration in the number by restricting the changes to a single digit, leading to an increase in the amount. Further, the corrections had not been assigned separate numbers as required.

Another correction noted was in the discount offered by the firm in the form of a note at the end of the quoted rates which read-“payment will be released within 10 days after submission of the RA bill, then we are ready to give discount of Nil per cent on the total amount”. In this case also, there was apparent tampering, by changing 1 per cent to Nil per cent by prefixing 'Ni' to 1 per cent.

The possibility of these alterations at post tender stage cannot be ruled out. The total result of enhancement of quoted amount by such alterations was Rs. 3.63 crore.

A similar pattern of alteration of bids was seen in Phase-II also in the case of bids of the same bidder, Sweka Power Tech Engineers Pvt. Ltd. Scrutiny of price bid of Sweka Power Tech Engineers Pvt. Ltd. (L-1) revealed that there were cuttings/over writings/corrections in the quoted rates of several items. The corrections made in the quoted rates against the above said items were not encircled individually.

It is suspected that the corrections in two items have been made after opening of tenders. The net effect of the suspected tampering was enhancement of tendered amount by Rs. 3.34 crore, while still keeping it below the next higher bidder (L-2) by Rs. 4.69 crore i.e. without changing the overall status of L-1 bidder.

The details of the alteration are shown in Annexe-22.1

22.5.3 Deficiency in tendering/award of work in NDMC

22.5.3.1 Calling of design based tender by NDMC and consequent loss

NDMC opted for a “design based approach”, wherein each bidder was asked to submit road wise design and compute the quantity for each item required to meet the target illumination level and to quote the rates for items required. The lighting standard did not provide for calling tenders on design basis.

We are of the view that design based tender does not ensure procurement of items at the lowest cost. “Design based tender” has

also actually placed Philips at an advantageous position with respect to other bidders, as despite quoting higher (item wise) for each of the key items, Philips managed to be lowest(L-1) bidder due to proposing use of lower quantities of various items.

Philips was the lowest with tendered amount of Rs. 34.40 crore against Rs. 37.32 crore quoted by SpaceAge (second lowest).

The scrutiny of rates of 10 major items forming 88.44 per cent of gross tendered cost (of Philips) of Rs. 35.46 crore revealed that in none of these items was Philips the lowest bidder. The overall bid amount of Philips was lowest only due to their proposed design involving lower consumption of various items. For instance, the design proposed by Philips involved use of 3815 poles and 4166 luminaries against the estimated quantity of 6364 and 9329 respectively, while the quantities quoted by second lowest bidder were 6492 poles and 7126 luminaries.

Even the Technical Evaluation Committee (TEC) was unable to assess the different designs due to wide variation in number of poles and other infrastructure offered to be installed by the bidders. It finally recommended that the price bids may be opened after obtaining an undertaking from all the four bidding firms that they would not charge for any extra work/ infrastructure required to be provided in case the required levels of illumination as per NIT specification were not met with their design.

We observed that the second lowest bidder i.e. SpaceAge at the quoted quantity of Philips could have executed the work at Rs.

28.69 crore, which is less than the amount quoted by Philips by Rs. 6.77 crore.

In reply to our observation, NDMC stated that design based tenders rather than conventional mode were invited keeping in view the special needs of the NDMC area with its dense tree cover.

In our opinion, the “design” could have been either done in-house or could have been executed as a separate consultancy assignment, thereby providing a level playing field to obtain competitive rates for each item of work. This could have saved this huge premium of Rs. 6.77 crore, which was otherwise earned by Philips on the basis of their design.

22.5.3.2 Irregular award of work in NDMC under deviation clause leading to loss

Chairman, NDMC gave approval for additional work of 18.445 km for 14 roads and service/ slip roads which were not part of the original agreement. The works were awarded on the same rates as the existing contract for street lighting with Philips (awarded in August 2009) under the deviation clause stating that the increase in quantity was under the deviation limit of 25 percent. In this case, the additional work valuing Rs. 7.38 crore was for new roads not covered by the original agreement, and hence could not be construed as deviation in quantity alone. This was not even approved by the Council-the competent authority. NDMC intimated that the Council in its meeting held subsequently on 23rd February 2011, ratified the expenditure. We found that the agenda note put up for approval of the Council in this regard made no mention of the audit objection communicated to NDMC.

Loss to NDMC on account of award of additional work under deviation clause

- The existing agreement with Philips was design based, where the work was awarded on account of the bid being of lowest total cost, and not necessarily the lowest in unit cost of the items. Thus, award of additional work to Philips at its quoted (higher) item rates led to an additional loss of Rs. 1.45 crore, when compared with the rates of second lowest bidder.
- As per the tentative execution data provided by NDMC, the additional work on 14 roads led to an excess expenditure of Rs. 1.30 crore beyond what would have entailed if the roads had originally been included in the contract, and optimally designed. Against the pro-rata cost of Rs. 7.37 crore, Philips has submitted a bill of Rs. 11.05 crore⁶.

The full execution/consideration of proposal of Philips as per the claim submitted would finally entail a total cost of Rs.12.06 crore for additional work, leading to an increase in the currently computed loss figure of Rs.1.30 crore to Rs. 4.68 crore, in addition to the loss of Rs. 1.45 crore incurred on account of higher rates of Philips during award of additional work. The total loss on account of award of work is, therefore, estimated at Rs. 6.13 crore.

NDMC, in its reply, stated that payment for additional work would be restricted on pro-rata basis or on the actual quantity executed, whichever was less.

⁶ Bill for 2.5 KM of road length awarded in October 2010, with pro-rata cost estimate of 1 crore has not yet been submitted

22.6 Delay in project initiation and completion

None of the agencies could complete the project within two years as planned.

22.6.1 Delays in PWD

PWD planned in June 2007 to complete the project by February 2009. The project was executed as 3 separate packages in three PWD zones, but the work was finally completed by September 2010 after a delay of about 19 months. There was delay at every stage, with delay in awarding of work itself of about 11 month. There were delays in execution too, as the work stipulated to be completed by January 2010 was also delayed by about eight months.

Further, PWD has not decided the penalty to be imposed on account of delay, as none of the three contractors had submitted their final bills (though they have been issued physical completion certificate in August/September 2010).

22.6.2 Delays in MCD

The stipulated date of completion for phase-I was 9 July 2009. However, a certificate was issued (January 2011) indicating provisional completion on 2 August 2010. MCD neither sanctioned EOT, nor recovered liquidated damages of Rs. 3.45 crore for a delay of 55 weeks.

After lapse of the stipulated date of completion of 7 July 2010 for Phase II, the contract value was enhanced from Rs.60.74 crore to Rs.73.36 crore by awarding additional work on 24 July 2010 with stipulated date of completion extended to December 2010. The total work was subsequently restricted to Rs.61.99 crore

for a total road length of 160.5 km on 05 August 2010, but the stipulated date of completion was not changed. Though the certificate for provisional completion of work was issued on 24 September 2010, no time extension was sanctioned.

We have computed the delay in completion by 50 days, with a corresponding LD of Rs.4.25 crore, which has not been levied by MCD.

22.6.3 Delays in NDMC

After approval of estimate (December 2007), NDMC delayed the tendering

process. Tenders were invited in March 2009 after a delay of 14 months, and it took another five months to award the work. The contractor was given additional work for 18.45 km between December 2009 and October 2010, which would imply a proportionate increase in the time period up to November 2010. The execution of work was delayed by more than two months, and NDMC had neither issued completion certificate nor recorded the final measurement. Further, compensation for delay valuing Rs. 1.25 crore was also not levied.

The Chief Minister of Delhi desired in February 2006 that the entire city of Delhi should have state of the art road signages with appropriate structural system for the forthcoming Commonwealth Games 2010. A pilot project was taken up by PWD in May 2008 through authorised converters of 3M Limited and Avery Dennison (the two leading manufacturers of the retro reflective sheets).

The department did not facilitate healthy competition, but merely ensured sharing of signage work between the two major sheet manufacturers, 3M and Avery-Dennison. Instead of calling a single tender for the complete work, the project work was divided among three PWD Zones for separate tendering and execution, with two restrictive conditions :

- *The Sheet manufacturer would necessarily be a part of the bidding party, and have an exclusive MoU, and*
- *not more than two out of three works relating to the three PWD zones would be awarded to any one sheet manufacturer.*

This led to only two valid bidding parties in PWD, with work automatically getting distributed between them.

The anti-competitive bidding conditions led to:

- *Work of one zone being awarded at least Rs. 1.40 crore above the corresponding cost in the other two zones.*
- *Higher overall costs of procurement in PWD, as compared with NDMC (where there were no such restrictive conditions of the manufacturer to be a part of the bidder).*

Negotiation to the tune of Rs 4.75 crore had to be done in case of the final bid, indicating lack of competition in the bidding process.

Subsequent to the award of work, the designs for the signages were substantially revised, leading to large number of extra and substituted items of dubious utility. These were approved under the recommendation of the advisor to PWD, primarily based on the designs submitted by one of the contractors.

We are of the view that the design modifications were of little utility; the manner of implementation was also uneconomical, leading to higher cost of execution. These extra and substituted items led to an additional avoidable expenditure of Rs 14.88 crore.

23.1 Introduction

In February 2006, the Chief Minister of Delhi desired (February, 2006) that the entire city of Delhi should have state of the art road signages with appropriate structural system for the forthcoming CWG 2010. A presentation was made by 3M India Limited before the CM on the signage system to be developed in Delhi. In keeping with the CM's direction, a stretch of road was selected between Tilak Marg and Raj Ghat and a feeder road going up to Delhi Secretariat for a pilot project in April 2006 at an estimated cost of Rs.1.77 crore. The pilot project was taken up (May 2008) using ASTM¹ Type XI retro-reflective (RR) sheets

and was completed in December 2008 by the authorised converters of 3M Limited and Avery Dennison, the two leading manufacturers of retro reflective sheets of type-IX and XI.

GNCTD accorded in principle approval in March 2009 for the work of installation of retro reflective signages using type-IX (based on pilot study of NDMC using Type IX Retro-reflective sheet), though the pilot study by PWD was conducted using Type-XI sheeting. The type of support structure (M.S. Pipes/Tubes) and colour of signages (blue coloured sheet with white letters) was also decided.



Cantilever mounted signage

¹ American Society for Testing and Materials



Road name – double arrow signage



Cautionary and directional shoulder

We acknowledge the improvement brought to the look of Delhi by the consistent implementation of the road signages project. The aesthetic and utilitarian upgrade by the use of these signages is commendable.

Instead of calling a single tender for the complete work, the project work was divided among three PWD Zones for separate tendering and execution, purportedly on grounds of administrative convenience. In our opinion, a single tender would have facilitated greater competition.

Though the pilot project was decided upon in April 2006, there were inexplicable delays in executing it (2008), with the main works finally being awarded only in October 2009, with a stipulated period of completion of 6 months, at a total contract amount of Rs. 53.13 crores.

As of December 2010, the works were in progress and an amount of Rs. 25.06 crore was paid which included provisional payment of Rs. 2.83 crore for extra items under two zones (M2 & M3), against the accepted extra items of Rs. 7.88 crore. The details of execution and payment for extra

items in M1 were not available, but are likely to be similar as the nature of work is similar in all zones.

NDMC also undertook the work of signages of NDMC roads. The work was executed in seven separate packages between February 2009 and October 2009 at a total contract cost of Rs 19.52 crore.

We found better competition and costs obtained by NDMC, and this has been used as a benchmark in evaluating the signage work undertaken by PWD.

23.2 Restrictive conditions in tendering

The department was aware that there were only two manufacturers of retro reflective sheets (RR sheet) and that the component of RR sheet formed only about 33 per cent of the total project cost. Yet the following restrictive eligibility conditions were included in the notice inviting tender (NIT), finalised on the basis of discussion between Pr. Secretary to Chief Minister, Pr. Secretary (PWD) and Pr. Chief Engineer.

- The bidder shall either be a retro-reflective (RR) sheet manufacturer or shall have an exclusive MoU with the manufacturer of RR sheet in the case of a firm or Joint Venture (JV).
- Out of the three packages of road signage works, not more than two packages shall be awarded to any one RR sheet manufacturer.
- The sequence of bid opening was stated, with the financial bid of Zone M1 to be opened after the other two zones (M2 and M3).

Thus, inclusion of above conditions resulted in following:

- It was ensured that at least one zone each would be awarded to both the sheet manufacturers, irrespective of the competitiveness of their bids.
- It enabled the RR sheet manufacturers either to collude to split the order among themselves, or to consistently bid high in all the bids, knowing that no party would take all the bids.
- It presented a situation for both the sheet manufacturers to charge a premium for their association/exclusive MoU as they were an indispensable component of bidding process.

We found that the bidders backed by Avery-Dennison won the contracts in zones M2 and M3. However, in zone M1 the financial bid of the Avery-Dennison backed vendor (Prakash Reflective Devices) was incorrectly rejected by an extreme interpretation of the clause for turnover criteria. Consequently in zone M1, the department was forced to accept the sole technically qualified bid of

3M-Bajaj consortium, by negotiating down the quoted rate by 15.95 percent of quoted amount, but still at higher rates than M2 and M3. The estimated value of work of M1 was similar to the sum of works for M2 and M3.

The impact of the restrictive clauses was that the work in the three zones of PWD were awarded at rates higher than the three works of NDMC awarded in the same period (October 2009). The cost of major comparable items of RR sheet and VHB² tape was higher by 21 to 73 percent respectively, in PWD when compared with NDMC.

The lack of competition in PWD resulted in higher tender rates and consequent loss to government.

In zone M1, although the bid of Avery Dennison backed vendor was incorrectly rejected, the bid was in any case not to be considered as the department had already stipulated that not more than two work would be awarded to one sheet manufacturer. This left 3M-Bajaj-CBM consortium as the only technically qualified bidder. 3M-Bajaj-CBM consortium quoted 8 per cent above estimated cost. In fact, in all the three zones, the 3M consortium quoted varying rates, and each time higher than its competitor.

² Very High-strength Bond Tape, a proprietary product of 3M

The department negotiated the bid of 3M-Bajaj-CBM consortium down by Rs. 4.75 crore. The work was finally awarded to the consortium at 9.2 per cent below estimated cost, which was still 5.1 per cent higher than the rates for other two zones. Thus the acceptance of single tender at higher rate due to restricted competition has resulted in a minimum loss of Rs. 1.40 crore to government.

PWD replied that NIT conditions were designed in this manner for faster execution, and to ensure that a single agency did not take up the entire signage work for all the three zones, so that if one agency failed, the other agency could be used to counter the failure.

We do not accept this argument, as such recourse to awarding the work to another agency in case of failure by the selected agency was always available, and PWD need not have ensured that both the agencies were awarded a share of the work for this purpose, which led to reduced competition.

23.3 More expensive design and execution in PWD vis-à-vis NDMC

We compared the cost of three similar types of signages executed by NDMC with that of PWD and found that the cost of acquisition in PWD was substantially higher than that in NDMC. The difference in cost is both due to a higher cost of the input material and a more expensive design, consuming more of the input material. NDMC used structure of stainless steel while PWD used mild steel

structures to fix the signages. The cost comparison with and without structure was worked out by us, and is tabulated below.

Table 23.1 – Unit Cost (Rs) of Signages (Without Structure)

(In Rs. Crore)

Signage Type	NDMC	PWD
Place Identification	31,178	56,809
Cautionary	10,029	21,510
Road name-Double arrow	18,739	42,437

Table 23.2 – Unit Cost (Rs) of Signages (With Structure)

(In Rs. Crore)

Signage Type	NDMC	PWD
Place Identification	51,129	61,544
Cautionary	25,400	24,513
Road name-Double arrow	35,827	45,336

The cost incurred by PWD for various signages excluding structure work, was substantially higher by 82 to 127 per cent than NDMC. This indicated inefficient and expensive design and procurement.

23.4 Execution of extra and substituted item leading to cost escalation

We noticed that in two zones (M2 and M3), identical extra items valuing Rs. 7.88 crore (28 per cent of contract amount of Rs. 28.12 crore) were accepted by the department, while in zone M1 the value of extra item is estimated to be approximately Rs. 7 crore on the same basis.

As tenders for the work were invited on the basis of the pilot project carried out by the PWD wherein both the sheet manufacturers had participated, it was expected that the requirements for execution of project would be well known leaving minimum possibility for substitution of items or execution of new items. This was not the case. The expenditure on extra/substituted items, estimated at Rs. 14.88 crore across the three zones, was primarily on account of the following items:

Table 23.3 – Expenditure on major extra/ substituted items

(In Rs. Crore)

Nature of Extra/Substituted item	Amount
Substitution of MS Angle with Square Hollow Section for making Signage frame	2.85
Covering back face of signages with ACM ³ as extra item	3.51
Use of Aluminium channel/ Trim as extra item	3.85
Payment for precast bend, bolts and anchor plates as extra item	0.93

Inclusion of a large number of extra/substituted items after award of work, without documented technical reasons, raises doubt on their actual utility, especially when the designs finalised by Shri. D.S Sachdeva, Advisor (without specific authority) was based on the methodology submitted by Fibrefill, one of the executors of the signage work.

In reply to our observations on extra and substituted items, PWD stated that decisions on execution of these were taken solely in the interest of work, for improved aesthetics or on technical grounds, after due deliberation under the guidance of Advisor (PWD) – a retired DGW/ CPWD.

As explained in the following sections, we are not convinced of the need for these extra and substituted items, which has substantially inflated the cost of the project.

In an item wise scrutiny of impact of substituted items on overall cost of various types of signages, we found the cost per unit increased from 21.5 per cent to 71.9 per cent as tabulated below:

Table 23.4 – Increase in cost on account of substituted items

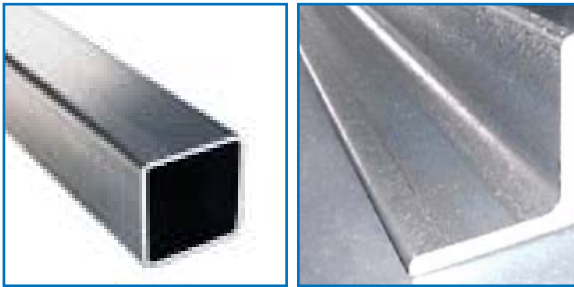
(Per unit cost in Rs.)

Type of Signage	Agreement Cost	Executed Cost
Gantry mounted	5,52,399	8,87,201
Cantilever mounted	1,95,272	2,37,067
DSM (Directional Shoulder Mounted)	54,623	87,328
Cautionary Signboard	15,482	26,597
Place Identification signboard	40,092	48,690
Road name Signboard: Double sided	23,479	28,985
Road name Signboard: Single sided	23,479	37,851
Road name Signboard: Double arrow, Single sided	27,259	45,082

³ Aluminium Composite Material

The details of the extra/substituted items leading to the stark increase in cost are given below. The avoidable expenditure includes estimates for zone M1 for which final payments are yet to be made.

23.4.1 Substitution of MS Angle with Square Hollow Section (SHS)



Square Hollow Shape (SHS) **Mild Steel (MS) Angle**

During the pilot project for signages in PWD, the frame for fixing of retro reflective sheet was constructed using MS Angle, and the same was specified at the time of tendering. No questions regarding the frame were raised by any of the bidders during the pre bid conference.

We found that during issue of detailed drawing by PWD, which was done subsequent to the award of work, the item of MS frame using MS angle was substituted by SHS and contractor was paid for the difference in the rates between MS angle and SHS as extra item.

The use of costlier SHS has actually benefitted the contractor by way of reducing his fabrication cost, while increasing the cost of the project. **This substitution of item has led to avoidable expenditure of Rs. 2.85 crore**, of which Rs. 0.75 crore has already been paid in two zones.

This has also led to increase in weight of larger signage structures like gantry and cantilever, which runs counter to the reason given by the department in support of use of SHS.

23.4.2 Needless sanction of work for covering back face of signages with ACM as extra item

The scope of work under agreement did not provide for covering the back face of some of the signboards. However, during execution, the back of signages were covered using 4mm thick ACM. Covering the back of the signboard served no functional purpose, and was done for the stated purpose of improved aesthetics. The execution of this extra item enhanced the cost of signage by Rs. 4926 per sqm leading **to avoidable expenditure of Rs. 3.51 crore** as of November 2010.

We are of the opinion that since only the front portion of the signboard had information to be seen by the citizen/user, any expenditure on improving the aesthetics of the back surface was wasteful.



Riveting of ACM to frame

Analysis of the cost components of Rs. 4926 per sqm for assessed value of work of covering the back face with ACM, done based on single quotation, revealed that the cost of VHB tape used for fixing ACM was Rs. 1666 per sqm (34 per cent) while Rs. 1259 per sqm (26 per cent) was for its routing, bending, making tray, fixing of VHB tape etc. In fact, the VHB tape used for bonding ACM with the MS frame is manufactured by 3M, one of the sheet manufacturers.

Even if the sheets had to be used, the whole cost of fixing ACM with VHB along with its routing and bending could have been dispensed with, by simply riveting the ACM sheets. In this process, the extra cost of covering the back face could have been reduced by Rs. 2.03 crore.

During computation of cost for extra item of covering back face of the signages with ACM, excess area (than required) was considered, causing a further loss of Rs. 0.25 crores to the government.

23.4.3 Wasteful expenditure on inclusion of aluminium channel/trim as extra item

The guidelines issued for execution after awarding works included an item of providing 2 mm thick Aluminium channel/trim around the sides of RR boards for again, purportedly, aesthetic reasons.

Consequently this item of trim was executed as an extra item. We found that:

- The aluminium trim was to be fixed by using VHB tape (an expensive



Aluminium Trim peeling off from frame

proprietary product of 3M), thereby exposing the trim to inevitable theft by peeling it off. It has been removed in some places, and in some other places, they are in the process of being removed.

- As the ACM sheet used in the board already had an aluminium layer as an integral part, the overlay by another aluminium layer as trim was wasteful.
- The actual aesthetic utility of aluminium trim on signboards mounted on gantries and cantilevers fixed at a height of above 6m, meant for vehicles running at substantial speed is also questionable.

Thus, the decision to use aluminium trims was unwarranted and has resulted in wasteful expenditure of Rs. 3.85 crore. Further, an expenditure of Rs. 0.42 crore for this item was incurred without approval of rates by the competent authority.

23.4.4 Inadmissible payment for precast bend, bolts and anchor plates as extra item

The contract provided for welded bends for the tubular support structure. The department replaced welded bends with

precast bend as an extra item, despite the clarification given in the pre-bid meeting that nothing extra would be payable on this account. This replacement on the grounds of improved aesthetics without any functional purpose led to an additional cost of Rs. 0.40 crore.

Further, as per the description of work, rate analysis of the item, drawings appended with agreement, and CPWD specifications for steel works, the component of anchor bolts and anchor plates were to be paid under the relevant item of steel work itself. However, we noted that the same was separately paid as extra item at the rate of Rs. 116.73 per kg instead of the agreement rate for steel work of Rs. 65 per kg, leading to inadmissible expenditure of Rs. 0.56 crore.

23.5 Undue financial benefit to contractor for barricading work

During the pre-bid meeting, the department clarified that the barricade can be retained by the contractor after completion of work.

We found that the executed quantity of this item increased by 159 per cent, resulting in undue financial benefit of Rs. 0.24 crore to contractors, as of November 2010.

23.6 Non imposition of penalty

We noted that all the three works executed by PWD were delayed by 198 days as on 30 November 2010, but penalty of Rs. 5.26 crore for the delay was not levied on contractors.

23.7 Payment for work not recorded

In M3 zone, an amount of Rs. 4.50 crore was paid (July 2010) to the contractor without any measurement (progressive/detailed) since the start of work (November 2009).

We consider this to be a serious financial irregularity, especially when the contractor was responsible for recording measurements.



City Infrastructure Development: Roads and Flyovers

GNCTD undertook construction of 25 roads and bridges for upgradation of city infrastructure and in preparation for CWG 2010. At the time of the Games, 17 of these were fully completed. The remaining 8 were substantially completed and open to traffic with physical completion status varying between 90 per cent and 99.5 per cent. We selected seven of these projects for detailed review.

All the seven projects adopted Contractor's Profit and Overhead Charges (CPOH) of 37.5 per cent for the bridge/flyover components in contrast to CPOH of 15 per cent (raised from 10 per cent in December 2007/ April 2008) stipulated by CPWD. This resulted in increasing the justified cost, worked out by the department after opening of the financial bids, by Rs. 352.47 crore. A higher CPOH leads to a higher cost baseline for potential bidders. The CPOH rate also forms an indirect input into the process of preparation of justified costs, where required, and the associated band of 5/10 per cent for assessing the reasonableness of rates for final award of the contract.

There was irregular award of work in two projects where L-1 was determined by considering separate letters quoting a lump-sum amount, in violation of the manual provisions governing item rate tenders. Use of correction fluid in tender documents, and large number of cuttings/corrections were seen in another bid. These bids, as per rules, were liable for rejection, but were accepted by PWD.

We noticed cases of non-compliance with quality standards, with two cases where batches of steel with variation in weight outside of the permitted tolerance limit were not rejected, and one case where an important test for assessing strength of piles was not carried out.

PWD incorporated, at the level of CE, a new clause for price variation in six projects by deleting existing standard clauses.

We found instances of inaccuracies in the preparation of detailed estimates. In one case, this led to wrong assessment of the lowest bidder, and in the process an expenditure of Rs. 3.55 crore was incurred in excess of requirement. Incorrect estimate of another item, mastic asphalt, led to an additional avoidable payment of Rs. 1.34 crore due to payment for the item at market rates.

Two works costing Rs. 62.63 crore were got executed by PWD through deviations of ongoing works, instead of calling for fresh tenders, on grounds of urgency, but were not completed in time for the games.

PWD awarded work for construction of two arch foot over bridges (FOB) for Rs. 10.35 crore at JLN Stadium using for the first time, a suspension bridge design using imported Macalloy suspension system. One of the FOBs collapsed and the work was subsequently stopped on both the FOBs, which are still lying incomplete, rendering the payment till date of Rs. 8.65 crore infructuous.

We noticed that the PWD is dependent on consultants for all core activities including formulating project proposals, its implementation and third party quality assurance (TPQA). The consultancy agreements, however, did not adequately bring in the consultant's accountability for defects and losses arising from inaccuracy of designs and estimates. Engagement of TPQA consultants is a recent development based on advice of CVC for selected major projects. We, however, found that TPQA consultancy is not sufficiently independent, and is now more a norm rather than an exception, with the consequent increase in the cost of the projects by 1 to 2 per cent.

24.1 Introduction

As a part of upgradation of city infrastructure and in preparation for the Games, GNCTD had taken up 75 projects linked to city infrastructure improvement. Subsequently, 25 projects were stated to be directly linked to CWG for close monitoring.

As identified in our earlier report, three projects were delinked¹ from CWG, and not taken up. In all, GNCTD undertook construction of 25 roads and bridges projects to improve infrastructure of the city during CWG 2010. Of these 25 projects, one project each was started in 2004, 2005 and 2006. Nine projects were started in first half of 2007 and four in the second half. Three projects began in first half of

2008 and four in the second half. Two projects were started as late as in 2009. Of these 25 projects, 17 were fully completed, and the remaining 8 were substantially completed and open to traffic, with physical completion status varying between 90 per cent and 99.5 per cent.

We selected seven of these projects for detailed review - six executed by PWD viz. Raja Ram Kohli Marg Flyover Ghazipur Flyover, Barapulla Elevated Road, UP Link Road, Corridor improvement on Road No. 56 (ISBT-Anand Vihar), and Ring Road Bypass, and one flyover by DDA on NH 24 near the Games Village. These seven projects involved a total sanctioned amount of Rs. 2239.40 crore.

¹ Elevated East West Corridor, BSZ Marg Flyover, and Shastri Park Tunnel Corridor

Table 24.1 — Road and Flyover Projects selected for detailed audit

(Rs. in Crore)

Name of the Project	Contractor	Estimated Cost	Tendered Amount	Date of Award	Stipulated date of completion	Payment made as of Dec 2010
RR Kohli Marg Flyover	Afcons	146.40	214.57	Mar 07	Apr 09	258.26
Ghazipur Flyover	Afcons	173.36	199.79	Apr 08	Apr 10	175.79
Barapulla Elevated Road	DSC	352.40	433.71	Aug 08	Mar 10	382.93
UP Link Road	DSC	177.80	265.04	Sep 08	Apr 10	187.85
Road No. 56-Anand Vihar ISBT	Valecha	97.60	140.53	Nov 08	May 10	120.97
Ring Road Bye pass	Simplex	330.20	409.45	Dec 08 Jan 09	June 10 July 10	157.64 127.49
NH 24 flyover near Games Village (DDA Project)	Gammon	68.79	89.90	Feb 09	Sep 10	78.88

Project Timelines: Most of the projects were awarded in 2008, leaving hardly any margin for delay with the CWG just two years away. The dates by which various important milestones were met for the seven projects examined by us are tabulated below:

Table 24.2 — Important Milestones for selected Road/ Flyover Projects

Name of the Project	Date of Feasibility	Date of AA/ES	Date of approval of DUAC	Date of NIT	Date of Award of Work	Stipulated date of completion	Actual date of completion
RR Kohli Marg Flyover	Sep 05	Jul 06	Oct 06	Feb 07	Mar 07	Apr 09	Apr 10
Ghazipur Flyover	Aug 04	Apr 08	Jul 07	Dec 07	Apr 08	Apr 10	99% completed
Elevated Road over Barapulla Nalla	June 08	Aug 08	--	Jul 08	Aug 08	Mar 10	99% completed
UP Link Road	Mar 07	May 08	Dec 07	Jul 08	Sep 08	Apr 10	93% completed
Road No.56-Anand Vihar ISBT	Sep 04	Jun 08	Jan 08	Aug 08	Nov 08	Mar 10	99% completed
Ring Road Bye pass	--	May 08	Sep 07	Jul 08 Sep 08	Dec 08 Jan 09	Jun 10 Jul 10	99% completed
NH 24 flyover near Games Village (DDA Project)	Jan 08	Nov 09	Jul 08	Oct 08	Feb 09	Sep 10	Aug 10

24.2 Adoption of Contractor's Profit and Overhead Charges of 37.5 per cent for Bridge/ Flyover Projects

All the six projects adopted Contractor's Profit and Overhead Charges (CPOH) of 37.5 per cent² for the bridge/ flyover components (which represented the bulk of the work involved). This is in contrast to CPOH of 15 per cent (raised from 10 per cent in December 2007/ April 2008³) stipulated by CPWD⁴.

The justification adduced by PWD, GNCTD for adopting this percentage of 37.5 per cent (as opposed to 10/ 15 per cent adopted by CPWD) is that this CPOH rate was based on the "Standard Data Book for Analysis of Rates" issued by the Ministry of Road Transport and Highways (MoRTH). The foreword to this data book indicates that it is being adopted by various agencies for projects other than National Highways (which is the primary purpose for this data book). The estimates for these projects were prepared using the data elements indicated in the data book.

We found that the basic approach for the preparation of the MoRTH data book⁵ highlights common elements of overhead charges for both road and bridge works, but specifies different rates for CPOH (varying from 18.8 per cent to 43 per cent) for

different categories of road and bridge works. However, the MoRTH data book and the CPOH rates (indicated in the data book) have not been formally adopted by GNCTD⁶. Despite such non-adoption, PWD, GNCTD have adopted the CPOH rate of 37.5 per cent (as per the MoRTH data book), which is substantially higher than the CPOH rate of 15 per cent stipulated by CPWD. This resulted in increasing the justified cost, worked out by the department after opening of the financial bids, by Rs. 352.47 crore.

While other State PWD Departments are adopting the MoRTH data book for the purposes of estimation of road and bridge works, our scrutiny of selected projects in Orissa, for example, indicated that the data elements indicated in the MoRTH data book were adopted, but the overhead rate adopted⁷ was just 10 per cent.

Further, DMRC which routinely constructs elevated viaducts, similar to flyovers, does not use the MoRTH data book for its cost estimation. For any non-scheduled item of work executed by DMRC, whether following MoRTH specifications or otherwise, they apply a uniform fixed CP&OH of 20 per cent.

It is also not clear to us whether the overhead components for constructing of national highways (generally by NHAI) are applicable as such to the bridge and flyover projects in Delhi. The currently preferred mode for award of national highways is on BOT-toll mode, where Government funding is restricted to Viability Gap Funding (VGF) upto a maximum of 40 per cent of the

² 25 per cent as overhead charges, and 10 per cent profit thereon; this works out to an overall 37.5 per cent

³ The increase was communicated by DG, CPWD in December 2007, but approved by MoUD only in April 2008.

⁴ CPWD's manuals, contract clauses and other terms and conditions/ circulars are generally adopted by PWD, GNCTD.

⁵ Indicated in the data book itself

⁶ It is not clear when PWD, GNCTD commenced using these higher CPOH rates.

⁷ Without any additional margin for contractor's profit

estimated project cost. The amount of VGF itself is the biddable parameter, and hence the accuracy or reliability of estimates is perhaps not as of much concern as in the case of bridge and flyover projects being executed with 100 per cent Government funding.

The critical importance of the CPOH rate is that once adopted for estimation purposes, the detailed estimates thus prepared constitute a baseline for potential bidders. The CPOH rate also forms an indirect input into the process of preparation of justified costs, where required, and the associated band of 5/10 per cent for assessing the reasonableness of rates for final award of the contract.

In our opinion, the de facto use of the CPOH rate of 37.5 per cent for preparation of the estimates for the bridge/ flyover projects is inappropriate. GNCTD needs to carry out an in depth study of the actual elements of overhead involved (including the extent of equipment intensive construction methods actually in use for similar projects) and practices followed in other States for similar projects, before deciding on the appropriate CPOH rate for all such projects.

24.3 Irregularities in tendering procedure

24.3.1 Acceptance of bids quoted on papers other than tender documents

Rules and guidelines on form of the General Conditions of Contract (GCC), which are essentially part of Notice Inviting Tenders

(NIT), stipulate that in case of item rate tenders, tenderers are expected to quote on the tender form. Any tender containing percentage below/above the rates quoted is liable to be rejected⁸. We observed three instances where bids were accepted by PWD despite being quoted on papers other than tender forms:

- PWD called (July 2008) for item rate tenders for work of construction of elevated road on Barapulla Nalla (in two packages) from the empanelled contractors/firms. Six bids were received for each package. The works were awarded to DSC limited at Rs.218.79 crore and Rs.214.92 crore respectively for both the packages. We noticed that DSC became the lowest bidder not on the basis of his bid in the prescribed format of bid documents, but on the basis of separate letters quoting a lump sum amount, stated to be found in envelopes containing financial bid.
- Similarly, in case of UP Link Road project, where PWD invited (July 2008) item rate tenders, two bids were received, and work was awarded in September 2008 to DSC Limited at a cost of Rs. 265.04 crore. Again DSC became the lowest on the basis of separate letter quoting a lump sum amount stated to be found in envelope containing financial bid.

Award of works to DSC was irregular as:

- the letters were not part of the tender documents issued by the department but were stated to be found in envelopes containing financial bids,

⁸ We noted many instances, e.g. Ghazipur flyover, where percentage discount/premium was offered on the tender form, but accepted in violation of this stipulation.

- in the said letters, the firm had quoted the lump sum cost “*after discount on all items...*”. It was PWD which converted the difference between the lump sum amount and amount worked out as per item-wise bid, to a percentage discount to the quoted rate.

Taking cognisance of the letter which did not form part of the prescribed tender documents, and considering the lump sum cost quotation against the item rate tender was not in order and awarding of work to DSC Limited was irregular. Further, audit could not ascertain whether the said letters were submitted along with the bid documents or placed at a later stage.

24.3.2 Acceptance of bid despite over-writings/use of correction fluid

CPWD Manual prohibits the use of correction fluid anywhere in tender documents and, if used, such tender is liable for rejection. We found that the bid documents of Simplex Infrastructure Limited who was awarded the work of Ring Road bypass (Package II) had 12 cuttings/corrections, besides three cases of use of correction fluid for changing the figures, having an impact of increasing the bid amount by Rs.6.23 crore.

Use of correction fluid in the tender document made it liable for rejection. In spite of these obvious shortcomings in the bid document, the department did not reject the bid.

24.3.3 Irregular invitation of percentage rate tender

We found that tenders for RR Kohli Marg Flyover were incorrectly invited as

percentage rate tender, instead of item rate tender, as is required by the CPWD Works Manual.

We also noticed that though the tenders for the work were initially invited on item rate basis, yet it was subsequently changed to percentage rate tender without mentioning any reason despite the fact that scheduled items based on DSR constituted only 2 percent of the work.

Thus, invitation and acceptance of percentage rate tender was irregular.

24.4 Unwarranted inclusion of items in BOQ of agreement

We found that in six projects of PWD and one project of DDA examined by us, agencies had included separate items for providing temporary barricades and pile testing at the tendered cost of Rs. 11.84 crore and Rs.11.27crore respectively, against which, a payment of Rs. 15.35 crore had already been made.

Payment for both the items is inconsistent with MoRTH Specifications⁹ for Road and Bridge Works, against which these projects had been costed and executed, which clearly states that traffic safety arrangements including erection and maintenance of barricades and pile testing would be considered as incidental to the works and would be contractor's responsibility.

⁹ Section 112

24.5 Non compliance with quality standards

24.5.1 Usage of steel not conforming to standards in Barapulla Elevated Road

We noticed that out of 387 batches of steel consignment weighing 9048 MT, samples of 26 batches having the total batch weight of 642.01 MT and costing Rs. 5.79 crore were found by the department to be of weight lower than tolerance limit prescribed in IS 1786. These were, however, not rejected by the department leading to use of non-compliant steel. Out of these 26 batches, samples of only four were sent to third party laboratories, which, on testing, found them to be conforming to standards.

It is not clear why batches of steel which failed in the basic tests had been sent to external labs and were not out-rightly rejected and why only selected samples were subjected to third party tests.

24.5.2 Usage of steel not conforming to the standards in Ring Road Bypass

Another instance of non-conformance with standards was seen in the Ring Road bypass project where five batches of steel having total batch weight of 370.78 MT and costing Rs. 2.69 crore were found by the department to be of weight higher than tolerance limit prescribed in IS 1786. These were, however, not rejected by the department, leading to use of non-compliant steel.

24.5.3 Pile tests to confirm quality not carried out

We found that routine tests of piles were not carried out during construction of the

elevated road over Barapulla Nallah, in violation of MoRTH specifications and IS 2911-1985¹⁰.

As per Indian Standard Code IS 2911-1985, routine tests for pile are necessary primarily to determine the safe load on pile, and between one-half per cent to two percent of the piles are required to be tested. This translates to a minimum of seven routine tests to be conducted in case of Barapulla Nallah. As not even a single routine test was carried out, we could not ascertain how the PWD authorities satisfied themselves that piles were executed as per the IS specifications.

PWD, in reply, stated that these tests could not be undertaken due to shortage of time.

24.6 Contract Management

24.6.1 Adoption of revised price variation clause

Price variation in PWD is payable as per standard clauses¹¹ in General Conditions of Contract (GCC). We noticed that PWD incorporated a new clause 10CCA for price variation in all the six projects. The standard price variation clauses of GCC stipulate that for each project, the proportion of key components of steel, cement, labour and material is computed based on the estimated usage of these items in the project, which varies from project to project. In contrast, the new clause introduced by PWD adopted fixed percentages of use for all the components, viz, labour (22per cent), steel (25per cent), cement (15per cent), fuel (5per cent) and

¹⁰ Indian Standard Code of Practice for Design and construction of Pile Foundations

¹¹ 10C, 10CA, 10CC

machinery and machine tools (18per cent). Further, the CPWD manual does not prescribe any price variation payable on machinery and machine tools, though it was prescribed in this new price variation clause.

As the proportion of steel used in these projects was far higher than 25 per cent, and there was a downward trend in prices of steel during the construction period of four of these projects, the amount of recovery was lesser by Rs. 18.01 crore than that which would have become recoverable with the standard price variation clause.

We also noted that no financial or legal advice was taken by the Chief Engineer before incorporation of this new clause, as is required vide GFR and CPWD manual.

PWD stated that the NIT approving authority was fully authorized to make any change in non-statutory clauses contained in the GCC, and price variation clause being a non-statutory clause, amending the same is a matter of administrative discretion.

We are unable to appreciate the Department's stand in this regard. Only a formal, well thought out policy decision at the department level after taking financial and legal advice for amending critical conditions of the GCC can ensure that the interests of the government are protected. This cannot be left to the discretion of individual NIT approving authority on a contract to contract basis.

24.6.2 Incorrect measurement of underweight steel resulting in excess payment of Rs. 0.35 crore

We observed that 5184.26 MT of reinforcement steel bars were found underweight by 48.842 MT in terms of

standard unit weight in the Ring Road Bypass project. However, payment has been made as per standard weight in violation of CPWD specifications¹², resulting in excess payment of Rs. 0.35 crore.

24.6.3 Extra expenditure of Rs. 1.13 crore due to post tender change

PWD replaced an item of work, construction of three pipe culverts, with an extra item for executing the same using a different technology (trenchless digging), in the project of construction of grade separator at ISBT Anand Vihar crossing of Road No. 56. This entailed an additional expenditure of Rs. 1.13 crore. The replacement was done on the plea that it was a busy road and it was difficult to cut open the road without disrupting the traffic. The sanction of the competent authority, Chief Engineer, was also not obtained for the extra item. We are of the view that the item could have been included in the original project definition with the approval of the competent authority, and competitive rates obtained instead of the work being awarded later as an extra item.

24.7 Loss due to incorrect estimations

24.7.1 Loss of Rs. 3.55 crore due to incorrect estimation

We found that estimation for quantities prepared by the consultant¹³ in package-II of work relating to Elevated Road over Barapullah Nallah was not very accurate with large deviations. As a result, based on the actual executed quantities of material

¹² Section 5.3.4

¹³ Tandon Consultants Pvt. Ltd

used, the inter-se ranking of L1¹⁴ and L2¹⁵ bidders changed, with the bid of L2 bidder now lower by Rs. 3.55 crore than L1.

Greater accuracy in estimate preparation would have led to the work being awarded to a different contractor, and a sum of Rs. 3.55 crore could have been saved.

The Department did not invoke the relevant penalty clause against the consultant for his error in estimate preparation.

24.7.2 Avoidable expenditure of Rs. 1.34 crore due to inaccurate estimation

We found that in RR Kohli project, the requirement of mastic asphalt had been grossly underestimated in the detailed estimates prepared by the consultant¹⁶, with the actual executed quantity of mastic asphalt increasing by 815 per cent.

This has resulted in avoidable expenditure of Rs. 1.34 crore for payment for the extra quantity of mastic asphalt at market rates.

24.8 Execution of works without tendering

We noticed that two major works were got executed as deviation to ongoing works, i.e., without call of fresh tenders though as per appendix I (delegation of financial powers) of CPWD Works Manual, only Chief Engineer with the prior approval of CW Board¹⁷ is empowered to award the work without calling of tender.

¹⁴ M/s DSC at tendered cost of Rs. 214.92 crore

¹⁵ M/s Punj Lloyd at tendered cost of Rs. 218.86 crore

¹⁶ Mahendra Raj Consultants

¹⁷ Delhi Works Board, in case of PWD, GNCTD

The two cases are discussed in succeeding paragraphs.

24.8.1 Work costing Rs. 51 crore without tendering

During the construction of Barapulla elevated road, the Delhi Police requested PWD to provide proper connectivity of this road with Lala Lajpat Rai Marg so as to provide uninterrupted dedicated lane for athletes to move from CWG Village to all sports venues during CWG 2010. PWD proposed to GNCTD to provide for this connectivity through the main contractor without calling for tenders so that work could be completed before CWG. The proposal for Rs. 51 crore was approved by GNCTD in July 2009 keeping in view of the fast approaching CWG 2010, but **connectivities were not completed in time for the Games, and the work was ongoing as of December 2010.**

24.8.2 Work costing Rs. 11.63 crore without tendering

GNCTD conveyed the approval for Rs. 11.63 crore for widening of the existing bridge and on Trunk Drain No. 2 at the T Junction of Road No. 56-71 and bridge on Road No. 56-58A, and widening of Road No. 56 from 6 lane to 8 lane in front of ISBT Anand Vihar to provide smooth and signal free traffic on Road No. 56. The Executive Engineer decided to get work executed (without call of open tenders, and without the approval of competent authority), by Valecha, the contractor who was executing the ongoing work for "Corridor Improvement of Road No 56-ISBT Anand Vihar and allied works", so that the work could be completed before the Games. **The work was in progress as on date of audit.**

We are of the view that neither was the widening of bridges necessary for CWG-2010, nor was it a part of work already being executed in that area, and was thus not a deviation in any sense. Hence, award of work to Valecha without call of open tenders is unauthorised.

24.9 Infructuous expenditure of Rs. 8.65 crore on FOBs

The work for construction of two arch foot over bridges (FOBs) was awarded to P&R Infra Projects Limited at a tendered cost of Rs.10.35 crore to facilitate the public to reach JLN Stadium during CWG. The design of the FOB was of a suspension type, and not the ordinary pillar supported structure,

and was being attempted for the first time by PWD Delhi. Given the limited amount of time available for the games, it may have been better for PWD to stick to the tried and tested method of FOB construction. However, PWD decided to use an imported suspension system (Macalloy make) in spite of the fact that a suspension bridge with a similar suspension system had collapsed in Glasgow in 2008. Instead of awarding the design consultancy work to specialized agency having the experience in related field, the work was awarded as extra item to the consultant for the main work (Tandon Consultancy).

The deck of one of the FOBs collapsed during construction, while concrete was being laid.



Collapsed FOB near JLN Stadium

In the absence of FOBs to provide approach to JLN Stadium, PWD arranged for construction of temporary FOB by Indian Army.

The Dogra Committee, set up by GNCTD to enquire into the reasons for the accident, identified improper design as the reason for failure of the joint and collapse of the deck slab. Action taken by GNCTD to fix responsibility for the incident would be reported in future audits.

As drawing and design prepared by the consultant were subject to the approval of the department, failure of the PWD in ensuring correct methodology and design for the FOB and to identify a consultant competent to attend to this work has resulted in infructuous expenditure of Rs. 8.65 crore, which has already been paid to the contractor and consultant.

In response to our observation, PWD stated that the completion of the work had only been postponed and not altogether shelved, and as such, the expenditure could not be termed as infructuous.

24.10 Engagement of Consultants in PWD

For design and implementation of flyover projects, PWD appointed consultants for feasibility study of the projects, preparation of structural designs/ drawings/ estimates/ justified amount statements, proof consultants for checking of the proposed designs & drawings and third party quality assurance (TPQA) of the projects at a total tendered cost of Rs. 14.74 crore. We noted the following:

24.10.1 Inadequate defect liability provisions and lack of accountability in the consultancy agreement

The consultancy agreements provided for performance guarantee and performance security at five per cent of the tendered cost for the performance of the contract. While we note that design consultancy agreements provide a clause to deal with the post contract variations in assessed quantities if any, it did not explicitly state the accountability for lack of accuracy on designs and estimation. We noticed gross variations in quantities of two major items viz. reinforcement work and steel liner for pile ranging between 28 and 100 percent in six projects involving impact on the cost of the projects. Wrong estimation of quantities led to loss of Rs. 3.55 crore to the department in respect of a work mentioned in our report. Since the projects are consultant driven, in our view, the defect liability for the consultant should have been strengthened with specific provision for accountability in view of the fact that timely completion of the project, as per specified designs and also within the estimated cost, is related to the performance of the consultants.

24.10.2 Role of third party quality assurance

The works were awarded to the contractors for execution following the norms prescribed in CPWD Manual and specifications of MORTH and relevant BIS codes. Ensuring quality and specifications for the works was the responsibility of the contractors executing the works and the officers (Engineer in Charge, Project Manager, CE and EIC) supervising it. In

addition, the consultants entrusted with the designs of the projects were also tasked with ensuring execution of the works as per the designs/drawings and specifications.

The department had further engaged third party quality assurance (TPQA) for independent assessment of the quality and specification of the works. Although the TPQA is to be selected from among the short listed panel for such job, the department did not have any specified policy and qualifying criteria for selection of the TPQA.

The practice of engaging TPQA in PWD is stated to be a recent development, arising from a memorandum issued by the Contract Specifications and Quality Assurance (CSQA) unit of CPWD in March 2006. It is based on an advice from CVC for the engagement of external agency for third party quality assurance in certain selected major projects.

We noticed that TPQA consultants were engaged in all the projects examined by us, making TPQA consultancy more a norm rather than exception, adding 1 to 2 per cent to the cost of the project. We also observe that the quality assurance consultants are actually not independent from execution since TPQA were engaged by the Executive Engineers directly in charge of the execution and the test/investigation reports were also submitted to him. To ensure that the third party quality assurance agency is truly independent of both the executing agency, and the contractor, in our view, the TPQA should be engaged and monitored at a level higher than the Executive Engineer, or by an independent unit within PWD. Further, PWD should strengthen and streamline its systems for quality assurance, and come out with clear guidelines on engagement of TPQA providing agencies.

Renovation and Restoration of Connaught Place

Although the project for renovation and restoration of Connaught Place was envisaged in April 2004, it was plagued by undue delays. The original estimated cost of Rs. 76 crore (as of May 2005) went up nearly nine-fold to Rs. 671 crore by July 2007, with a huge increase in scope of work. In our opinion, it is likely that this increase in scope and cost was driven, at least partly, by the launch of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) by GoI in November 2005 and the subsequent inclusion of this project under JNNURM.

The approved DPR for the project was submitted only in February 2008, and it was, therefore, unreasonable to expect that the project could have been completed in time for the Games, especially in view of the constraints of traffic management and considering the importance of Connaught Place to Delhi's traffic. NDMC chose not to follow the approach of dividing the project into manageable packages, so organised as to minimise traffic disruption across the whole of CP, and taking up those project components which could have been completed in time. Instead, the project was divided into packages spanning the whole of CP, with all activities getting underway around the same time. Apart from the pilot project for facade restoration of 'C' block (which was completed in August 2008), the project remained incomplete at the time of the Games. We also found significant deficiencies in contract management, with consequent avoidable expenditure.

25.1 Introduction

Connaught Place (CP) and its surroundings have a historical legacy and have emerged as the Metropolitan City Center, as per the Master Plan for Delhi 2021. In April 2004, Chairman, NDMC directed NDMC to initiate action for restoration of Connaught Place before CWG-2010. The chronology of subsequent events is summarised below:



Table 25.1 — Chronology of events relating to restoration of CP

Timeline	Events
April 2004	Direction by Chairman, NDMC to initiate action
May 2005	Cost estimate for project prepared for Rs.76 crore
November 2005	Engineers India Limited (EIL) appointed as Project Management Consultant (PMC)
February 2006	Cost estimate and milestones for project implementation by EIL approved by Council
July / November 2007	DPR and revised cost estimate of Rs.671 crore prepared by EIL/ approved by Council
February 2008	DPR sent to GNCTD and MoUD for funding under JNNURM
	Redevelopment plan sent to DUAC for approval
April 2008	Administrative approval of Rs 615.20 crore by NDMC for the project, and EIL appointed turnkey consultants DUAC clearance received
November 2008	DUAC clearance received

25.2 Undue Delays

The project was plagued by undue delays. The decision to initiate action was taken in April 2004. The DPR, however was submitted only in February 2008 and DUAC clearance received in November 2008. It was, therefore, unreasonable to expect that the project could have been completed in time for the Games. Further, the constraints of traffic management, considering the importance of CP to Delhi's traffic, made this task even more difficult.

In our opinion NDMC should have divided this project into manageable packages, so organized as to minimize traffic disruption across the whole of CP and then taken up only those project components, which could have been completed by June 2010 (before the onset of the monsoon). NDMC, however, chose not to follow such an approach.

25.3 Huge expansion in scope of work

The original estimated cost of Rs 76 crore in May 2005 went up nearly nine-fold to Rs 671 crore by July 2007. This was mainly due to an increase in the scope of work on account of the following components:

Table 25.2 — Increase in Scope of Work / Costs

(Rs. in Crore)

Sr. No.	Item Description	Amount in original rough indication of cost by NDMC (May 2005)	Amount in revised indication of cost prepared by EIL (July 2007)
A. Engineering Services/Infrastructure			
1.	Overall Electrical System etc.	10.00	46.80
2.	Utility Duct/Service Tunnel in Middle Circle	—	69.21
3.	Escalators	—	80.00
4.	Other items	20.00	46.70
	Total	30.00	242.71
B. Façade restoration/ Areas to be taken up with stakeholders' participation			
1.	Façade Restoration	8.00	77.53
2.	Centralized HVAC	—	55.75
	Total	8.00	133.28
C. Pedestrian movement areas			
1.	Including improvement of existing subways and new subways, Outer Circle development)	—	65.05
D. Street furniture/ inner plaza development			
1.	Underground parking	—	111.99
2.	Civil & Electrical Works (Radial Roads, Middle Circle & Inner Circle)	—	66.08
3.	Others	30.00	51.88
	Total	30.00	229.95
	Grand total	76.00	670.99 (say 671.00)

Clearly, there was an enormous increase in the scope of work and costs. It is likely that this increase in scope and cost was driven, at least partly by the launch of the Jawaharlal Nehru National Urban Rehabilitation Mission (JNNURM) by Gol in November 2005, and subsequent inclusion of this project under JNNURM.

Under JNNURM, 35 per cent of the cost would be funded by Gol, and 65 per cent would be funded directly or indirectly met by GNCTD. Till December 2010, out of total expenditure of Rs 163 crore on the project, Rs 22.21 crore was met from JNNURM funds, Rs 37.86 crore from GNCTD funds, and the remaining amount of Rs 102.93 crore out of NDMC funds (to be reimbursed subsequently by GNCTD).

25.4 Project planning

A pilot project for façade restoration of C-Block was awarded in August 2007, and completed in August 2008. The rest of the

project was divided into nine packages spanning the whole of CP, with all activities getting underway around the same time. The status of implementation of various works is summarized below:

Table 25.3 — Timeline of Implementation of Works

Works	July '07	May '09	June '09	July '09	Nov. '09	Jan. '10	Feb. '10	Mar. '10	April '10	June '10	July '10	Aug. '10	Feb '11
1 (C block)													
2 (façade)				Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
3 (façade)				Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
4 (service corridor-middle circle)					Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
5 (electrical works-outer circle, subways)					Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
6 (Area dev- inner and outer circle)						Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey
7 (façade lighting- C pilot block)							Orange	Grey	Grey	Grey	Grey	Grey	Grey
8 (toilets, kiosks everywhere)								Orange	Grey	Grey	Grey	Grey	Grey
9 (escalators in subways)									Orange	Grey	Grey	Grey	Grey
10 (façade – lighting-others)										Orange	Grey	Grey	Grey
11 (horticulture)											Orange	Grey	Grey
12 (signage, everywhere)											Orange	Grey	Grey
13 (road works in inner and outer circle)					Orange	Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey

Note: Orange: award of work; Grey: Work in progress

As expected, all works were underway more or less at the same time, with the scheduled completion by November 2010 being completely impractical. A brief summary of two major works in progress is given below:

Table 25.4 — Summary of two major works in progress

Work	Brief Details
Civil, Electrical and Finishing Works for Service Corridor in Middle Circle	<p>A consortium of AFCONS-Sterling and Wilson Construction was awarded the contract in November 2009 at a cost of Rs 236.70 crore for completion by May 2011 with the structural works to be completed by August 2010 i.e., before the Games.</p> <p>We found that EIL accepted and NDMC approved a conditional rebate of Rs 5 crore offered by the tenderer for working round the clock for all days of the week. The above time schedule and the estimated price were based on 24 hours working in a day and 7 days in a week, on round the clock basis.</p>
Renovation of new subways and construction of new subways	<p>This work was awarded to Era Infra Engineering Pvt. Ltd. in November 2009 for Rs 56.04 crore on single tender basis on grounds of urgency and completion by CWG 2010.</p>

Details of the cost of different project components and expenditure till date are indicated in Annexe 25.1.

25.5 Traffic Management

As can be imagined, a 24 X 7 schedule of construction work in CP was completely impracticable, considering the importance of CP to traffic flow in Delhi. NDMC's response that the execution of the work was delayed due to non-receipt of clearance from the traffic authorities is illogical.

EIL sought permission from the Traffic Police in December 2008, who issued an NOC for 240 days (effective from 1 January 2010) only in December 2009. However, the NOC was withdrawn subsequently as described below:

- Due to starting of work at nine locations simultaneously, there were protests by the shopkeepers. Consequently, the NOC issued for traffic diversion during construction of the subways in the outer circle and service corridor in the middle circle was withdrawn in January 2010 by the DCP (Traffic), stating that the New Delhi Traders Association (NDTA) had strongly opposed the construction and redevelopment work¹.
- The Traffic Police stated that due to this construction work, a large number of buses had been diverted, creating congestion in the surrounding areas of the entire New Delhi District and Central

¹ NDMC informed the Traffic Police that the traders association had been taken into confidence. However, the Traffic Police were informed by the NDTA that they had strongly opposed the construction work in their interaction with NDMC.

District. Road link for the general public to New Delhi Railway Station had been similarly affected, leading to untold miseries faced by commuters. DCP (Traffic), therefore, asked NDMC to take a relook at the entire project of construction of subways and related redevelopment work in consultation with all the stakeholders i.e. Traffic Police, DTC, NDTA, etc. Pending a decision in the matter, construction work was asked to be immediately stopped, and the barricades covering the road space be removed.

- Subsequently, the Lieutenant Governor (LG) issued instructions for slowing down the pace of construction. In a meeting in January 2010 called by the LG to discuss traffic problems and access issues during renovation works in CP, the Commissioner of Police opined that the requirement of subways needed to be revisited. Some sub-ways had been planned on either side of the intersection, and some, for example the one at Panchkuian Road, at areas where not much of pedestrian movement existed. Some of the relatively less important subways could be taken up after the Commonwealth Games, and concreting of the Outer Circle road should be done lane-wise.
- The LG stated that the NDTA did not have any problem with restoration of façade renovation work in the inner circle, and the problems due to ducting work in the middle circle seemed manageable by appropriate segregation of works so as to keep two roads for entry and two for exit to and from the inner circle open at all times. The major problem seemed to be with the works in

the outer circle, which needed to be looked into in greater detail and the right solution found.

- Till December 2010, the contractor could complete only one sub-way i.e. at Super Bazar (old); the earthwork done for the four new sub-ways had to be refilled, due to non-receipt of clearance from Delhi Police. The work of installation and commissioning of escalators in the sub-ways (awarded to a different contractor) was correspondingly delayed.



Covered subway entrance after re-filling

NDMC's response that taking up construction of subways one by one would have led to completion in eight years with associated cost over-runs and inconvenience to the people appears to be untenable, as taking up so many works simultaneously led to even greater difficulties in execution.

25.6 Contract Management

We also noted the following deficiencies in contract management.

- Granite was used as flooring material in the pilot project for 'C' Block, contrary to the initial DUAC approval of November 2006. Consequently, after inspection, the DUAC ordered sandblasting of granite flooring in November 2008 to reduce the colour contrast, resulting in avoidable expenditure of Rs 0.19 crore



C-Block with Granite Flooring

- In area development works for inner and outer circle of CP, granite stone kerb instead of concrete kerb was used, with a difference in expenditure of Rs 5.97 crore. This included avoidable expenditure of Rs 0.61 crore, due to an unjustified change in colour of granite stone kerb from 'Sindoori Red' colour to 'Rajashri Red' colour.



Granite kerb fixed at work site

NDMC stated that granite was most suitable for such areas because of its durability, hardness, long life, and aesthetic value compared to other paving materials. Further, the samples of 'Rajshree Red' with complete laid flooring samples, including kerb stones, were approved by the Chief Minister during her visit to CP in March 2010.

We do not agree with NDMC's reasoning. The DSR provides for concrete kerb stones. We have, however, considered Kota stone as a comparable material in terms of its being durable, anti-skid and stain-resistant (besides being more economical). If a granite finish was deemed essential, this could have been achieved through 18 mm granite covering on a concrete kerb stone.

- We also noticed award of work of Polymer Concrete Drain costing Rs 2.44 crore along the circumference of Central Park. In our opinion, the expenditure is unnecessary, due to the existing road side drains. Further, our inspection revealed choking of polymer drain in some places with mud due to its narrow width.



Choked polymer drain

NDMC stated that the drain had been provided as the footfall was high, and providing a drain with grating was not suitable for this area; further, maintenance would be taken care of, after completion of the work. We do not agree, in view of the existing road side drains.

Currently, the project for renovation and restoration of CP is nowhere near completion, given the difficulties of traffic management and ill-conceived planning. We find it difficult to assess the timeline by which this project is likely to be completed to provide necessary benefits to the citizens of Delhi.

Other Infrastructure Development Activities

TETRA is a professional mobile communication service essentially meant for emergency services and government agencies. In September 2008, GNCTD decided to introduce a TETRA network in time for CWG-2010, based on the experience of Beijing Olympics 2008. GNCTD awarded the contract for TETRA to HCL-Motorola at Rs.99.81 crore for an 87 month period, covering not only the Games period but also a seven year legacy period. In our view, the decision to extend TETRA for legacy use for seven years was ill-conceived. A proper assessment of the requirements of Delhi Police (the main user) and other public agencies as well as the replacement of existing networks with TETRA (since no communication was permitted by DoT between TETRA and other networks) was not carried out.

During CWG-2010, Delhi Police conveyed its dissatisfaction with the signal quality and termed it a failure. As regards legacy use, it is not clear how these 3657 rented TETRA sets will replace Delhi Police's existing radio communication system of nearly 11000 sets. Post CWG-2010, most of these expensive TETRA sets are, in effect, no more than mobile phones.

During CWG-2010, transportation services were provided for ferrying the athletes, technical officials and media persons, for which the low floor buses of DTC were used. Other improvements to the transport facilities/infrastructure included construction of new bus parking, ticketing booths and bus queue shelters; and providing LED destination boards on standard buses.

For keeping the buses 'new' for CWG-2010, DTC kept about 16 per cent of its low floor fleet (471 buses) idle between March and August 2010. Further, 78 per cent of the Blueline fleet was also taken off the roads in the NDMC area (but not in the MCD area) for the duration of the Games. As DTC diverted 1338 drivers full time for the purpose of the Games, it could not deliver its scheduled kilometre coverage for the public. Thus, public transport was greatly disrupted; this could have been reduced by showing greater empathy for the needs of the common man.

Modernisation projects like LED destination boards on standard buses, construction of Time Keeping Booths and modern bus queue shelters (BQSS) could not be completed before CWG-2010 as envisaged. The construction of 48 ticketing booths all over the city appears to be an anachronism at a time when the buses are being fitted with GPS/ AVTS.

For getting 1500 Bus Queue Shelters (BQSS) constructed before the Games, DTC and the Transport Department of GNCTC resorted to various methods of execution, which indicated arbitrariness, ad hocism and lack of clarity in implementation of such a large

project. So far, only 472 BQs could be completed. Interestingly, DIMTS, a non-Government entity with 50 per cent private shareholding, was awarded two projects for BQs on nomination basis – 800 BQs with Government funding and 250 BQs on BOT. The Transport Department had gone ahead with construction of 800 BQs with Government funding of Rs.96.70 crore, despite the Finance Department's protestations of lack of funds. Further, the concession fee for the BOT BQs awarded to DIMTS was kept unduly low compared to similar projects in Delhi like BOT-I of DTC.

The bus parking constructed at the Ash Pond opposite the Millennium Park is not merely a temporary structure but has certain permanent constructions like the filling stations, washing area, boundary wall etc. Its use has continued well beyond the short requirements of the Games. This was clearly in violation of the Master Plan for Delhi 2021 and the proposed Zonal plan of Delhi, which earmarks the area as a green zone with recreational uses but without permanent construction.

GNCTD planned to commission a new power plant at Bawana on the grounds of increased dependence on own power generation sources. The construction of the 1500 MW Bawana gas-based power plant was, however, delayed, and could not be completed in time for the Games.

Delhi Transco Ltd. (DTL) also took up five 220 KVA substations and seven corresponding cabling projects to strengthen the power supply situation in Delhi in time for the Games. Most of these projects were awarded very late (in the second half of 2009) and could not be completed before the Games.

Further, the contract award process was not transparent, as DTL had applied conditions inconsistently to award contracts to favoured parties.

26.1 Secured Communication System (TETRA)

26.1.1 Introduction

TETRA or Terrestrial Trunk Radio is a professional mobile communication service which permits communication either through a network of base stations or point to point communication like a walkie-talkie. Compared to commercial mobile networks (GSM or CDMA), TETRA's main advantages are:

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

TETRA was specifically designed for use by government agencies, emergency services,

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

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

26.1.2 Selection of Tetra and Award of Tetra Contract

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

- In a meeting of the CoS on 9 September 2008, CS, GNCTD, expressed the need for setting up an efficient communications system among various agencies involved in CWG-2010 arrangements. While suggesting a TETRA based solution, he proposed the setting up of a task force.
- On 11 September 2008, LG, Delhi called a meeting with Shri Suresh Kalmadi, Secretary, Sports, GOI, CS, GNCTD and other senior officials of GNCTD for establishing a secure communication system for CWG-2010 on the lines of the Beijing Olympics. A presentation by the suppliers of TETRA at Beijing was made at this meeting, and it was decided to adopt the TETRA as a secure communication network in Delhi for CWG-2010. An Inter-Agency Group (IAG) was constituted to draw up the

specifications. The Department of Information Technology (DoIT) was named as the nodal agency for the project and TCIL, a PSU, was hired as the Project Management Consultant.

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

An RFP was issued in April 2009. 3 bids (from HCL-Motorola, TCS-EADS, and Tech Mahendra-Selex SPA) were received, all of whom were found to be technically qualified. On opening and evaluation of financial bids, HCL-Motorola was found to be L-1 (at a cost of Rs. 99.81 crore plus service tax) and was awarded the work in December 2009. All the activities to operationalise¹ the system were to be completed within 24 weeks of award of contract, but were completed in August 2010 with a delay of 7 weeks.

26.1.3 Ill-conceived decision for legacy use of Tetra

Right at the outset (in September 2008), TETRA was envisaged to cover not only CWG-2010, but also legacy use, on a wet-lease basis for an additional period of 7 years. The usage indicated by major departments during CWG-2010 and legacy are summarised below:

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

Table 26.1 – Planned use of TETRA

(In Rs. Crore)

Department	CWG-2010	Legacy
Delhi Police	3565	
OC	3221	Nil
DTC	747	82
MCD	415	
Divisional Commissioner Office	170	
H&FW	362	133
PWD	100	Nil
Others	863	80

In our view, the decision to provide 3656 sets to the Delhi Police (DP) for legacy use was ill-founded and ill-conceived. DP already had an extensive integrated wireless communication system with:

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

DP was the largest user of TETRA both during CWG-2010 and the legacy period. In September 2009 they expressed an intention to limit their participation in the TETRA system only to CWG-2010 and withdraw the previously projected requirement for the legacy period. However, LG, Delhi through his Principal

Secretary and the Chief Secretary, GNCTD prevailed upon the Commissioner of Police, Delhi (CP) not to withdraw the requirement projected for Delhi Police:

- CS, GNCTD in his letter addressed to CP dated 26 September 2009, stated that such reduction at the stage of technical evaluation would tantamount to violation of CVC guidelines indicating inflated demand in the RFP document and lack of due diligence in firming up the requirement. He further wrote *“You will agree that procedural formalities and vigilance instructions are to be strictly adhered to in tender matters. Commonwealth Games are catching media attention and any slippage at this stage is not desirable. In case inflated demand has been projected earlier, the same may be examined at your end. It may not be possible for Govt. of Delhi at this stage to consider any reduction in requirements of TETRA sets.”*
- The LG, Delhi also communicated to CP through his Principal Secretary *“to ensure that DP requirements are not reduced or compromised in the proposed fully Secured Communication Network for Commonwealth Games which is now at the stage of scrutiny of technical bids.”*

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

Thus, despite its reluctance to join the TETRA for legacy use, DP did not take a decision in this regard in time, and was effectively forced to go along with the proposal.

GNCTD stated that Delhi Police had not invested in the old communication system in 2-3 years with a view to having the latest communication system expected from TETRA.

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

26.1.4 Other legacy users

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

- MCD had public mobile radio trunking sets and mobile phones in closed user group (CUG) mode. MCD reduced its requirement of TETRA from 500 handheld sets to 415 and deployed it in departments like horticulture, education, sanitation etc. and even the PA to the Commissioner; this is not in keeping with the objective of using TETRA for emergency services.
- DTC had 27 trunk radio sets and mobile phones provided to officers, central control rooms, and regional control rooms. DTC abandoned its functioning radio communication system in April 2010, replacing it with the TETRA system, and deployed its 82 sets in all depots (47), recovery vans (10), airport

express services (9), control rooms (7) inspecting staff (6) and others (3).

- The Health and Family Welfare Department had a wireless UHF based trunk radio system and a public mobile network on CUG mode for key doctors and hospital staff. They issued 83 sets to the Employee State Insurance Corporation, who sought clarification as to how the sets were to be utilised. Of the remaining 50 sets, 17 were distributed to CMOs and other officers; and 33 static terminals were kept in the emergency rooms of various hospitals.
- 170 sets were given to the officers of the Revenue Department in the Divisional Commissionerates. These include 12 sets given to the DDMA (Delhi Disaster Management Agency).

While we do not question the decision to employ TETRA for CWG-2010, the decision to extend it for legacy use for 7 years was ill-conceived, without a proper assessment of the requirements of either DP or other public agencies. Little thought was given to the task of replacing the existing networks with the TETRA (since no interconnection was permitted by the DOT between the TETRA network and other networks).

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

26.1.5 Utilisation of TETRA during CWG-2010

We found that the implementation of the TETRA could be completed only by mid-September 2010, but its utilisation had not stabilized by the time of the Games due to insufficient time for familiarisation. We also found that the largest TETRA users during the CWG-2010 period – DP - were unable to use it due to poor signal quality, while the OC could not produce sufficient evidence of usage:

- DP, which held 38 per cent of the sets during CWG –2010 and 79 per cent for legacy use, conveyed its dissatisfaction with the signal quality inside the buildings and underground after surveying the venues and other areas during CWG-2010, as detailed in **Annexe 26.1**. The Special Commissioner (Intelligence and Operations) called the TETRA system a “failure” and noted that it was the existing police communication network that was utilised successfully for security related communication during the Games.
- In response to our enquiry regarding distribution of communication terminals from the OC, JDG (Network-Technology), OC could furnish details of distribution to individuals of only 150 sets and that too only at the Games Village. The details of distribution of the remaining 3071 communication terminals to the OC could not be produced, beyond a broad deployment to 25 venues.

In response, GNCTD stated that the average duration of talk time on TETRA by Delhi Police was 72 hours/ day, while it was 130 hours/ day for all Departments. This,

however, does not translate to effective and complete coverage, which was the grievance of DP.

The vendor raised a bill of Rs. 9.46 crore for the CWG-2010 period (September –October 2010), which is not justified, considering that the system was finally optimised in mid-September 2010, and pro-rata reduction should be made.

In our view, considering the detailed statistics available with the Delhi Police, payment to HCL-Motorola for the sets deployed for use of the DP for CWG 2010 should be appropriately deducted for non-performance.

26.2 Transportation services for CWG-2010

26.2.1 Introduction

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

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

² Cast for Ceremonies of CWG-2010



26.2.2 Purchase of low floor buses

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

26.2.3 Reduced transport services prior to and during CWG-2010

We found that at the direction of the Minister of Transport (GNCTD) DTC did not deploy 382 of the new low floor AC buses (delivered in March and July 2010), till 31 August 2010 in order to ensure that these remained in “new and unused condition” for the Games. Another, 89 low floor AC

buses were also withdrawn from the active fleet between June and August 2010³ to avoid further damage to these buses, and kept idle. Together, these formed 16.44 per cent of the low floor bus fleet of the DTC and 8.33 per cent of the overall fleet.

Between September and October 2010, 1338 drivers were withdrawn from regular bus schedule, and attached to 600 buses being plied on CWG-2010 duty. We found that the average fleet utilisation per bus per day decreased from 182 kms to 168 kms during the Games period of 17 days i.e., 1 to 17 October. In addition, from 26 September 2010 to 17 October 2010, operation of 757 Private Stage Carriage (Blueline/Whiteline) buses was stopped and routes of 981 buses curtailed in the NDMC area (but not in MCD area) in view of the CWG.

³ 57 from the last week of June 2010 to 31 August 2010 and 32 from the last week of August 2010

GNCTD's reply that the buses were kept aside for various activities i.e. installation of global positioning system, Tetra, radio frequency identification tag etc. is not convincing since these activities do not require deployment of buses to be kept on hold upto five months.

Thus, public transport was greatly disrupted; inconvenience could have been reduced by showing greater empathy for the needs of the common man.

26.2.4 Incomplete implementation of LED project

We found that poor planning and lack of clarity till the late stage of award of the contract resulted in incomplete installation of LED destination boards not only prior to CWG-2010 but even till date.

- In October 2009, DTC decided to install LED Destination Boards on 1500 of its standard Buses on BOT basis in lieu of advertisement right. In November 2009, tender specifications were prepared and thereafter the issue was discussed at various levels in DTC and Transport Department GNCTD. In February 2010, Secretary cum Commissioner Transport directed (after discussion with Minister Transport) decided that the contract would be awarded on BOT basis (in lieu of advertisement rights) and DIMTS was nominated as the Bid Process Manager.
- Finally in July 2010, the contract was awarded to Castmaster Mobitec India Private Limited and letter of intent

issued in July 2010, with the stipulation of project completion within four months.

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

26.2.5 Unjustified expenditure on construction of 60 Time Keeping Booths for the CWG

In December 2009, DTC Board approved construction of 26 modern design Time Keeping Booths (TKB) at important CWG locations, at an estimated cost of Rs.66.88 lakh; the number was increased to 60 at the instance of the Minister of Transport. Initially in February 2010, tenders were invited at an estimated cost of Rs. 1.48 crore; which was increased to Rs. 2.03 crore on the ground of increase in scope of the work vis. fixation of LED board and installation of advertisement boxes. Work was awarded to SMF Display System (India) Pvt. Ltd. in May 2010 with a stipulation to complete it in 120 days.



DTC's time keeping booth

We found that civil work had been completed only in respect of 48 kiosks up to 03 October 2010, before the start of CWG-2010 and electric connection had been installed only in 10 kiosks.

Time Keeping Booths have been a part of the city transport management and control system, primarily for enforcing punctuality of bus operation. The staff deployed in the TKBs regulate bus operations, curtail or divert bus operation as per requirement of public, and also disseminate bus transport related information to passengers and tourists. In our opinion, the project of construction of these kiosks at a cost of about Rs.3 lakh each all over the city appears to be an anachronism at a time when the buses are being fitted with GPS/ AVTS and the GNCTD is implementing e-governance in a big way.

26.2.6 Ad hocism in methodology adopted for construction of Bus Queue Shelters (BQs)

In a meeting held by the Chief Minister, GNCTD on 22 June 2006, it was decided to upgrade 1000-1500 BQs in the city with modern designs on Built, Operate and Transfer (BOT) basis for their upkeep and maintenance. The concessionaire would generate revenue from display of advertisements on the BQs and pay an agreed amount as Concession Fee to GNCTD. We found that for getting 1500 BQs constructed before the Games, the DTC and the Transport Department resorted to various methods, which indicated arbitrariness, adhocism and lack of clarity in implementation of such a large project. From 2006 to 2010, 4 models of construction of BQs have been followed. Yet, only 472 BQs could be completed so far.

The details of the various methods of construction and our findings thereof are given below:

Figure 26.1 — Different models of construction of BQS



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

Table 26.2 — Main findings in respect of different models of BQS construction

Model	Observations
BOT for construction of 248 BQs awarded to Green Delhi BQS Pvt. Ltd	<ul style="list-style-type: none"> ■ Escrow account not opened by Green Delhi BQS Pvt Ltd., though contractually required; and ■ It had not paid the concession fee since March 2008 following which DTC encashed its bank guarantee on two occasions and recovered Rs. 13.31 crore. The total amount outstanding from Contractor as on 30 September 2010 was Rs.28.77 crore. ■ DTC gave advertising space on 79 BQs covered under the BOT contract to OC, instead of offering its own BQs. Incidentally, OC specifically asked for these by enclosing a list and DTC agreed to OC's list without making any effort to offer its own BQs.
Construction of 157 BQs by Ozone KLA JV	<ul style="list-style-type: none"> ■ The work could not be completed within the scheduled time of seven months and till 30 September 2010, only 99 BQs were built; ■ DTC was losing out on the revenue that it could have earned from advertisements on these BQs; and ■ As of November 2010, Rs. 13.62 crore had been paid to the contractor by the DTC whereas no funds have been received from the GNCTD.
Construction of 250 BQs by DIMTs on BOT basis	<ul style="list-style-type: none"> ■ The concession fee was based on a similar contract entered by NDMC (with JC Decaux) in 2006, when reference rates of 2007 were available; ■ The concession fee fixed for DIMTs of the higher of Rs. 9259 or 16 per cent of earnings, is much lower than the BOT rate of Rs.93,800 per BQS per month fixed with Green Delhi BQS Pvt. Ltd, JC Decaux offer of Rs.21,000 and DTC's reserve price of Rs.20,000 for BOT I. ■ DIMTs had not deposited the performance security as required and the department appointed an independent engineer to review the progress of work completed by the concessionaire only in December 2010 and at the instance of Audit also directed DIMTs to pay the concession fee in respect of the 75 completed BQs.
Construction of 800 BQs by DIMTs on nomination basis	<ul style="list-style-type: none"> ■ Contract awarded despite the Finance Department's protestations of lack of funds; ■ Mandatory contractual provisions like depositing of bank guarantee and performance security not insisted upon; ■ Department of Transport released payments of Rs. 42 crore (excluding Mobilization funds of Rs. 10 crore) on demand to DIMTs without having the detailed bills duly scrutinised by the engineer as required in the contract agreement;

Model	Observations
	<ul style="list-style-type: none"> ■ No statutory deduction on account of TDS (Rs.117.42 lakh), Worker Welfare Cess (Rs.57 lakh) were made at the time of release of funds and collected only at the instance of audit from the subsequent payment of Rs.5 crore.
	<ul style="list-style-type: none"> ■ In the absence of funds, Rs.52 crore was made available by the department from other plan schemes Major Head 5055 DD-1 (3) (1) ' Alternate mode of transport' and Major Head 5055 DD-1(1) (4) 'Purchase of land for New Bus Terminal'.

As can be concluded from above, not only did the Government lose sight of its objective of creating 1000-1500 BQs between 2007 and 2010, but, in its very belated and frantic effort in 2010 to build them before CWG-2010, failed to secure proper utilisation of public money or exploit the revenue potential of the scheme fully.

26.2.7 Award of various contracts to a DIMTS, a non-government Company on nomination basis

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

Table 26.3 — Award of contracts to DIMTS

Particulars of Work	Types of contract and contract value	Our Observations
Purchase of Buses	Consultancy (PMC) Rs. 1.3 crore	DIMTS could not prepare the justified price for the low floor buses, citing reasons of lack of historical data and even delayed preparation of bid documents.
LED Destination Board in Standard Buses	Consultancy (BPM) Rs 0.32 crore	DIMTS was appointed directly by Secretary cum Commissioner (Transport). When DTC refused to pay more than Rs.16 lakh for the work, the claim of DIMTS of Rs. 32 lakh was released directly by the Transport Department.
Construction of 500 BQs by DTC	Consultancy (PMC) 1.55 crore	The DTC Board had earlier decided to make DIMTS BPM only and if it was required, have a third party as PMC for transparency. However, DIMTS was appointed PMC and ex post facto approval of Board taken.

Particulars of Work	Types of contract and contract value	Our Observations
Project of Construction of 250 BQs on PPP model allotted by DoT	Construction (PPP)	Citing reason of urgency before the Games, GNCTD awarded the work of construction of 800 BQs (for Rs. 96.70 crore) from Government funding and 250 BQs on PPP model to DIMTS, with several favours/relaxations mentioned in paragraph 26.2.5. The work was, however, not completed.
Project of Construction of 800 BQs by DoT	Construction 96.70 crore	

Frequent nomination of DIMTS by GNCTD is to be viewed in the context of its legal identity. It is a joint venture of GNCTD with IDFC (a private sector company) with 50:50 share holding, and is not a Government Company as per the Companies Act, 1956 provisions. Effectively, while it is engaged on nomination basis on the justification that it is a joint venture of GNCTD with Chief Secretary, Delhi as its Chairman, it is not bound by any established Government financial procedures. Engaging DIMTS increasingly, on nomination basis tantamount to its being used as a device to circumvent government procedures and controls. Unlike Government Companies which come under the audit preview of the Comptroller and Auditor General of India, all activities of DIMTS are outside our audit purview. Hence, it is grossly irregular of GNCTD to patronise it and accord undue favours to it on the plea that it has Government investment.

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

26.2.8 Construction of bus parking at Ash Pond opposite Millennium Park

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

We found that DTC had not obtained the necessary approvals for the use of the land from the DDA, which was the land owning agency. The construction was in violation of the Master Plan for Delhi 2021 and the proposed⁴ Zonal plan earmarks the area as being meant for recreation (green)⁵.

In a recent reply to the Yamuna Jiye Abhiyaan and in reply to the audit observation, the Secretary-cum-Transport Commissioner stated that all the structures in the facility were semi-permanent in nature and it would be necessary to continue to use the facility so long as the Government was unable to make alternative provisions for bus parking. In December 2009, LG, Delhi directed the DDA to place the matter to change the land use of this site for Bus Depot in the Zonal Development Plan for Zone 'O' before the Authority.¹ DTC also sent a letter to DDA requesting for change in land use.

However, the fact remains that the structure is violative of the zonal plan and

⁴ Although the zonal plan has been approved, the notification is yet to be issued

⁵ Permitted recreational uses include green stretches, bio-diversity park, forest, botanical park/ herbal park, science park, theme park etc. without pucca / permanent construction

includes permanent structures like workshop, baggage scanning work, washing pit with underground tank, bituminous road, boundary wall, sub station and high mast light costing about Rs.47.90 crore.

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

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

- Of the expenditure of Rs. 39.11 crore incurred on creating the facility, Rs. 24.93 crore was on assets some of which have been dismantled and others to be eventually dismantled; This is not in line with EFC approval;
- In addition pavers blocks costing Rs. 10.91 crore, that were to be dismantled and reused by DTC, have still not been removed despite repeated request of NDMC; DTC has not responded after the initial assurance of July 2010 for lifting of paver blocks;
- Signages were to be provided at an estimated cost of Rs. 2.17 crore for the Games period. Providing steel/ aluminium signages for the short duration of Games period appears to be unjustified;
- Rs. 0.13 crore were also paid to CRRRI and Design Action Group for consultancy services. This was

unjustified as the nature of work was laying roads and interlocking paver blocks, which are commonly executed works in Delhi and GNCTD had objected to this expenditure;

- Though the contractor (KR Anand) delayed the execution of work by 70 days, liquidated damages of Rs.0.92 crore were not levied on the plea of delay due to VVIP movements at airport; however the hindrance register showed only 5 ½ days of delay due to VVIP movements and the major reason recorded was rains. That does not hold good since the works were initially to be completed in mid- July, before the onset of monsoons;
- The contractor (M/s Fiber Fill) engaged for constructing public utility services was technically ineligible at the time of opening of financial bids. The required experience certificate was received post opening of financial bids; and other bidder (KR Anand) who was otherwise eligible, was declared ineligible; and
- DCE was engaged TPQIA on offer basis for a fee of Rs.0.38 crore, but no agreement determining its scope of work and terms of payments linked to milestones achieved by the contractors was signed. DCE was paid Rs. 3.58 lakhs in excess of 1 percent of tendered cost as sanctioned by EFC.

26.3 Power Services

26.3.1 Power Generation

The CWG period (October) was a lean season in terms of power demand in Delhi. Nevertheless, GNCTD planned to commission a new power plant at Bawana

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

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

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

26.3.2 Power Transmission

The total capacity of 220 KVA electrical substations was targeted to be increased from 6920 MVA in 2009-10 to 12,340 MVA by 2011-12. As a first priority, Delhi Transco Ltd. (DTL), a GNCTD PSU, took up projects of setting up five 220 KVA electrical sub

stations (AIIMS, Ridge Valley, Electric Lane and Masjid Moth and Airport Complex) and 7 corresponding cabling projects in south and central Delhi, to strengthen the power supply position for completion in time for the Games.

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

Further, the contract award process was not transparent, as DTL had applied conditions inconsistently to award contracts to favoured parties.

- In the contract for establishing the 220 KVA sub-station at Ridge Valley, DTL

considered the cost of type test for evaluation of financial bids, but waived the type test for the L-1 bidder, Hyosung, Korea. If the type test had not been considered for evaluation of financial bids, then Areva, France would become the L-1 bidder and Hyosung L-2. DTL's claim that the type test condition was added for being applied to firms who had not supplied the equipment in India previously is not tenable since this condition should have been stated upfront in the RFP. In any case Areva, France had already supplied equipment earlier in the country.

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

Organisation of Commonwealth Youth Games – 2008, Pune

The Commonwealth Youth Games 2008 (CYG-2008), a sub-event of CWG-2010, was held in Pune between 12 and 18 October 2008. Events were conducted in 9 sporting disciplines, and 1673 athletes and officials attended. CYG-2008 was held at the existing Shiv Chhatrapati Sports Complex Balewadi- Mhalunge, Pune, which was refurbished and upgraded for the event. Two new hostels and a three-star hotel were constructed to accommodate the participants.

We found serious deficiencies with regard to the construction of the 3-star hotel on PPP basis. The plot for the hotel was located in a public-semi-public land use zone, and commercial use was not permitted. The proposal for change of land use to commercial, along with permission for higher building height than permitted, was moved to the Government of Maharashtra (GoM) on the grounds of urgency/ late stage, work already having commenced on the ground, and lack of other alternatives. This was approved by the then Chief Minister in October 2007. The Review Committee, headed by the Chief Secretary, abdicated its responsibility in this regard.

Further, the tendering process for the hotel was severely flawed:

- *The proposed PPP model was not submitted for examination by the existing Infrastructure Committee and Finance Department and was introduced without appropriate vetting.*
- *Tender conditions were relaxed substantially in various stages, purportedly on grounds of lack of response. In our opinion, such ambiguities in the bidding process would have acted as a deterrent for bidders, which is confirmed by the dwindling interest of potential bidders from the first pre-bid meeting to the second pre-bid meeting.*
- *The issue of change of land use was not raised at all. It is possible that only bidders who were confident of getting post facto clearance from the GoM would have gone ahead with the bidding process.*
- *The contract was finally awarded on a single financial bid to Unity Infra Projects with an NPV far below that recommended by the Finance Department.*

Further, the developer paid only the first instalment of annual premium (due in November 2008) in full, and no penal action has been taken against it.

CYG-2008, Pune was expected to be a learning experience for the staging of CWG- 2010 at Delhi. The deficiencies noticed at Pune, and the resulting recommendations were

intended to ensure that these were not repeated in CWG-2010. We, however, noticed that OC lost this opportunity to learn and test its preparedness for Delhi 2010, and consequently repeated its mistakes in key functional areas during CWG2010, notably technology, ticketing, sponsorship and merchandising, press operations, catering and accommodation.

We also found several deficiencies in the procurement of electronic, sports and other equipment for CYG-2008, in particular single tendering and other tendering irregularities. Most of the security equipment indented for CYG-2008, Pune was either ordered after the Games, or received after the Games. Further, most of the city infrastructure projects (taken up largely under JNNURM) could not be completed in time for the Games.



Shiv Chhatrapati Sports Complex, Balewadi - Mhalunge, Pune

27.1 Introduction

The 3rd Commonwealth Youth Games 2008 (CYG-2008), a sub-event of CWG-2010, was held in Pune between 12 and 18 October 2008. Events were conducted in 9 sporting disciplines, and 1673 athletes and officials attended. CYG-2008 was held at the existing Shiv Chhatrapati Sports Complex Balewadi-Mhalunge, Pune which was refurbished and upgraded for the event. Two new hostels



and a three-star hotel were constructed, and the existing three hostels renovated and refurbished to accommodate the participants. Construction and upgradation of new and existing city - infrastructure in Pune and adjoining areas was undertaken to provide connectivity with the sports complex and also for better traffic management. Security arrangements for CYG-2008 were made by the Commissioner of Police (CP), Pune.

27.2 Governance and Oversight Structure

The governance and oversight structure for CYG-2008, Pune are summarised below:



Table 27.1 — Governance and Oversight Structure for CYG-2008

Arrangement	Brief Details
Executive Committee (EC)	<p>The EC was constituted by the Government of Maharashtra (GoM) in May 2006. It was headed by the Divisional Commissioner, Pune. Its responsibilities included:</p> <ul style="list-style-type: none"> ■ Planning and development of infrastructure at the Shiv Chhatrapati Sports Complex, Pune; ■ Administrative and technical planning of CYG-2008; ■ Tendering and award of all projects; and ■ Day-to-day decisions relating to the above activities
Review Committee	<p>This committee, which was constituted in June 2006 and was headed by the Chief Secretary, was to oversee the status of works at the Government level.</p>
Apex Committee	<p>This committee was chaired by the Chief Minister (CM) and included the Deputy CM, Ministers of School Education and Sports and Water Resources, Guardian Minister, Pune, Finance and Planning Deputy Commissioner and all MLAs/MPs of Pune and Pune-Chinchwada cities.</p>
Department of Sports and Youth Services, Pune (DSYS)	<p>This was the nodal agency for organising CYG-2008, Pune</p>

27.3 Budget and Funding Pattern

The funding for staging of CYG-2008 came from the GoI, GoM, and the municipal

bodies of Pune - Pune Municipal Corporation (PMC) and Pimpri Chinchwad Municipal Corporation (PCMC), as summarised below:

Table 27.2 — Budget and funding for CYG-2008

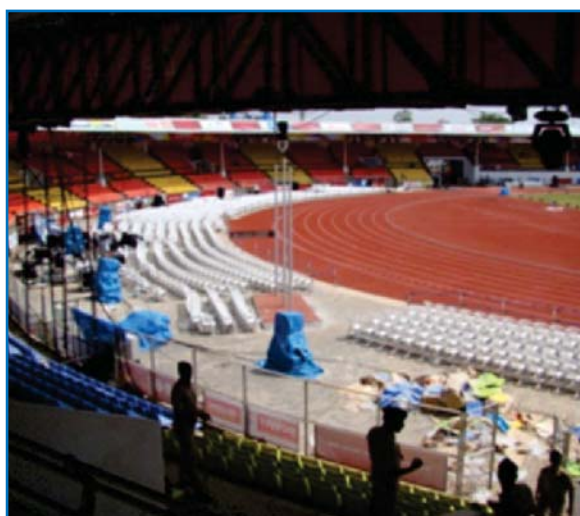
(In Rs. Crore)

Particulars	Budget allocation	Implemented by whom	Fund released by	Amount of funds released	Expenditure incurred as of December 2010
Venue and equipment	425.50	DSYS	GoI GoM	210.00 215.50	424.77
City Infrastructure	434.22	Commissioner, PMC	GoI GoM PMC	162.83 64.73 97.70	162.83 64.73 *112.25
	312.14 17.64	Commissioner, PCMC	GoI GoM PCMC	156.07 62.43 93.64	156.07 62.43 *178.38
Security Aspects	1189.50	CP, Pune	GoM	17.64	9.40
Total				1080.54	1170.86

* Also includes expenditure incurred by PMC & PCMC from own funds.

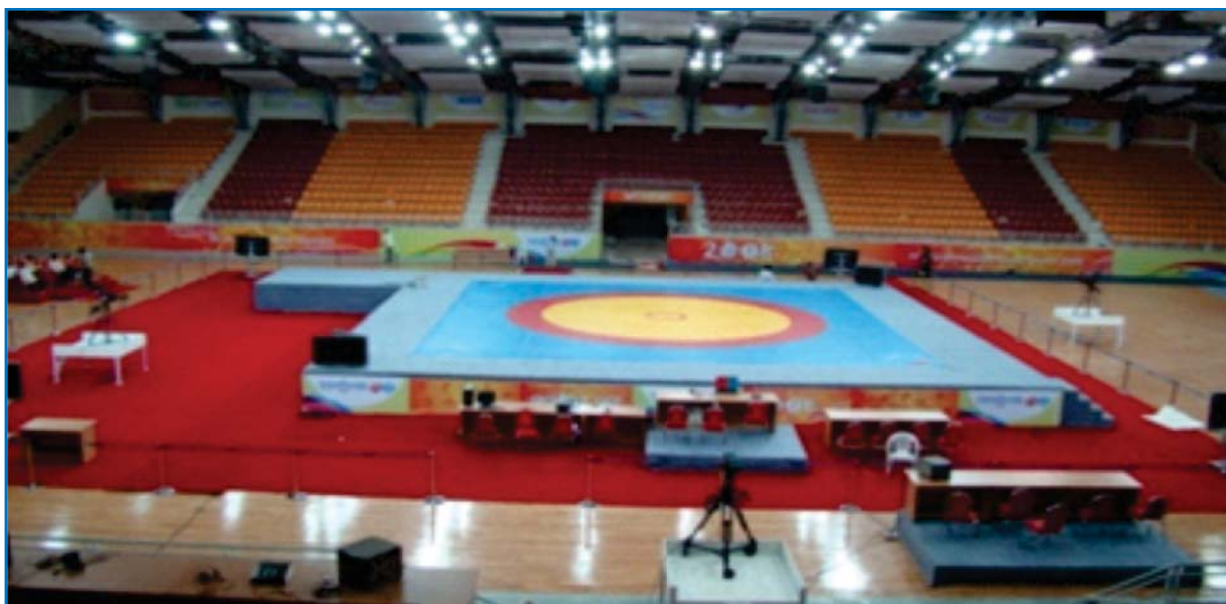
27.4 Venue Development

27.4.1 Overview of venue up-gradation



Renovated Athletic Stadium

For CYG-2008, existing facilities at Shiv Chhatrapati Sports Complex, Pune were up-graded/ refurbished at a cost of Rs. 106.58 crore; this included re-furbishing/ relaying of athletics stadium, centre tennis court, table tennis hall, swimming pool, and hostel buildings and conversion of the old wrestling hall into a boxing hall. Further, new facilities for shooting and badminton, and a weapons store, sports science centre and fitness centre were created at a total cost of Rs. 102.06 crore.



Refurbished boxing hall

27.4.2 Hiring of Consultant

Shashi Prabhu and Associates, Mumbai (SPA) was engaged as the Project Management Consultant (PMC) in August 2006 at a consultancy cost of 3.5 per cent of the estimated cost of works (pegged at Rs. 192.50 crore), excluding payments made towards price escalation, mobilisation advance and machinery advance. We found that SPA was irregularly paid total fees of Rs. 11.28 crore (upto October 2009), against the entitled amount of Rs. 6.74 crore. The excess consultancy payment of Rs. 4.54 crore was on account of consultancy fees on price escalation, equipment procured, and works executed beyond the contract value, which were not provided for in the consultancy contract.

27.4.3 Main work - renovation and construction of sports facilities

27.4.3.1 Award of work

BG Shirke Construction Technologies Private Ltd, Pune, was the L-1 bidder for the main work at a quoted price of Rs. 263.44 crore.

Since this amount was 50.49 per cent over the estimated price, the evaluation committee recommended exclusion of nine specialized items for Rs. 83.21 crore from the scope of work of the main contractor and executing them through specialised agencies. After negotiations, a work order was issued in February 2007 to BG Shirke Construction Technology Pvt. Ltd for Rs.191.74 crore for a revised scope of work, after adding back five specialised items at 23 percent discount for three items for completion by May 2008. In addition, works costing Rs. 31.15 crore were awarded by the EC directly in December 2007 to BG Shirke at the original tendered BOQ rates without bidding.

In our opinion, the changes in scope of work during post bid and award of additional work without bidding was irregular. DSYS' contention of urgency and availability of resources with the main contractor is not tenable, as BG Shirke stated award of the additional work as one of the reasons for seeking extension of time.

27.4.3.2 Payments to the main contractor

We found the following deficiencies in payments to the main contractor

- TDS of Rs 6.36 crore for VAT and Rs. 0.13 crore for Income Tax was not deducted/short deducted
- Payment of Rs. 20.59 crore for price variation in cement and steel for difference between the approved purchase rates and basic rates (i.e rates prevailing 28 days before the last date for tender receipt) was made by adopting basic rates of Rs. 4200/ MT (cement), Rs. 30,000/MT (tor steel) and Rs. 31,000/MT (structural steel). However, these payments were without verifying the basic rates; justification for these basic rates rates was not provided to us by DSYS.

27.4.4 Quality of Construction

We found the quality of works executed in the sports complex to be prima facie satisfactory, except in the case of badminton hall and tennis halls. Problems like cracks, damages, false ceiling joints and leakages were identified in the badminton hall and reported in January 2009 as having been corrected. During our joint inspection with DSYS in December 2010, we found that the cracks were prepared over by chemical solution.

During heavy rains in July/August 2010, there was water leakage in the badminton and table tennis halls flooding the wooden flooring. DSYS stated that these were minor leakages, which were rectified by the roofing contractor, and did not damage the flooring. It further claimed that the contractor had replaced a portion of the table tennis hall flooring, but the quality of the work was not satisfactory.



Badminton hall with cracks on the wall

27.4.5 Landscaping

Landscaping work was partly awarded to the main contractor for Rs 0.85 crore and the major portion of the landscaping work was awarded in March 2008 at a cost of Rs 7.50 crore to Indage Development Construction Pvt. Ltd. Mumbai¹. We found irregularities and deficiencies in award and execution of the contract:

- The tender notice was issued only in Sakal, a local Pune newspaper, giving a notice of only a little over two weeks;
- The contract was tendered twice. EC irregularly clubbed bids received at both stages. The contract was finally awarded to Indage Development Consultant Pvt. Ltd., a bidder for the first tender, although it had not submitted a bid in the second round.

- There was no clear demarcation of landscaping work/area between the main contractor and the landscaping contractor;
- A detailed completion certificate from the landscaping consultant could not be produced to us;
- The stipulated defect liability period (DLP) of five years was irregularly reduced to one year. At the time of handing over of the project, DSYS observed that the grass had dried and plants withered away at many sites.

We found the landscape in a state of neglect and the benefits of the effort largely lost (just two years after CYG-2008), as no agency had been engaged to maintain the landscaped site.



Position of landscaped areas in front of the Swimming Pool Complex in December 2010

¹ Who was also awarded additional landscaping and other miscellaneous works of Rs. 0.61 crore on nomination basis.

27.4.6 Ancillary works

We found that two ancillary works for constructing a smoke and gunshot arrestor in the trap and skeet stadium, and designing and provision of signages and waste bins for Rs. 1.09 crore were irregularly awarded to White Crow, Pune (who was in the business of catering, event management, and hospitality services). Both works were awarded on the basis of tender notices published only in Sakal with short notice periods of 10 days.

27.5 Construction of a three star hotel on BOT basis for accommodating CYG participants

27.5.1 Overview

As per OC's requirement, accommodation was to be arranged for 1700 athletes/officials for 15 days in a Games Village² for CYG-2008. Since the existing three hostels in the sports complex could accommodate only 500 participants, EC decided, in July 2006, to build a 600 room hostel (1200 beds), later to be converted into a three star hotel for commercial use, on BOT basis. Eventually, a three star hotel with 400 rooms was built by Unity Infra project Ltd. Mumbai. The chronology of events is given below:

Table 27.3 — Chronology of Events for award of hotel contract on BOT basis

Date	Event
17 July 2006	EC decided to go in for the construction of hostel to be converted into a three star hotel after CYG-2008 on BOT basis.
14 October 2006	NIT issued inviting bids for a three star hotel on BOT basis; tender documents to be sold from 26 October 2006; Last date of submission of bid 28 November 2006.
November – December 2006	2 pre-bid meetings held on 1 November ³ , 11 November 2006 ⁴ ; Conditions in tender documents relaxed progressively by EC based on discussions in pre-bid meetings and EC discussions; and Last date of submission of bid documents extended repeatedly due to non-receipt of bids. Last extension given till 22 December 2006.
22 December 2006	Four bids received; technical bids opened.

² In the international parlance, it implies that all athletes should stay at the same complex. It also facilitates security arrangements.

³ Participants at 1st pre-bid meeting: B.G. Shirke & Associates, S.D.Dabade, DLF Ltd. Pune, Ashok Murkute, Ganpat Mhatu Balwadkar, Rane Group of Hotels, Pune, White Crow facilities, Hari Om Estates Pvt. Ltd., Panchsheel Hotel Pune, Hiranandani Group, Mahindra Holidays, Nilesh Kakade Group, Pride Group Pune, Nilesh Group Pune and Hotel Sawan Garden Lodging and Boarding.

⁴ Participants at 2nd pre-bid meeting: B.G. Shirke & Associates, S.D. Dabade, Rane Group of Hotels, Hiranandani Group, Nilesh Group

Date	Event
26 December 2006	On the recommendation of the technical bid evaluation committee; only one financial bid opened; the other three bidders found “non-responsive” and financial bids were not opened.
8 February 2007	Contract awarded; and work commenced.
12 April 2007	City Engineer, PMC refused permission for project.
7 May 2007	Matter was referred to GOM.
15 October 2007/	Change of land use allowed by GoM under clause 58 of Maharashtra
1 November 2007	Regional Town Planning Act, 1966 (MRTP Act).
29 September 2008	Part completion certificate given by PMC.

27.5.2 Change of Land Use and relaxation of building norm

The land on which the 3 star Hotel was proposed to be built was located in public-semi public (PSP) zone, as per the published draft extended plan of PMC limits. On such land, apart from sporting facilities, only schools, colleges and universities and other public purposes like markets, social welfare/ cultural organisations, cinema halls, and public entertainment buildings could be built. The land could not be used to construct a commercial hotel.

EC, in total disregard of the usage limitations attached to the plot, decided to permit construction of a 3 star hotel on a five acre plot⁵ with FSI (Floor Space Index) of 2, along with permission to construct shopping malls, IT tower, office space etc on the built up area left after building 300 rooms. The issue of change of land use and violation of the applicable building laws came up only in April 2007 (after the

⁵ Increased to six acres post-bid, on the plea that the number of rooms had been increased to 400.

contract had been awarded and work commenced on the site) when the Municipal Engineer, PMC rejected the proposed building plan, since a hotel could not be constructed in a public-semi public zone and also because the height of the proposed structure (shown as 39.5 metres in the proposed building plan) was more than the 30 metres allowed under the PMC Development Control Rules⁶. Moreover, the proposed/advertised FSI of 2 also exceeded the permissible FSI of 1. Thereafter, the issue was referred to the Department of Urban Development, GoM (May 2007), by the DSYS and despite acknowledging that commercial exploitation on the plot was not permissible under the existing zonal restrictions, a case for change was made on the grounds that

- work had already commenced on the ground;
- lack of any alternative; and

⁶ Published draft development control rules of extended plan of PMC limits

- as per the original Government Resolution, one third of the entire plot of 152 acres allotted for developing the sports complex could be used for commercial purposes.

The change in land use for 6.1 acres was approved by the then Chief Minister, Maharashtra in October 2007 under clause 58 of the Maharashtra Regional and Town Planning Act, 1966

We noted that there was negligence and oversight at all stages and levels, which permitted a prime piece of Government land designated for public purposes to be handed over to private agencies for commercial exploitation of 60 years and that too without commensurate compensation accruing to the public exchequer. This is evidenced by the following series of events:

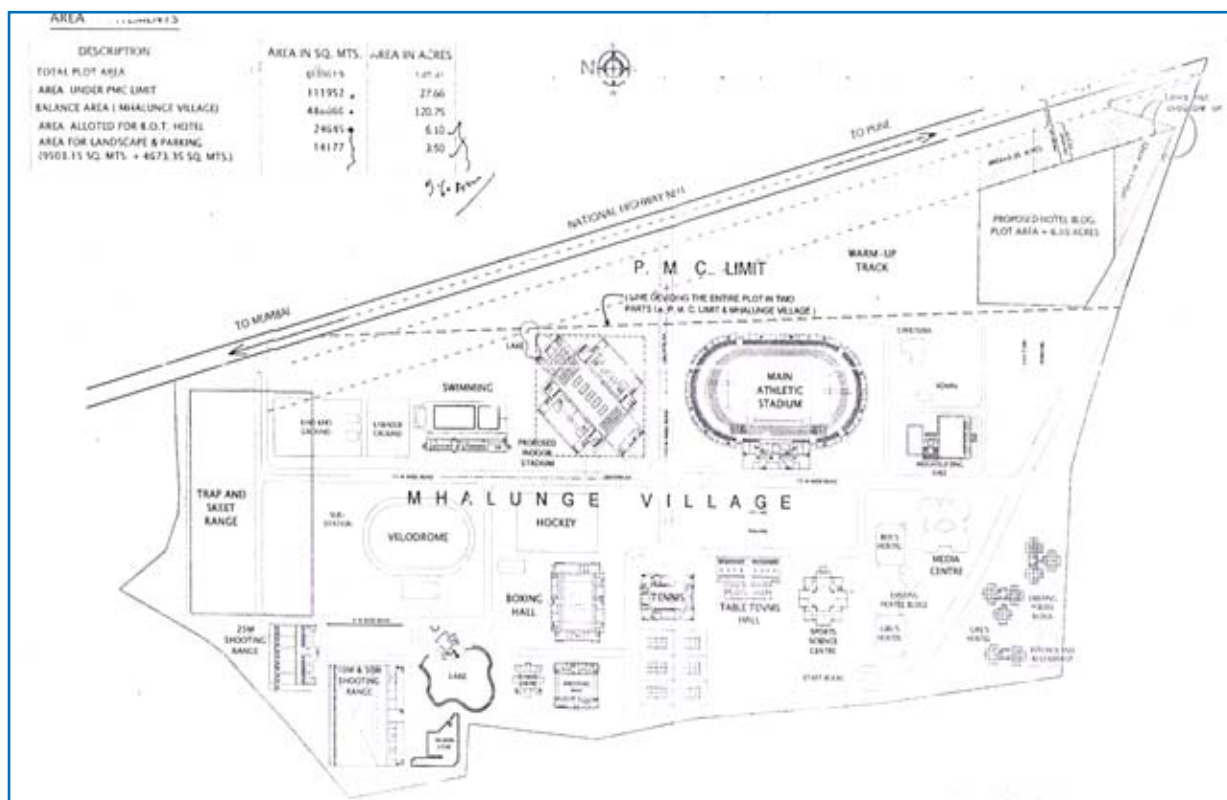
- The Review Committee (headed by the CS and with Additional CS Home and Finance, Principal Secretaries Planning, Revenue and Urban Development, and Public Health and Chief Architect, Mumbai as members and Secretary School Education and Sports as Member Secretary), were apprised of the intended BOT project (a PPP model) in September 2006, but chose not to question the attendant land use issues. They also did not suggest referring the matter to the existing Infrastructure Committee (to which all Maharashtra

PWD proposals to build infrastructure were to be mandatorily referred) or the Finance Department, but left it to the EC and the DC, Pune to pursue the project, subject to the condition that the ownership of the land remains with the GoM. Hence, the proposed PPP model remained unexamined, and was introduced without appropriate vetting.

Clearly, the Review Committee chose to abdicate its responsibility with regard to this project.

- The Commissioner, PMC, a member of the EC, which frequently discussed the proposal in his presence, failed to bring to the notice of the members the restrictions on the land use of the identified plot and the limitations on FSI and height of construction as per the applicable building laws.
- The Department of Urban Development, despite acknowledging that the rejection was valid as per the PMC rules and permission for exploiting one-third of the total area of the sports complex for commercial purpose could be allowed only if the Development Control Rules permitted (which, in the instant case, did not) recommended change of land use on the grounds of no alternative, late stage, urgency and commitments to IOA/CGF.

Figure 27.1 – Map of Shiv Chhatrapati Sports Complex showing the location of the proposed BOT hotel



It is pertinent to mention here that the Shiv Chhatrapati Sports Complex falls largely under Mhalunge village, with a portion within PMC limits (refer map). The plot proposed for the hotel was a prime piece of land (corner plot), located on the Mumbai - Pune - Bangalore Highway falling within PMC limits. Permitting its commercial exploitation by a private agency, without adequate compensation to public exchequer begs explanations at all levels.

27.5.3 Choice of constructing a 3 star hotel over residential accommodation to be disposed off later

For the Asian Games 1982 and also CWG-2010, GoI had opted for constructing residential units (either directly- Asian Games 1982 or through PPP model – CWG-

2010) to accommodate participants for the duration of the event and to be subsequently sold to recover costs.

Contrarily, EC chose to construct a 3 star hotel on BOT basis, without the matter being referred to the PPP cell for its opinion or input on the suitability of the model, the alternatives, and structuring of the arrangement to safeguard public interest.

In our opinion, construction of dwelling units and their subsequent sale in a developing city like Pune, with CYG-2008 linked infrastructure improvement in the vicinity, on 9.6 acres of public land (6.1 acres for hotel plus 3.5 acres for parking), would have been for the larger public good.

27.5.4 Gradual relaxation of tender conditions

EC based its proposal on a Feasibility Report prepared by the consultant (Shashi Prabhu and Associates). The proposal and the tender documents were not vetted by Finance Department of GoM or the specialised Infrastructure Committee of the GoM. The EC followed a very ad hoc approach in tendering and award of this contract.

The NIT was advertised on 14 October 2006, with the tender document to be made available from 26 October 2006. At this stage, the tender conditions had not been frozen, and the exact location of the plot on which the hotel was planned was not decided. The tender conditions were progressively relaxed at various stages, as summarised below:

Table 27.4 — Summary of progressive relaxation of tender conditions

Identification of plot	The proposed site for hotel was not indicated in the NIT published on 14 October 2006. The process of plot identification and measurement of land area started on 1 November 2006.
Area	Increased from the initial 5 Acres to 6 Acres in EC's meeting dated 4 December 2006; however, in the additional common set of deviations dated 11 December 2006, it was retained at 5 acres.); Finally, 6.1 acres were allocated.
Parking	2 acres - introduced in EC meeting of 4 December 2006. Finally, 3.5 acres was allotted for parking and gardening at a nominal rent of Rs 1/- per square metre per year.
Three Star norm for rooms changed to one star norm	Reduced to one star norm in the EC meeting of 4 December 2006
Upfront fee to annual lease	NIT of 14 October 2006 indicated annual payments; Upfront fee introduced in 6 November 2006 EC meeting; but only retained as annual payment in the set of deviations to tender documents issued after the two pre-bid meetings.
600 rooms to 300 rooms	The requirement of 600 rooms was reduced to 300 rooms (600 beds) in the EC meeting held on 4 December 2006.
Period as per the bid criteria to a 60 years concession	Initially, the period of concession was to be the bidding criterion with fixed annual payments; It was subsequently changed to a fixed concession period of 30 years, finally increased to 60 years in the EC meeting of 4 December 2006 from 30 years mentioned in the initial tender document. The annual premium for leasing became the biddable criterion.
PQ experience of construction of a three star hotel	This PQ criterion was removed, based on the pre-bid meeting of 11 November 2006.

Such frequent and significant variations in the tender conditions, though justified by the EC on grounds of lack of response to the NIT, are indicative of ambiguity that marked the bidding process, and would naturally act as deterrent to bidders. The dwindling interest of the bidders is evident from the fact that

- in the first pre-bid meeting, 15 agencies (including several prominent players in the construction/hospitality industry) participated; and
- in the second pre-bid meeting, only 5 of the original 15 were present.

It is interesting to note that of the four that finally bid, only DLF Ltd had attended the pre-bid meetings, and the remaining three (including Unity Infra Projects Pvt. Ltd.), whose financial bid was the only bid to be opened and contract awarded, never participated in any of the pre-bid meeting.

Further, it is strange that such experienced agencies in the construction sector never raised the critical issue of change of land use⁷, since it would be a critical parameter to decide whether to bid or not. It is possible that lack of clarity on this important issue deterred potential bidders, and only bidders who were confident of getting post facto clearance from the GoM, would have gone ahead with the bidding process.

27.5.5 Post bid negotiations and award of contract

After numerous extensions, finally four responses⁸ were received to the NIT on 22

⁷ or so it would appear from documents pertaining to EC meetings

⁸ Approach Land Developers-BVG Joint venture, DLF Ltd, Pranav Infra Private Ltd and Unity Infra Projects Ltd

December 2006. The technical evaluation committee (comprising of six members of whom only two signed the report) disqualified three⁹ bids on 26 December 2006 citing that these were non-responsive. The financial bid of the only qualified bidder, Unity Infra Projects Pvt. Ltd, was opened on 26 December 2006.

The bidder quoted a fixed annual premium of Rs. 2.16 crore per annum for 60 years from 2008-09. Negotiations were held on 30 December 2006, which resulted in allotment of 6.1 acres of land against the originally envisaged 5 acres (to accommodate the increased demand for 400 rooms to accommodate three beds i.e. 1200 beds at one location) and the annual concession fee revised to Rs. 1.57 crore per annum with a 5 per cent increase every 3 years.

In our opinion, opening of a single financial bid essentially means that the principle of competitive pricing is compromised. This is confirmed by the fact that the Finance Department, GoM (to which the case was referred by the CM's office, after the contract had been concluded) also noted that while the NPV of the original offer was Rs. 21.56 crore, the NPV of the revised offer was only Rs. 14.97 crore. It assessed the value of 6 acres of land with 2 FSI at Rs. 48 crore (considering the conservative residential rate of Rs. 10,000 per m²) and the value of 8,000 m² of land for parking at Rs. 3 crore. It recommended that a fair NPV for the said piece of land

⁹ Approach Land Developers-BVG Joint venture, DLF Ltd and Pranav Infra Private Ltd;

would be Rs. 40 crore. Subsequently, EC renegotiated with the concessionaire and secured an enhanced fixed premium of Rs 2.60 crore per annum for 60 years in August 2007 (NPV Rs. 25.87 crore) and reported to the GoM that it was not

possible to go any further. There was no further communication from GoM in this regard. This delayed intervention of Finance Department, only confirms our opinion that at the initial stage itself, when it was brought to notice of the Review Committee, the matter should have been looked into by the concerned department of the GoM.

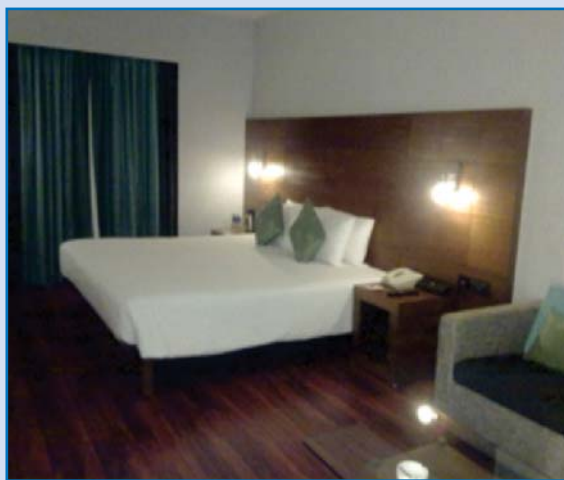
27.5.6 Defaults in payment of premium

We also noted defaults and delays in payment of annual premium by the concessionaire, right from the first premium due on 1 November 2008, as given below

Table 27.5 – Position of premium payment

Due date	Actual
1 November 2008	25 May 2009 (delay of 205 days)
1 November 2009	Only Rs. 50 lakh paid on 19 January 2011
1 November 2010	Not paid

No penal action was, however, taken by DSYS in this regard.



Pictures of Vits hotel constructed on BOT at the Sports Complex Balewadi, Pune

Photographs of the hotel indicate that the facility constructed is primarily oriented as a superior class hotel, rather than merely a functional hostel of international standard for accommodating athletes. While it is well appreciated that suitable accommodation had to be provided to the participants of CYG 2008, evidently, under the guise of hosting the athletes and officials of CYG

2008, a hotel was allowed to be constructed through change of land use with a minimal premium accruing to Government. If indeed the intent was to convert public/ semi-public land for commercial use, GoM chose to ignore an opportunity for unlocking the full market value of such land in a prime location.

27.6 Lessons from CYG-2008, Pune for CWG-2010

CYG-2008, Pune was expected to be a learning experience for staging of Games for the conduct of CWG 2010. OC's consultant, EKS –E&Y, in their Post Games Report for CYG Pune noted several

deficiencies and gave several recommendations so that these were not repeated in CWG-2010. We, however, noticed that OC lost this opportunity to learn and test its preparedness for Delhi 2010, and consequently repeated its mistakes in key functional areas during CWG2010, as summarised below:

Table 27.6 — Experience of different functional areas at CY-2008, Pune and CWG-2010

Area of functioning/ activity	Experience in CYG Pune 2008	Experience in CWG Delhi 2010
Technology	<p>The Post Games Report of CYG Pune noted that the technology under delivered in many areas as the required infrastructure and equipment were not operational in time and were not reliable.</p> <p>Communications were poor, and there was lack of integration between various aspects of Timing, Scoring and Results systems.</p> <p>Internet availability in the Games Operation Centre was poor initially. Internet around the centre was regularly unavailable.</p>	<p>During CWG-2010, we found delays and lack of planning for technology solutions.</p> <p>The planning for acquiring TSR infrastructure was delayed resulting in lower competition, additional costs and integration issues. Just 10 days before the start of the games, the graphics were not published by the TSR vendor.</p> <p>The Commentary Information System and Games Information system malfunctioned during CWG. (Refer Chapter 12)</p>
Ticketing	<p>There was lack of visibility of ticketing strategy in terms of objectives, process, distribution and pricing.</p> <p>There was lack of availability of information for confirmed venue capacities to be used for ticketing.</p> <p>The process for sale and distribution of tickets was confusing, as the ticket office at Balewadi was not operational and active till the beginning of the games. Consequently, there were very few spectators on the first few days. During CYG-2008, OC received</p>	<p>The recommendation for CWG-2010, based on the performance during CYG-2008, Pune, was to determine the ticketing strategy to ensure maximum sales and capacity crowds and to provide easy systems for purchase and collection of tickets.</p> <p>During CWG Delhi OC again failed to achieve the objectives of ticketing due to delay in preparing ticketing strategy, appointment of ticketing agency and finalization of actual seat inventory (Refer Para 8.9).</p>

Area of functioning/ activity	Experience in CYG Pune 2008	Experience in CWG Delhi 2010
	Rs. 97.40 lakh through sale of tickets, although it had printed tickets of sale value Rs. 3.10 crore.	
Catering	There was lack of clarity on levels of service for various constituent groups and this affected the quality of food. This was alleviated by providing packed meals, which was found to be a good option for providing food service to workforce and volunteers.	During CWG-2010 also, there was again lack of clarity on the level of service for various constituent groups. OC revised the RFP and wasted one whole year, before once again opting for packed food for the workforce, volunteers etc. (Refer Para 11.5.3)
Sponsorship	OC had signed an agreement with SMAM for CYG-2008, Pune. In this contract, the targeted sponsorship was not defined. Finally OC collected about Rs. 20 crore only, most of which came from PSUs and OC made commission payments of Rs. 3.37 crore to SMAM (Refer Para 8.4.3.1)	SMAM was also the sponsorship consultant for CWG-2010. However, despite the poor performance of SMAM at Pune, OC failed to acknowledge this danger signal. Once again, very meager sponsorship was generated, two-thirds of which was from Government/ PSUs. (Refer para 8.4)
Merchandising	There was no strategy to generate revenue from merchandizing for CYG-2008, Pune. OC had not fixed any revenue target from merchandising for CWYG, Pune. OC incurred expenditure of Rs. 2.29 crore for expenses on merchandizing activities, against which it could generate revenue of just Rs. 2.03 crore from sale of merchandizing items.	In CWG 2010, the target for revenue generation through licensing and merchandising was Rs 50 crore. However, no revenue has been received. (Refer Para 8.2.2 & 8.5)
Press Operations	During CYG-2008, Pune, the facilities provided to the media persons such as media tribunes were not found proper. EKS-E&Y recommended greater interaction between PIB and OC to ensure smooth press operations during games.	During CWG-2010, international and national media people were not able to access the Games News Content for the initial few days. Finally, a makeshift arrangement was made to give electronic access to Games news to the media. The press operations remained an area of firefighting in CWG2010 as much as it was in CYG-2008, Pune. (Refer Para 14.2)

Area of functioning/ activity	Experience in CYG Pune 2008	Experience in CWG Delhi 2010
Accommodation	Contracts with various categories of hotels stipulated that OC would pay retention charges for unused hotel accommodation. As there was no mechanism to track the arrivals, departures and other guest movements, release of unutilized hotel accommodation could not take place and OC incurred expenditure of Rs. 0.62 crore towards retention charges for unused hotel accommodation.	The same shortcoming was repeated during CWG 2010. On any given day, OC had more than 150 rooms vacant in its flagship hotels, and yet OC had booked rooms in other hotels resulting in excess expenditure of at least Rs 1.15 crore. (Refer Para 15.2.3)

27.7 Purchase of Electronic, Sports and other Equipment

27.7.1 General

We examined 63 major contracts for Rs. 81.55 crore for procurement of electronic and other requirement and observed the following general deficiencies in the tendering and award procedures

- Orders were placed directly in 16 cases on a single source without tendering; in violation of the codal provisions;
- In 12 cases, less than the prescribed time was given for submitting tenders and advertisements were placed only in local Marathi newspapers;
- In 3 cases, contracts for equipment were concluded with firms with no prior experience in the field;
- Other instances of lack of transparency in the tendering process were noticed in 5 cases;

- Additional items were ordered from the same contractor without tendering in 4 cases;
- Hire charges for facilities were paid for periods for which the facilities were not available in three cases;
- Penalty for delayed supply of equipment was not deducted in three cases;
- Arrangements for technical inspection of equipment by third parties were not made or items were found defective on receipt in 6 cases; and
- Requirements of equipment were not assessed realistically and the quantity procured was in excess of the requirement in 8 cases.

Our findings from the scrutiny of 39 major contracts are summarised below:

27.7.2 Purchase of Electronic video screens/scoreboards and equipment

The OC furnished the requirements for various electronic equipments to DSYS

between November 2007 and March 2008, with instructions for purchase from specified manufacturers. Accordingly, DSYS placed seven supply orders for Rs 31.90 crore on Indian and foreign firms from February to September 2008 on single tender basis, as indicated in the following table:

Table 27.7 — Supply orders placed on single tender basis

(In Rs. Crore)

Venue	Nomenclature of the equipment	Name of the agency	Brand	Amount
Shooting	Electronic scoring target systems	Sius AG, Switzerland	Sius Ascor	16.25
Trap and Skeet	Trap & skeet ranges	Laporte, France	Laporte	1.73
Athletics & Swimming	Starting block, electronic score board, starting platforms video matrix colour scoreboard etc	Swiss Timing Omega, Switzerland	Omega	7.95
Table Tennis, Tennis, Weightlifting, Badminton, Wrestling	Electronic score boards (Opto tech brand)	Shiv-Naresh, Delhi	Opto-tech	4.10
Athletics & boxing	Electronic score boards	Gem International, Faridabad (Indian agent of Swiss Timing Omega)	Omega	0.85
Table Tennis, Tennis, Weightlifting	Electronic score boards (optotech brand)	Shiv-naresh, Delhi	Opto-tech	0.37
Athletics & Boxing	Electronic score boards and tachometer etc	Gem International, Faridabad	Omega	0.65

After placing five supply orders aggregating Rs 30.88 crore on nomination basis as per OCs direction, the matter was referred to the MSYA, Gol through the state government in June 2008 for guidance. In August 2008, Gol clarified that the procurement was to be made as per GFRs and the concerned manufacturers (on the approved list of official suppliers of the concerned international federations for specified equipment) should be invited to bid. However, even after receiving the Gol clarifications, EC placed another order for electronic score boards etc for Rs. 0.65 crore in 2008 on Gem International, Faridabad.

We also observed other deficiencies in procurement of equipment:

- **Athletics Starting Blocks (portable):** 30 Starting Blocks were procured from Swiss Timings Ltd. against the requirement of 17, resulting in avoidable expenditure of Rs. 0.20 crore.
- **Rotatory electronic-scoreboard:** Four scoreboards (portable) were actually procured for the main stadium basically for display purpose. A maximum of two field events were possible at a time in the main stadium owing to its size. The expenditure of Rs 0.38 crore on procurement of two additional scoreboards was avoidable.
- **Swimming Pool Starting Platforms:** Sixteen starting platforms procured for Rs 0.13 crore for the warm-up pool were lying idle due to leakages in the warm up pool.
- **Shooting target system in 50 M main range:** Six scoreboards (costing Rs 0.43 crore), which were an integral part of the shooting target system, were not working.
- **Boxing Scoring system:** In March 2008, OC demanded one scoring system, but DSYS hired two systems, involving additional expenditure of Rs 0.12 crore
- **Electronic score boards supplied by Shiv-Naresh, Delhi:** The OC reported on 24 September 2008 that the Electronic Score boards supplied by M/s Shiv-Naresh Delhi (for Rs 4.97 crore) were very rudimentary screens, similar to an electronic counter, without the inbuilt Olympic Result Information System (ORIS) compliant timing and scoring system and the cost of providing and handling such system should be borne by the supplier. However, DSYS did not effect any deduction from the supplier's bills for non-supply of the ORIS software.
- **Delay in supply and installation of equipments by Gem International, Faridabad and Shiv-naresh, Delhi:** Despite a provision of penalty of one per cent per week of delay, DSYS allowed extension of time to these suppliers without levy of penalty of Rs 23.26 lakh
- **Rentals paid for electronic scoreboard hired from M/s Gem International, Faridabad for period it was not available:** The agency claimed hire from 01 September to 15 November 2008 for equipment that were dispatched from Faridabad only on 04 October 2008. DSYS paid the full hire charges claimed by the firm, without making deduction of Rs. 0.38 crore for the period that the equipment was not available.

- **Cost escalation due to currency fluctuation:** DSYS bore cost escalation of Rs. 0.32 crore due to foreign exchange variation during the period of delay of supplies by foreign suppliers, which should have contractually been borne by the suppliers. In addition there was no contractual penalty leviable for the delay in supplies.

27.7.3 Other deficiencies noticed in procurements

Table below gives the list of other deficiencies noticed in procurement and execution of works:

Table 27.8 – List of other deficiencies in procurement and execution of works

(In Rs. Crore)

Equipment	Contract Value	Audit Observation
Air cooling system replaced by Air conditioning system at the direction of OC	0.81	The air cooling system initially installed at a cost of Rs. 0.81 crore was removed and air conditioning system purchased at an additional cost of Rs. 0.67 crore and installed at a cost of Rs 0.17 crore.
Supply, installation and testing of Weapons storage cabinet and RFID based locker access control system	0.64	Work was awarded to a company engaged ordinarily in the business of pharmaceuticals and medical products, which could not complete it in time for CYG-2008.
CCTV	1.63	Of the 4 moving cameras, 37 Speed dome cameras, 55 fixed cameras, 34 indoor dome cameras and 4 LCD TV; equipment worth Rs. 0.34 crore were lying uninstalled in store rooms;
Idle equipment at Sports Science Centre	4.09	<ul style="list-style-type: none"> ■ Spiro meter worth Rs. 0.55 lakh not utilised as long distance running events not held; ■ Portable VO Max for Rs. 0.22 crore became useless after CYG-2008 since required oxygen sensors were provided only during CYG-2008. ■ Altitude Simulation Training equipment of Rs. 0.91 crore remains utilised as the staff trained to use it is no longer associated with the centre.
Permanent Furniture at the venue	1.10	No documentary proof that these were received before CYG-2008



Pictures of CCTV cameral lying in stores



Pictures of CCTV cameral lying in stores

27.8 City Infrastructure

Road improvement projects of Rs 434.22 crore and Rs. 312.14 crore were approved under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for works falling under PMC and PCMC respectively. As per the approved DPR, 25 road¹⁰ construction/ improvement/ widening/ electrical works projects (including creation of BRTS corridor on 15 roads), 12 bus

terminal facilities, 4 pedestrian subways and area traffic control systems were to be constructed prior to CYG-2008 as part of city infrastructure development. In addition, PMC and PCMC spent Rs 15 crore and 132.06 crore respectively from their own funds on vehicular underpass, roads and grade separators. We found that several projects could not be completed in time for CYG-2008 as indicated in the Table 27.9.:

¹⁰ 23 for PMC and 2 for PCMC.

Table 27.9 – List of infrastructure projects not completed in time for CYG-2008

Nature of work	Number	Awarded before CYG-2008	Awarded after CYG-2008	Not Awarded	Completed before CYG-2008	Completed after CYG-2008
PMC - JNNURM funded						
Road works	23	20	3	-	12	4
Work for BRT systems	Work on BRTS component of Rs 32.67 crore was still at tendering stage					
Terminal works	12	11	-	1	5	1
Pedestrian subways	4	3	-	1	1	2
Area traffic control system	No work started so far					
PCMC - JNNURM funded						
Road Works	2	2	-	-	-	-
PCMC - Own Funds						
WBM treatment	1	-	1	-	-	1
Widening and improvement	1	1	-	-	-	1
Grade separator	2	2	-	-	-	2
Vehicular Underpass	1	1	-	-	-	1

While we accept the need for, and legacy value of such city infrastructure post CYG-2008, such delays in completion violate the premise under which these projects were sanctioned. Since many of these projects are still incomplete, it indicates lack of responsibility and accountability.

27.9 Purchase of Security Equipment and Vehicles

While DSYS forwarded a proposal for Rs 67.70 crore to GoI for security arrangements for CYG-2008, Pune, the CP submitted indents for equipment, vehicles etc for only Rs 23.59 crore to the Director General of Police, Mumbai on 01 October 2007, specifying the items were required before June 2008. In response, GoM accorded approval for Rs 17.64 crore in piecemeal during May – September 2008 and released funds during August – September 2008 only.

We found that:

- Out of Rs 17.64 crore sanctioned, equipment for only Rs 9.40 crore was procured, and Rs 3.18 crore were surrendered.
- Out of the procurement of Rs. 9.40 crore of equipment, supply orders for Rs 1.33 crore were placed after the CYG events were over, while equipment worth Rs 3.23 crore were received only after the CYG events were over.

Items which were not received in time included night vision goggles with binoculars, portable X-rays, operational and traffic propaganda vehicles, ambulances, hearse vans, dog squad tempos, minibuses, working trucks, personnel carriers, light vans, mobile repair vans, and cranes.

Media and Broadcasting Services

Although Doordarshan was indicated as the Host Broadcaster in the May 2003 bid, it was formally notified by the OC only in March 2007, and the Host Broadcaster agreement between the OC and Prasar Bharati (PB) was signed in May 2009.

The award of the broadcasting services contract by PB to SIS Live was flawed on several counts:

- *Only one bidder, SIS Live, was qualified on technical grounds, and the contract was awarded on a single financial bid, without any competition. Undue delays on the part of PB and the Ministry of Information & Broadcasting (MIB) led to a situation where re-tendering was not considered feasible, and, thus, facilitated the award of the contract on a single financial bid.*
- *Lack of competition was facilitated by a rigid stand taken by PB at the stage of bidding (especially on the payment schedule), which restricted potential competitors from bidding. However, PB agreed at the pre-bid meeting to finalise the contract terms “mutually” with the selected entity, and subsequently amended numerous clauses of the draft contract to make it one-sided in favour of SIS Live.*
- *Contrary to the intent of the contract with PB, SIS Live outsourced almost the entire contract on the same day to Zoom Communications, which would have been ineligible for bidding. We found that SIS Live and Zoom were in alliance much before the signing of the contract with PB, and even at the contract drafting stage, the intention of SIS Live to outsource the contract was clearly evident.*
- *While PB's contract with SIS Live was for Rs. 246 crore, the sub-contract between SIS Live and Zoom was for only Rs. 177.30 crore (which would also factor in Zoom's profit margin). Clearly, there was a substantial loss to PB and Government, although we are unable to quantify this loss (based on available and verifiable records).*
- *As per the contracted schedule of payment, SIS Live was to receive only 30 per cent payment before 14 October 2010, with the balance only on verification of performance. This was irregularly amended to allow 60 per cent payment in advance of the Games (subject to successful installation and testing of equipment). Had this relaxed payment schedule been incorporated at the bidding stage, there would have been much greater financial competition, reducing the ultimate cost to the public exchequer.*
- *PB failed to enforce compliance by SIS Live with even the conditions associated with the relaxed payment schedule viz. short supply of equipment, irregular changes in*

make/ model of equipment involving financial implication of Rs. 17.39 crore and non-co-operation by SIS Live with PB's technical inspection team.

There were also several deficiencies in the execution of the contract. The entire payment for coverage of the QBR was released to SIS Live, despite non-receipt of tapes relating to 5 out of 21 countries and delayed receipt vis-a-vis the stipulated time schedule (which was necessary for timely coverage). SIS technical personnel, who were approved by PB and were required to be present during the Games, were replaced by other personnel of SIS.

We found that the Host Broadcast Management Committee (HBMC) set up by the PB did not achieve the desired results. There was a lack of consensus among members of the HBMC, with dual minutes in respect of three meetings, an important meeting involving major decisions signed by only 4 out of 7 members, and legal opinion being sought on key issues; this ultimately resulted in debatable decisions, which favoured the interests of SIS Live. The Ministry of Information and Broadcasting, as well as an Oversight Committee (chaired by the Minister, I&B and co-chaired by the Minister of Law and Justice) which was constituted to monitor the progress of activities and expedite decisions, chose to largely accept the proposals put forward by PB.

The legacy value of HDTV coverage of CWG-2010 to PB, both in terms of improvement of infrastructure and development of in-house skills, was insignificant despite incurring of such huge expenditure out of GoI funds. PB participated in production of only three events as against the initial plan of coverage of 10 out of 17 events in-house. Training was imparted to PB staff only in non-Games venues, and there was no evidence of such training being imparted on the highly specialised OB vans used for Games production.

Further, PB failed to take advantage of the Cabinet approved scheme for upgradation of Doordarshan to HDTV. Consequently, the training received by PB personnel from SIS Live would also become largely redundant, in the absence of HDTV equipment in PB.

The award of the contract for construction of the International Broadcast Centre (IBC) by PB was flawed. Two entities (Shaf Broadcast and Anytime Pictures Ltd.), which had been found ineligible on account of lack of experience at the EOI stage by the Evaluation Committee, were irregularly included in the shortlist, and the final contract was awarded to Shaf Broadcast at a cost higher than that was approved by CCEA.

28.1 Planning and Budgeting for Media and Broadcasting Services

Planning and delivery of media and broadcasting services for coverage of CWG-2010 involved multiple agencies – Prasar

Bharati (PB)/ Doordarshan (DD) and Press Information Bureau (PIB) under the Ministry of Information and Broadcasting (MIB); and the India Trade Promotion Organisation (ITPO). Their roles and functions were as in Table 28.1.

Table 28.1 – Roles of different agencies for media and broadcasting services

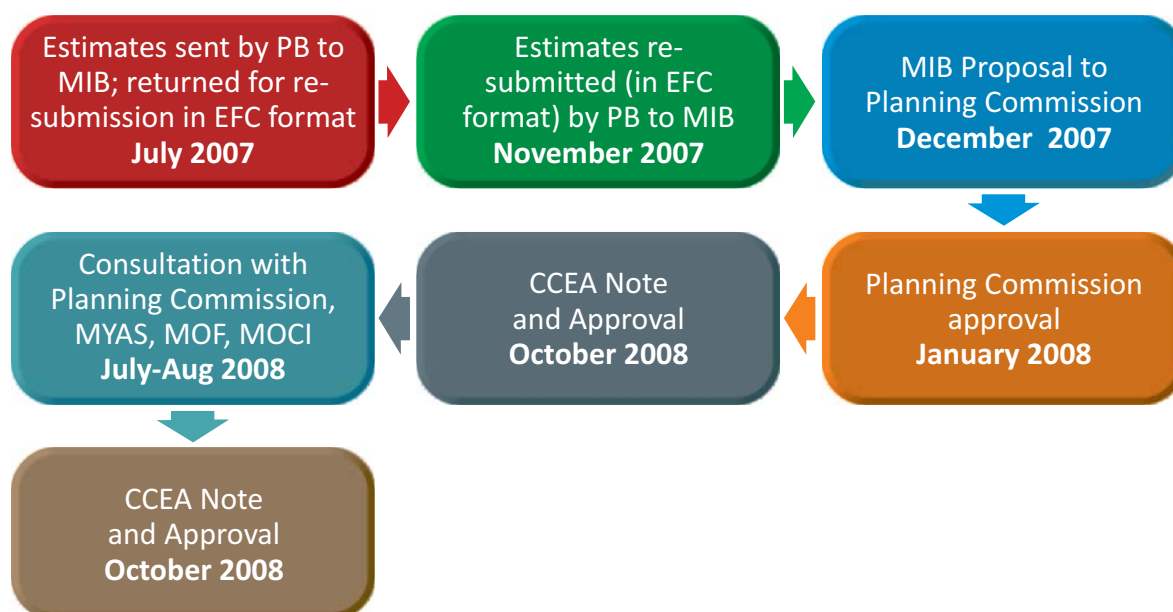
Agency	Role and Functions
Doordarshan (DD) / Prasar Bharati (PB)	Host Broadcaster (HB): <ul style="list-style-type: none"> Television and radio production; Broadcast venue operations and services; and Setting up the International Broadcasting Centre (IBC).
Press Information Bureau (PIB)	<ul style="list-style-type: none"> Providing and managing the Main Press Centre (MPC) and Mini Press Centres at each venue.
India Trade Promotion Organisation (ITPO)	<ul style="list-style-type: none"> Providing international standard infrastructure facilities at Pragati Maidan for the IBC and MPC

28.2 Costing and Estimation for Media and Broadcasting Services

The finalisation and approval of the budget estimate for media and broadcasting

services was unduly delayed (taking 15 months from July 2007 to October 2008) with no sense of urgency apparent amongst the various approval agencies.

Figure 28.1 – Undue delays in approval of budget for media and broadcasting services



The Cabinet finally approved an overall amount of Rs. 463 crore for media and broadcasting services for CWG-2010 (including CYG-2008), as follows:

Table 28.2 – Original budget for media and broadcasting services

(Rs. in Crore)

Category	CYG-2008, Pune	CWG-2010	Total
Host Broadcasting Services (PB)	49.00	366.00	415.00
PIB	1.20	18.80	20.00
ITPO	--	28.00	28.00
Total	50.20	412.80	463.00

The Cabinet note envisaged that since revenue generation from the Games by PB was uncertain¹, 50 per cent of the funding to PB would be as grant-in-aid, with the remaining 50 per cent as an interest-free loan (with conversion into grant-in-aid to be considered, if required, at a later stage).

Subsequently, in January 2010, revised cost estimates of Rs. 482.57 crore were approved by the EFC (within the approved limit of variation of 20 per cent). A profile of the revised estimates and the actual expenditure incurred (as of December 2010) is given below:

Table 28.3 – Revised budget and expenditure for media and broadcasting services

(Rs. in Crore)

Agency	Original Budget	Revised Budget (Rs. in Crore)	Expenditure (December 2010)
CYG-2008, Pune	50.20	9.05	9.05
PB	366.00	366.00	225.89
PIB	18.80	31.75	20.72
ITPO	28.00	75.77	37.70
Total	463.00	482.57	293.36

The spirit of the variation limit of 20 per cent for EFC (rather than CCEA) approval was not observed. The upward revisions for the PIB and ITPO were 69 per cent and 171 per cent, which were hidden within the overall upward revision of Rs.19.57 crore, by partly adjusting the savings of Rs.41.15 crore on account of CYG-2008, Pune. Incidentally, the savings on CYG 2008, Pune, were achieved due to the decision of MIB for in-house production and coverage by PB in SD format, as against outsourcing to SIS Live (which was the chosen bidder).

28.3 Broadcasting Services by Prasar Bharati

28.3.1 Overview

We have already highlighted in Chapter-8 on Revenue Generation, the abnormal delays by the OC in finalising the contract with the Host Broadcaster, Prasar Bharati (PB). Despite having declared PB as the Host Broadcaster in the original bid of May 2003, OC formally communicated this appointment to Prasar Bharati only in March 2007.

Under the Host Broadcaster Service Agreement, which was signed between the OC and PB in May 2009, PB agreed to undertake, at its own cost and expense, all

¹ Incidentally, no such uncertainty was expressed at this time regarding OC's generation of revenues (including broadcasting revenues).

obligations stipulated in the CWG Broadcasting Guidelines. This essentially covered production and distribution of “basic feed” for all the sports and the opening and closing ceremonies in HD (High Definition) format. As a concession to those international broadcasters who did not support HD format, PB was required to offer the basic feed signal to broadcasters at the venue in SD (Standard Definition) format also.

28.3.2 Cost Estimation

PB's initial budget estimate of July 2007 of Rs. 557 crore for broadcasting services was not found to be realistic by the Ministry of Information and Broadcasting (MIB). Further, OC's Advisor – Broadcasting, Shri Patrick Furlong advised PB to prepare a realistic budget estimate after issuing a Request for Information (RFI).

In October 2007, PB issued an RFI, to which only one complete response² from International Games Broadcasting Services (IGBS)³ was received. After receipt of this response, PB prepared a revised budget of Rs. 445 crore for broadcasting services in November 2007. This was finally reduced to Rs. 366 crore in the approved Cabinet estimate of October 2008.

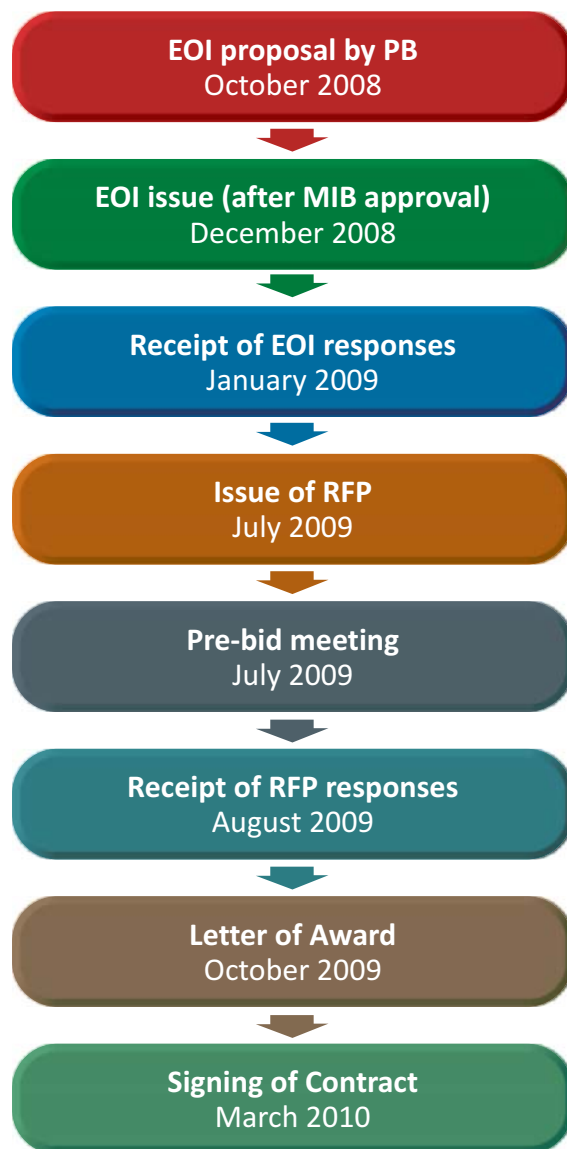
We could not derive assurance as to the reasonableness and reliability of the approved budget estimate of Rs. 366 crore for broadcasting services. The award of the contract for 'production and coverage' to SIS Live for Rs. 246 crore on a single financial bid basis and its back to back sub-contracting to Zoom Communications Ltd. for Rs. 177.30 crore confirm the unreliability of the estimates.

28.3.3 Award of Contract for Production and Coverage

28.3.3.1 Undue Delays

The process for tendering and award of the contract for production and coverage to SIS Live took inexplicably long.

Figure 28.2 – Tendering and award of contract for production and coverage



² The other response by BBC-OB's to the RFI covered only 12 events.

³ A joint venture between HBS and IMG Media

28.3.3.2 EOI and Technical Eligibility

PB took three months to finalise the EOI in December 2008. PB submitted the EOI to MIB twice in October 2008 and December 2008. MIB insisted that PB send the proposal and revisions through CEO, PB. However, PB did not comply and sent the revisions through DG, DD.

In response to the EOI of December 2008, 10 responses were received in January 2009, of which the following five were found to be technically eligible:

- Big Productions (Reliance) with Interpublic Marketing Services, Shanghai;
- Nimbus Communications Ltd with Canadian Broadcasting Corporation;
- Nimbus Sports International Pvt. Ltd, Singapore with International Sports Broadcasting ;
- Satellite Information Service Live UK with SIS Outside Broadcast Ltd; and
- International Games Broadcast Services, Switzerland (HBS and IMG Media).

However, PB issued the RFP only in July 2009 (nearly six months after the EOI). PB submitted the draft RFP to MIB thrice in May, June and July 2009. In our view, MIB's observations, which necessitated multiple revisions of the RFP, were on relatively trivial aspects, which did not cover the rigid conditions and other core issues in the RFP. Further, the delay in approval of EFC and finalisation of EOI and RFP resulted in paucity of time due to which re-tendering in the context of a single financial bid was not feasible.

28.3.3.3 Pre-Bid Meeting

PB held a pre-bid meeting with the five technically eligible bidders on 24 July 2009. The shortlisted respondents expressed serious concerns about the terms and conditions of the contract, financial conditions/ payment schedule, vague clarifications, and difficult deadlines. During the pre-bid meeting, PB took a very rigid stand against making any changes in the payment schedule. Contrarily, PB also committed that the “draft contract would be finalized with the zeroed-in entity mutually”.

Clearly, only those bidders, who were confident of getting post-bid contractual changes in their favour, were encouraged to bid, thus creating a situation with high scope for arbitrariness and patronage.

Subsequently, all the shortlisted respondents, other than SIS Live, expressed their inability to submit a bid under the given terms and conditions.

In particular, IGBS⁴ (whose response to the RFI was the basis for cost estimation) indicated their unwillingness to submit a bid on account of tough financial conditions, unfair and one-sided draft contract, unreasonable and unrealistic RFP conditions (regarding scope of services and provision of technical and personnel specifications) and inadequate clarifications. As a result, IGBS withdrew from bidding for CWG-2010.

However, many significant conditions/provisions of the contract were later changed by HB at the draft contract stage or subsequently as indicated in Table 28.4.

⁴ IGBS was the official Host Broadcaster of Doha Asian Games 2006 and associated with Broadcasting of Melbourne CWG 2006

Table 28.4 — Comparison of conditions at pre-bid and contract stages

Area	Pre-bid query by bidders	Response of PB	Actual Implementation by PB
Payment schedule	Considering 10 percent performance guarantee, 80 percent of payment is not due until completion of the games. This is at variance with the payment schedule for similar events anywhere in the world. Considering that the most significant part of budget is spent prior to the event, we would request DD for negotiation on this.	No	After the first two instalments, the payment schedule was changed in September 2010 from 30 percent before the Games to 60 percent before the Games.
	Could you confirm that the payment schedule can be discussed and negotiated as part of the contract negotiation with the successful bidder?	No	
	Please advise on date and time frame for releasing payments once the deliverables are submitted	As per draft contract	
	Would HB consider lowering the timeframe of payment from 30 days to 7 days after submission of deliverables?	Accordance to clause 6.3(b) of draft contract.	This was changed while finalising the contract to 10 working days of submission of invoice along with inspection certificate.
Equipment	Would HB consider a later date for equipment to arrive, if delivery guarantees were offered?	No	Timeline for installation of equipment and core teams at site of 31 August 2010 was converted to proof of despatch of equipment while changing the schedule of payment in Sept 2010. Eventually, SIS Live was allowed to delay the timeline for successful installation of equipment to 27th September 2010.
	As per Form Tech 7, details of equipments as accurately as would be actually deployed for the games with makes and models of every piece of equipment for every OB.	The entity has to provide the list of equipment and in rare	In August 2010, SIS Live approached HB for change in make/model of certain equipment from those approved in the production plan, which was, however, not accepted by

Area	Pre-bid query by bidders	Response of PB	Actual Implementation by PB
		cases can substitute equipment with similar or better specification with proper justification and approval of HB.	HB. During inspection carried out by the team of technical experts in September 2010, substantial deviations in the manufacturer/specifications of equipment were noticed but no action was taken. Incidentally, the DG DD stated that, as per opinion of the Additional SG, the details of make and model of equipment given by entity (in the production plan) was only illustrative to meet technical specifications.
	Please clarify if the timeline in Appendix VI must be used to construct the financial bid or can alternative dates be proposed for equipment personnel arrival normally associated with international games.	It has to be in accordance with Appendix VI	Timeline for installation of equipment and core teams at site by 31 August 2010 was converted to proof of despatch of equipment while changing the schedule of payment in Sept 2010.
Consortium		If the entity happens to be a consortium no addition can be made and composition of consortium shall remain the same as on submission of EOI responses.	A substantial part of contract was outsourced to Zoom Communications and responsibilities and profits were shared equally by both, which essentially makes it a partnership.
Coverage of QBR	Will the contract be awarded well in advance to enable the bidder to plan and prepare to cover the QBR?	Contract would be awarded well in advance of the QBR	Letter of award was issued to SIS Live on 22 Oct 2009, just six days before QBR.

Evidently, the rigid stand taken by PB at the pre-bid stage was a pre-determined strategy to deter other potential bidders and favour SIS Live, for whom special concessions were accorded subsequently.

Due to Prasar Bharati's failure to amend the draft contract in a fair and transparent manner in advance of bid submission (rather than allowing it to be insidiously amended post facto at multiple stages), only two bids were received. One bid was effectively withdrawn, as the lead partner – Canadian Broadcast Corporation – withdrew from the consortium. This left only one financial bid – that of SIS Live – in contention.

It may be noted that MIB was involved by PB at each stage of the tendering/ award process. The Oversight Committee (discussed subsequently in para 28.6.3) also felt that the process followed was fair and transparent, although it noted in a subsequent meeting (February 2010) that some parties had opted out of the bidding due to the restrictive payment schedule.

Further, the accepted financial bid included Rs.10 crore for Consultancy (wherever required), which SIS Live had stated to be its project profit. In addition Rs.10 crore was provided for incidental/ contingency expenses which SIS Live stated to be pre-operative expenses and unspecified contingencies. Although the Host Broadcast Management Committee (HBMC)⁵ negotiated with SIS Live, it could not effect any deduction under these heads. Thus, the contract was ab initio overpriced by Rs 20 crore.

⁵ HBMC was chaired by CEO, PB and comprised Member (Finance), Member (Personnel), DG DD, Engineer-in-Chief DD, DG AIR and Engineer-in-Chief AIR

We clearly discern PB's intent to discourage other parties from bidding, leaving only one “chosen” bidder (SIS Live). The Letter of Award was issued on 22 October 2009, just six days before the QBR Launch ceremony on 28 October 2009.

Miraculously, SIS Live, along with its future sub-contractor – Zoom Communications Ltd., was already in position (after mobilisation of necessary equipment and resources), to cover the QBR.

28.3.3.4 Finalisation of Contract with SIS Live

The finalisation of the contract between PB and SIS Live inexplicably took five months – from 22 October 2009 (when the LoA was issued) to 5 March 2010. The final contract at a cost of Rs. 246 crore differed substantially from the draft contract circulated at the RFP stage, with all the changes favouring SIS Live and to the detriment of PB/ Gol.

These changes were finalized as a result of “negotiations” between PB and SIS Live and direct consultations with the Solicitor General without routing through MIB. The Solicitor General vetted the contract and settled the changes, amidst the conflicting views of HBMC members.

A summary of the major changes to the contract is given in Table 28.5.

Table 28.5 – Changes in Contract Conditions

Area	Para No.	Original provision in brief	Provision in final contract
Termination of Contract	2.8.5 (a)	If the contract is terminated pursuant to clause 2.8.1 the entity shall not be entitled to receive any payment.... however HB may consider making payment for the part satisfactorily performed..., <u>HB may also impose liquidated damages as per the provisions ...</u>	If the contract is terminated pursuant to clause 2.8.1 the entity shall not be entitled to receive any payment... however HB shall make payment for the part performed to the reasonable satisfaction of the HB
	2.8.5(c)	Upon such termination HB shall be free to engage any other service provider as it may deem fit <u>at the risk and cost of entity</u>	Upon termination under clause 2.8.1, HB shall be free to engage any other service provider as it may deem fit. <u>in which event the entity shall be liable only for the costs of such replacement services that are reasonable.</u>
Terms of payments	6.3(a)	The entity shall submit invoice along with inspection certificate....the payment will be released as per work related milestones achieved.	The entity shall submit invoice along with inspection certificate....the payment will be released as per work related milestones/ <u>specified dates within 10 working days of submission of invoice.</u>
	6.3 (b)	Once a milestone is completed the entity shall submit the requisite deliverables.....HB will release payment upon acceptance of the deliverables..... <u>if HB fails to intimate the objections within 30 days it shall release payment without further delay.</u>	Where completion of a milestone requires the submission of a deliverable ...entity shall submit the deliverable....within five working days HB shall confirm its acceptance or any deficiencies. <u>Payment shall be released as per work related milestones/specified dates within 10 working days of submission of invoice. In case of any undue delay in payment HB shall be liable to pay LD.</u>
Liquidated Damages	9.3(a)	If the deliverables are not submitted as per schedule, the entity shall be liable to pay <u>1 percent of the total cost of services for delay of each week or part thereof</u>	Where a milestone requires submission of a deliverable and it is not submitted and delay is not due to failure of HBthe entity shall be liable to pay <u>1 percent of value of the payment which would have been due</u>

Area	Para No.	Original provision in brief	Provision in final contract
	9.3(b)	If the submitted deliverable is not acceptable to HB..... entity shall be liable to pay <u>1 percent of the total cost of services for delay of each week or part thereof</u>	If the submitted deliverable is not accepted by HB..... <u>the entity shall be liable to pay 1 percent of value of the payment which would have been due</u>
Liquidated Damages Payable by PB	9.4	Both the parties agree to pay such liquidated damages, as defined under the provisions of the contract.	<u>HB shall be liable to pay to the entity LD for any delay in payment on part of HB...for an amount equal to 1 percent of value of the payment due...for each week subject to a maximum of 10 percent of contract price.</u>
	9.5		Any LD due from the entity to HB may be set off against the payment due from HB to the entity.
Contract Price	14	<u>Contract price shall remain firm for the entire contract period except changes in the tax law.</u>	Deleted
Sub-Contract	15	Entity shall not assign or transfer the contract or any part thereof.	Entity shall not assign or transfer the contract or any part thereof, <u>but HB acknowledges that the entity will utilise sub-contractors/production associates for the performance of the services.</u>

In particular, the new provision allowing SIS Live to utilise sub-contractors/ production associates changed the fundamental nature of the contract and paved the way for SIS Live to outsource almost the entire work to Zoom Communications Ltd. on the same day as the main contract – 5 March 2010.

28.3.3.5 Sub-Contracting by SIS Live to Zoom Communications Ltd.

PB entered into a contract on 5 March 2010 with SIS Live for production and coverage of

CWG-2010 at a cost of Rs. 246 crore. On the same day (5 March 2010), SIS Live entered into a sub-contract with Zoom Communications Ltd. at a cost of Rs. 177.30 crore, covering almost the entire scope of work, viz.:

- Generation of basic feed;
- Broadcast venue operations services; and
- Training

We found that SIS Live and Zoom Communications Ltd. were in alliance much

before the signing of the main contract and sub-contract on 5 March 2010:

- SIS Live utilized the services of Zoom Communication Ltd. for coverage of the QBR, which was launched on 28 October 2009;
- On 5 March 2010, Shri Dehlvi signed as a witness to the main contract between PB and SIS Live and also as the authorized representative of Zoom Communications in the sub-contract between SIS Live and Zoom Communications on the same day. Subsequently, Shri Dehlvi corresponded with PB as the Resident Project Director of SIS Live.

The terms of the sub-contract did not envisage a principal-agent relationship between SIS Live and Zoom Communications, and made Zoom Communications responsible for performance of key services:

- Managing the broadcast production and coverage facilities and services;
- Providing a turnkey solutions for scheduled services and deliverables;
- Providing advice and taking decisions to ensure services of generation of basic feed, broadcast, venue operations, training etc.;
- Provision of 85 per cent of equipment for Games coverage and training;
- Providing 800 out of the 1200 estimated Games time staff;
- Responsibility for all Indian staff for planning and management, technical and production costs for pre-Games programming, QBR costs, technical equipment for training, insurance etc.

- As per clause 3 of Operating Document attached with the sub-contract, profit provision was to be shared equally between SIS Live and Zoom.

Clearly, practically the entire set of contractual services was being executed by Zoom Communications Ltd through a back-to-back contract, with SIS Live acting essentially as a conduit. The amended clauses of the main PB contract, thus, enabled the back door entry of Zoom Communications Ltd, who was ineligible for bidding for this contract.

28.3.4 Irregularities in Contract Management

28.3.4.1 Change in schedule for payment in favour of SIS Live

As per the contracted schedule of payment, SIS Live was to receive only 30 per cent payment before 14 October 2010, with the balance only on verification of performance. PB irregularly amended this provision in September 2010 on the basis of SIS Live's request in August 2010 for 100 percent advance before the Games, as well as a statement by DG, DD, that the entity was considering termination of the contract as the delayed fund flow was making the project untenable. The amended provision, which was approved by the Host Broadcast Management Committee (HBMC) in August 2010 and the MIB in September 2010, provided for 60 percent in advance of the Games by 27 September 2010 (subject to successful installation and testing of equipment) and the remaining 40 per cent through Letters of Credit⁶.

⁶ Payment through Letters of Credit was, however, not processed.

Had this relaxed payment schedule been incorporated at the bidding stage, there would have been much greater financial competition, reducing the ultimate cost to the public exchequer.

28.3.4.2 Irregularities in payments made to SIS Live

PB failed to enforce compliance by SIS Live with even the conditions associated with the relaxed payment schedule:

- Payment of the fourth tranche of Rs.73.80 crore was linked with successful installation and testing of the required equipment conforming to the quality, make and models indicated in the production plan.
- In August 2010, SIS Live approached PB for changes in make/model of certain equipment, which was not approved. However, SIS Live, on 11 September 2010, refused to accept the approved determinants for payment of the fourth tranche, and insisted on its own list of determinants, which specified only installation of equipment. This was however, not accepted by PB.
- In the inspection carried out by the team of technical experts in September 2010, several deviations from the approved specifications were noted.
 - Ikegami/Snell & Wilcox make equipment in place of Sony, 22 Zoom lens in place of 72 Zoom, SSM camera in place of Robotic camera, Miranda in place of Leitch.
 - HDCAM VTRs/DDRs were not provided in any of the venues, 23 cameras and four EVS SMS were not provided.

Despite the adverse inspection report, the payment of Rs.73.80 crore for the fourth tranche was released in September 2010, after approval of the HBMC. A committee to evaluate the financial implications of this deviation and shortfall in equipment was subsequently constituted by DG, DD in October 2010, which estimated the financial implication at Rs.17.39 crore.

28.3.4.3 Non-deployment of approved key technical personnel by SIS Live in CWG

Against the 61 key technical personnel for production and coverage of CWG 2010 stipulated in the contract, we found that the list of OC accredited personnel of SIS Live included only 22 persons out of the 61 identified personnel. Clearly, PB did not make any efforts to verify and ensure that the key personnel approved by it actually executed the assigned task.

29.3.4.4 Undue favours to SIS Live resulting in extra expenditure by HB

Other favours irregularly granted by PB to SIS Live involved extra expenditure of Rs. 3.22 crore on the following tasks:

- **Hiring of lighting consultant** - Despite the fact that SIS Live had charged Rs 10 crore for consultancy over and above the consultants already hired under the contract, PB hired a lighting consultant at a cost of Rs. 21.95 lakhs. Legal opinion in this regard received on 16 August 2010 stated that in the absence of a relevant contractual clause, it was PB's responsibility to hire a lighting expert.
- **Supply of Power Cables** - Contractually, SIS Live was to provide for laying of

power cables to interconnect various functional areas at all venues; this was also clarified at the pre-bid meeting. However, in July 2010, SIS Live stated that this was not in its scope of work and refused to undertake this task. Consequently, in August 2010, PB hired BECIL to execute this work at the cost of Rs. 0.96 crore, envisaged at SIS Live's risk and cost (as per legal advice). The ultimate cost incurred by BECIL amounted to Rs.1.30 crore. This approach was reversed by HBMC in August 2010, which decided to impose the responsibility on the OC. Inexplicably, OC agreed to bear these costs. Clearly PB showed undue favour to SIS Live on this account.

- **Special camera mounting** - PB incurred an additional liability of Rs 1.70 crore on special camera mountings, on account of ambiguities in the contract clauses and divided legal opinion.

28.3.5 Deficiencies in QBR deliverables

The entire payment for coverage of the QBR was released to SIS Live, despite non-receipt of tapes relating to 5 out of 21 countries and delayed receipt of the other tapes relating to 16 countries vis-a-vis the stipulated time schedule which ranged from two days to two months. No tape was received in time and the event was therefore telecast late.

28.4 Legacy of the Games

Despite incurring of such huge expenditure from GoI funds, the legacy value of HDTV coverage of CWG-2010 to PB, both in terms of improvement of infrastructure and

development of in-house skills was insignificant.

- **Non-upgradation to HDTV** – PB failed to upgrade itself to HDTV, even partially if not fully, by CWG-2010. Against funds of Rs.165 crore (out of which Rs. 114.61 crore was to be spent upto 2010-11) sanctioned by GoI to DD for production facilities for HDTV content and terrestrial and satellite transmission, DD could spend only Rs. 6.84 crore for the uplinking facility.
- In July 2007, PB proposed that seven sporting events, besides the opening and closing ceremonies would be outsourced, and the remaining ten events would be covered in-house. This was reduced in November 2007 to cover only three events in-house out of the 17 events. Finally, PB participated in production of only three events in CWG 2010, and coverage of all 17 events was outsourced.
- Further, PB spent Rs. 7.85 crore for training of its staff by SIS Live (outsourced agency) on HDTV equipment. Training was imparted to staff on non-games venues as the venues were not ready. No records were available to establish that the training was imparted on the same highly specialized OB Vans that were used by SIS Live for production and coverage of games. Consequently, the training received by PB personnel from SIS Live would also become largely redundant, in the absence of HDTV equipment in PB.

At the stage of EFC approval, PB had stated that the *“legacy which Prasar Bharati would carry after the Games is innumerable development of skills of its staff, who would get to work with latest and super-specialised equipment on the most advanced HDTV technology. This would place PB prominently on the sports broadcasting field on the world map.”*

In reality, the production and distribution of CWG-2010 in HDTV format was an ephemeral exercise, with no legacy capabilities for DD/ PB.

28.5 Other related infrastructure

28.5.1 Inordinate delay in upgradation of hostel facilities

Sanction of Rs. 3.49 crore, in June 2010 for improvement/upgradation of hostel facilities at the Staff Training Institute (STI), Kingsway Camp New Delhi in view of CWG-2010 turned out to be redundant despite expenditure of Rs.1.72 crore till December 2010. The upgraded hostel facilities were not ready even as of March 2011 and staff brought from outside Delhi was ultimately accommodated in private hotels during Games time at an extra cost of Rs.0.19 crore.



State of hostel facilities at STI, Delhi



Furniture lying in PB's godowns

28.5.2 Broadcast facility at venues

PB awarded a lump sum contract to BECIL for 'provision and customization of broadcast facilities at venues' at Rs. 19.81 crore. This included hire of items worth Rs. 1.77 crore. However, in July 2010, PB asked BECIL to go ahead with outright purchase of furniture (without concurrence of the HBMC), and a work order for Rs. 1.94 crore was issued in August 2010. The ultimate cost however, was Rs. 2.20 crore.

However, out of this procurement, furniture amounting to Rs. 0.92 crore were still lying in PB's godowns. (December 2010)

28.5.3 Irregularities in award of IBC contract

PB issued an EOI in May 2009 for the construction and operation of IBC facilities and services; nine responses were received in June 2009.

We found that two entities (Shaf Broadcast and Anytime Pictures Ltd.), which had been found ineligible on account of lack of experience at the EOI stage by the Evaluation Committee, were irregularly included in the shortlist.

The contract was finally awarded to Shaf Broadcast at a cost of Rs. 65.91 crore which was much higher than the CCEA estimates of Rs 45.67 crore. Further, PB failed to adequately negotiate reductions on account of reduced requirements from RHBs (estimated at Rs. 7-8 crore) as well as duplication in air conditioning and fire fighting systems (sanctioned by ITPO at Rs. 9.87 crore) and obtained a negotiated reduction of only Rs. 4.61 crore.



28.5.4 India Trade Promotion Organisation

ITPO was awarded a budget of Rs. 28 crore for upgradation of ITPO through Cabinet Note in October 2008. The MIB approved the revised estimates from Rs. 28 crore to Rs. 75.77 crore (including Rs. 16.77 crore available for rent, electricity and water charges and fuel expenses) for augmentation and replacement of AC plant, development of food plaza for the use of press, renovation of toilets, hiring of DG sets, firefighting works, and other miscellaneous works.

We found that ITPO and CPWD (the implementing agency) had unspent balances of Rs. 21.30 crore:

- ITPO had retained Rs. 3.95 crore, while issuing sanctions of Rs. 55.05 crore for civil and electrical works to CPWD
- As of December 2010, CPWD had awarded works/incurred actual expenditure of Rs. 37.70 crore, with an unspent balance of 17.35 crore.

Since this amount of Rs. 21.30 crore could not be utilised by ITPO/ CPWD for CWG 2010, it should be forthwith refunded to MIB.

28.6 Oversight and Monitoring arrangements

28.6.1 Role of HBMC

The Prasar Bharati Board (Board) formally appointed a Host Broadcast Management Committee (HBMC)⁷ in May 2009⁸. The HBMC was granted the authority to accord the requisite approvals and take all steps for successful completion of PB's role as HB in the CWG, 2010.

⁷ Chaired by CEO, PB and comprising Member (Finance), Member (Personnel), DG DD, Engineer-in-Chief DD, DG AIR and Engineer-in-Chief AIR.

⁸ although it had been functioning since February 2009.

28.6.1.1 Lack of consensus within HBMC

Of the 55 meetings between February 2009 and October 2010, records of only 40 were made available to us, we found that:

- There was no consensus among the HBMC Members for finalising the draft contract. Vigorous objections by the Member (Finance) and Member (Personnel) were ignored;
- Minutes of only two out of 40 meetings were signed by all the members of HBMC;
- In the meeting held on 26 August 2010, several major decisions⁹ were taken, but the minutes were signed by only four of seven members;
- In three meetings, two sets of minutes with different streams of opinions were issued - one by the PB Secretariat and another by the Member (Finance), along with the Member (Personnel).

Due to conflicts of opinion, legal opinion had to be sought on several key issues relating to drafting of the contract, hiring of lighting consultant, supply of power cables, and special camera mounting.

28.6.2 MIB's Role

The tendering/ award and management of the production and coverage contract was submitted for MIB's approval at various stages – EOI, RFP, approval of the single financial bid, as well as relaxation of the

⁹ Regarding engagement of lighting consultant, synchronized camera risers, games time catering, delays in decision on construction of broadcast compounds, laying of power cables from broadcast compounds to commentary tribunes, proposed change in supply of equipment other than mentioned in the RFP, and payment in respect of QBR.

payment schedule in September 2010 in favour of SIS Live. MIB did not show adequate urgency in finalisation of budget estimates, nor in quick finalisation of the EOI and RFP. These delays left no time for re-tendering in the context of the single financial bid.

Regarding major decisions relating to SIS Live, MIB chose to go along with the recommendations of PB. In particular, while approving the contract award to SIS Live on a single financial bid, Secretary, MIB noted that *“given the circumstances and the fact that there is no time to initiate a fresh process and no certainty as to a better and more acceptable outcome, the Ministry does not have the option of revisiting the issue at this stage. Moreover, we cannot rule that making any substantive changes in the RFP documents following the pre-bid meeting could have led to objections and complaints.”*

Further, approval to the revised payment schedule was accorded by MIB, primarily on the ground that they were left with no alternative but to accede to the demands (of SIS Live), since non-telecast would be a matter of international embarrassment. Further, Secretary, MIB noted that the Cabinet Secretary had also spoken to him on more than one occasion that keeping in view the prestigious nature of the event for India, the telecast must be ensured.

MIB chose to largely go along with the recommendations of PB, on grounds of urgency and lack of alternatives.

28.6.3 Oversight Committee

The Oversight Committee¹⁰ chaired by Minister of Information and Broadcasting and co-chaired by Minister of Law and Justice was constituted on 2 Sept 2009 by MIB to monitor the progress of activities relating to production and coverage of games, expedite decision making at various levels, and resolve inter-ministerial issues. Its constitution was essentially at the same time as the receipt of the single financial bid from SIS Live. The Committee met six times between September 2009 and July 2010. We found that it chose to largely accept the proposals put forward by PB, in particular, on the decisions to award contracts to SIS Live and Shaf Broadcast, as well as the changes in the draft contract (which were largely in favour of SIS Live).

A meeting of the Oversight Committee in February 2010 is of particular interest. At this meeting:

- The Minister for Law and Justice mentioned that he had gone through the opinion of the Solicitor General (SG) on the contract document (particularly with reference to changes in the payment schedule from 30:70 to 40:60 and waiver of bank guarantee for the initial two payments). He felt that the SG had tried more to arrive at a compromise between PB and SIS-Live

and had not specifically given a finding on the legality of the same. Prima facie, the changes in the payment schedule could not be considered at this stage, and if insisted, re-tendering may have to be considered.

- The Minister for Information and Broadcasting also noted that some parties chose to opt out of the bidding process because of the terms and conditions of the payment schedule. It was all along maintained that the schedule could not be changed; changing it now may leave the field open for legal intervention by other parties. She also noted that the SG had left this to the competent authority to take a final decision. In her opinion, such matters could not be left to the discretion of the competent authority, and the legal implications should be clearly indicated, before any decision could be taken.

The contract signed with SIS-Live left the payment schedule at 30 per cent before the Games. However, this was amended in September 2010 to 60 per cent before the Games.

Ultimately, the Oversight Committee's intervention on the payment schedule did not have any lasting effect.

¹⁰ Other members were Secretary I&B, Secretary Legal Affairs, Additional Secretary I&B, Additional Secretary and Financial Advisor I&B, and a law officer to be nominated by the Ministry of Law and Justice.



Telecommunications Services for CWG-2010

MTNL was appointed on “nomination basis” in October 2009 for providing telecommunications services for CWG-2010, on the premise that it would follow all norms and procedures for public financial accountability. However, we found that the process of awarding the telecommunications services contract was flawed.

MTNL, with OC's agreement, pushed through a vastly more expensive technical solution (IP/ MPLS) for the Broadcast Video Network and Broadcast Audio Network, which had not been tested in previous Games and was not acceptable to the Rights Holder Broadcasters (RHBs) from different Commonwealth countries. Eventually, in addition to IP/ MPLS, the tested and existing technical solution (“point-to-point dark fibre”) was provided to meet the requirements of RHBs. Even Doordarshan made use of only the dark fibre solution for its video broadcast requirements. This solution would have been vastly cheaper, with less cost to the public exchequer.

The premise of the PSU following public financial accountability norms (which was the basis for obtaining Gol approval for appointment of MTNL) was jettisoned, as the technical requirements were altered without adequate justification by MTNL to leave only one technically qualified bidder, the HCL/Cisco team; there was, thus, no financial competition. Essentially, MTNL acted as a conduit for placement of a contract, on a back-to-back basis, in a non-transparent manner.

In August 2009, Airtel made an offer to the OC for providing telecommunication services for CWG-2010. Shri Suresh Kalmadi and his associates in the OC continued to negotiate till January 2010 with Airtel, whose last offer was to provide such services at a cost of Rs. 160 crore (excluding taxes), offset by sponsorship of Rs 100 crore. For unexplained reasons, Airtel's offer, which was considerably better than that of MTNL, was not brought to the notice of the Gol.

The estimates for telecommunications services provided by MTNL at different points of time were unreliable and lacked adequate support, with the final infrastructure cost of Rs. 270.70 crore (excluding taxes) approved by the Gol being more than eight times the estimates of approximately Rs. 33 crore for Melbourne CWG-2006. Further, the contract awarded by MTNL to the HCL/ Cisco team was for Rs. 387.19 crore (excluding taxes), which was 12 times the estimated cost for similar services in Melbourne CWG-2006. Clearly, there was a substantial loss to the Gol on account of this decision. However, we are unable to quantify this loss on the basis of available records.

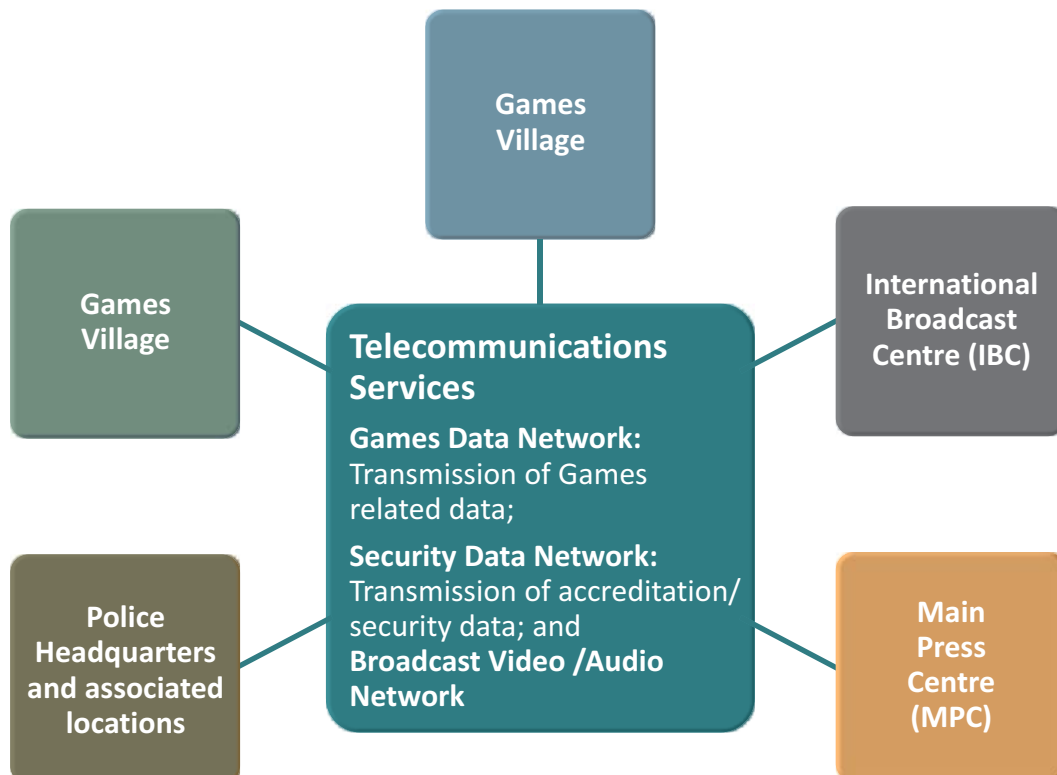
MTNL did not provide realistic and detailed business plans or strategies regarding the post-CWG market potential for the high speed IP/ MPLS solution obtained at considerable cost to the Gol (except for a reference in the tender documents to the requirement of network capacity to handle 1,00,000 customers each in Delhi and Mumbai). This, further, confirms the redundant nature of this expensive technical solution.

29.1 Introduction

For the successful conduct and delivery of the Games, it was necessary to put in place robust, effective and fail proof telecommunications services catering to the requirements for bulk transmission of games data, security data, High Definition

TV (HDTV) broadcast video signals, and broadcast audio signals between different locations - competition and other venues, the International Broadcasting Centre (IBC), the Main Press Centre (MPC) (located at ITPO), and master control facilities. The scope of telecommunications services for CWG-2010 is summarised below:

Figure 29.1 – Telecommunications Services for CWG-2010



Section - H
Other Services

MTNL was formally appointed in October 2009 by MYAS as the Telecommunications Service Provider for CWG-2010.

29.2 Selection of MTNL

We found that the formal appointment of MTNL as the telecom partner by MYAS in

October 2009 was the culmination of an extended engagement process between the OC and MTNL at the highest levels, beginning March 2009 as is evidenced by the chronology of events given below:

Table 29.1 – Chronology of events leading to nomination of MTNL

Date	Events / Activities
14 March 2009	Comprehensive presentation made by the MTNL Technology team to the OC, which indicated the cost of laying the telecommunication solution as Rs 450 crore (based mainly on rates of Cisco and HCL equipment).
26 May 2009	Meeting held between the MTNL team headed by Shri RSP Sinha, then CMD MTNL and a senior management team of the OC headed by Shri A K Mattoo, Treasurer, Shri VK Gautam, COO and other members of the OC Technology Functional Area
6 June 2009	Letter of intent issued by COO, OC engaging MTNL as the Telecommunications Service Provider for CWG-2010, subject to other terms and conditions to be finalised through detailed negotiations.
June 2009	Discussions held between the OC ¹ and MTNL's technology expert committee ² to finalise the Scope of Work (SOW).
30 July 2009	SOW finalised by the OC for telecommunications infrastructure.
4 August 2009	Group of Officers (GOO) ³ constituted by Cabinet Secretariat to evaluate and finalize the SOW with respect to financial and technical proposals mooted by MTNL.
9 August 2009	GOO approved proposal at an estimated cost of Rs. 270.70 crore (against the proposed estimate of Rs. 343.11 crore) for telecommunications infrastructure to be funded on a wet-lease basis ⁴ , with GoI financial support of Rs. 165 crore plus duties and taxes of Rs. 17 crore to be provided to MTNL.
October 2009	MTNL nominated as Telecommunications Service Provider for CWG-2010 by GoI
November 2009	Proposal of GOO endorsed by the EFC and approved by the GoI.

¹ Shri V.K. Gautam, COO and other members of the Technology Functional Area.

² GM(CPSL), Manager(CPSL), and DGM(BB).

³ Secretary, Sports; Addl. Secretary, MI&B; Joint Secretary, MoF; and DDG, DOT

⁴ The facility would be available for use during CWG-2010 and would then be handed over to MTNL for future use. 60 per cent of the capital cost would be borne by the GoI and reimbursed to MTNL.

We found that the selection of MTNL on nomination basis was justified to the GoI on the grounds of it being a Public Sector Undertaking (PSU) which would follow all norms and procedures for public accountability. Given the limited time available, the selection of a PSU for service delivery would have been understandable, if it was delivering services directly. However, the telecommunications services were actually delivered by the HCL/ Cisco team.

Essentially, MTNL acted as a conduit for placement of a contract on a back-to-back basis, in a non-transparent manner on the HCL/ Cisco team, as described subsequently, and the underlying premise of a PSU following public financial accountability norms was jettisoned.

29.3 Airtel's considerably better offer not brought to the notice of GoI

We found that on 28 August 2009 (when the Cabinet Secretariat had already appointed a GOO in connection with MTNL's proposals), Airtel approached the OC with a proposal to provide telecommunications services for CWG-2010 worth Rs. 100 crore as the Lead Sponsor; this proposal was validated by the technology team of the OC. Shri Suresh Kalmadi, Shri A K Mattoo and Shri T S Darbari of the OC continued to engage with Airtel on the proposal till early January 2010, during which period Airtel's offer changed from provision of telecommunications services during CWG-2010 worth Rs. 100 crore as the Lead Sponsor to an offer of telecommunications

services at a cost of Rs. 160 crore (excluding taxes) offset by Rs. 100 crore as sponsorship.

We noticed that the OC chose not to bring this considerably better offer of Airtel to the notice of the GoI or GOO anytime between August and October 2009 (when MTNL was appointed as the Telecommunications Services Provider for CWG-2010). It is also not understood why Shri Kalmadi and his associates continued to interact with Airtel, even after GoI had taken the decision to engage MTNL on OC's recommendation and thereafter, MTNL was parallelly engaged in selecting a contractor to provide these services.

29.4 Choice of technology

MTNL suggested a technical solution based on IP/MPLS technology for all networked services viz. Security Data Network (SDN), Games Data Network (GDN), Broadcast Video Network (BVN) and Broadcast Audio Network (BAN). While for data transmission IP/MPLS was a robust solution, it was a more expensive technical solution for broadcast video and audio services and had not been tried and tested in past Games. In contrast, in the earlier Games, broadcast video/ audio telecom services had been delivered through "point to point dark fibre", which was a tried and tested solution and was also far less expensive. It may be noted that the scope of work prepared by the OC for the GOO's consideration indicated the IP/MPLS solution only for data networking and not for broadcasting, whereas MTNL, in its presentations, offered an IP/MPLS based solution for all networks. In its report, the GOO noted that it had

relied on the technical knowledge, expertise and judgement of experts from Prasar Bharati (the host broadcaster), MTNL and the OC, and accepted the projected infrastructure requirements (including IP/MPLS for broadcast video and audio services).

In October 2009, during the first World Broadcasters Meet (WBM)⁵, some of the Rights Holder Broadcasters (RHBs) raised concerns on the adoption of the IP/MPLS technology for video broadcasting in place of the “point-to-point dark fibre” broadcast technology. In a review meeting held on 6 January 2010, to discuss this issue, Mr. Patrick Furlong (Advisor, Broadcasting to the OC) observed that IP/MPLS technology had not been proven or tested yet on such a large scale in multi sports environment. Eventually, on the insistence of RHBs, in February 2010, MTNL agreed, in February 2010, to provide “point to point dark fibre” as the primary solution, along with the IP/MPLS based solution.

Reverting to the existing “point to point dark fibre” technology solution for broadcasting video and audio completely changed the cost dynamics:

- In July 2009 itself, Mr. Brian Nourse, the Technology Consultant for the OC, had indicated that the estimated cost for providing similar services in Melbourne CWG-2006 had been only Rs. 33 crore (as against Rs. 270.70 crores estimated by the GOO) and flagged the need to engage the Host Broadcaster (Prasar Bharti) and RHBs.

⁵ Prasar Bharti, the Host Broadcaster and the OC organized two WBMs to interact with existing and potential Right Holders Broadcasters to keep them updated on the operational preparedness of the CWG-2010. The first WBM was held from 26-28 October, 2009.

- The cost of data transmission was a fraction of the cost of audio/video transmission, as noted by ADG (Technology), OC in January 2010.
- MTNL was asked by the OC (January 2010) to provide details to rework the costs based on provision of broadcast video/ audio services on “point-to-point dark fibre solution”; however, MTNL did not do so, and merely agreed to provide “point-to-point dark fibre” solution to RHBs at no additional cost.

Clearly, MTNL, a PSU, chose not to adopt a more judicious and cost effective approach in selecting the technology solution, and the OC did not persuade MTNL to do so in the larger interest of optimal utilisation of GoI funds.

In our view, MTNL, with OC's agreement, pushed through a costlier technical solution (IP/ MPLS) for the Broadcast Video/ Audio Network, which had not been tested in the previous Games and was not acceptable to the Rights Holder Broadcasters (RHBs).

Eventually, in addition to IP/ MPLS, the tested and existing technical solution (“point-to-point dark fibre”) was provided to meet the requirements of RHBs. Even Doordarshan made use of dark fibre as its primary solution for its audio/video broadcast requirements, with the IP/ MPLS solution used only for the broadcast disaster recovery site. This solution would have been vastly cheaper, with ultimately less cost to the public exchequer.

In response, MTNL indicated that the setting up of an IP/ MPLS based network was a unanimous combined decision of all

the concerned stakeholders to address the composite requirements of all applications. Point-to-point dark fibre based solution was additionally provided by MTNL to give comfort level to the RHBs. We do not agree with MTNL's views, in the light of the issues highlighted above.

29.5 Award of back to back contract by MTNL to HCL/Cisco

The chronology of tender and award of the telecommunication services contract by MTNL is given below:

Table 29.2 – Chronology of events leading to selection of HCL/ Cisco

Date	Events / Activities
24 September 2009	Global tender floated by MTNL, with last date of bid submission as 27 October 2009
13 October 2009	Pre-bid meeting held (in which 18 agencies participated) and date of bid extended to 10 November 2009
3 November 2009	Last set of pre bid clarifications issued by MTNL
10 November 2009	Single bid received from HCL with Cisco as teaming partner; technical and commercial bids opened; the price quoted by HCL/Cisco team was Rs. 335.14 crore (excluding taxes)
14 February 2010	Advance purchase order issued by MTNL to HCL/Cisco team
12 March 2010	Contract awarded by MTNL to HCL/Cisco team for Rs. 387.19 crore (excluding taxes)

We found that the entire tender and award process was tailored by MTNL to ensure the success of HCL/Cisco team, as detailed subsequently.

29.5.1 Arbitrary inclusion of experience requirement of implementation of 60 nodes in a single network

The initial RFP prepared by MTNL, based on the scope of work, specified “.....**minimum experience of implementation of at least 15 nodes (MPLS Core and MPLS Edge routers) in a single network**” as the requisite technical qualification required from the bidder. However, in September 2009, through a committee⁶, MTNL changed

the technical qualifications for the RFP to “.....**minimum experience of implementation of 60 nodes in a single network**”. This requirement was justified, stating that “the CWG Data Network shall contain between 120-130 MPLS routers, therefore it was decided that the prospective bidders should have at least 50 per cent of the numbers of node experience of implementation”.

We found no evidence of MTNL/HCL/Cisco actually implementing 60 nodes in a single network in CWG-2010.

In our view, the experience stipulation of 60 nodes in a single network was deliberately conceived to limit competition to HCL/Cisco team.

⁶ comprising of CGM (Switching & Planning), GM (CPSL), GM(MM), GM (BB&IA) and DGM (BB-D)

Further, despite requests from the prospective bidders (and the last pre bid clarification being issued as late as 3 November 2010), the last date of submission was not extended beyond 10 November 2010. This rigidity in adhering to the stipulated date is belied by the subsequent delay of three months in actual award of the contract.

Consequently, among the 18 agencies that had evinced interest at the RFP stage, of which four had the requisite experience in Olympics/Commonwealth/FIFA Games, only one, Cisco, teaming with HCL, submitted a financial bid.

In our opinion, the bidding process was tailored to ensure that only the HCL/Cisco team's financial bid was available, thus eliminating financial competition.

On receipt of a single financial bid, Director (Finance), MTNL had advised (December 2009) short-tendering (against the option of negotiation) to ensure that best rates were secured, as the estimates were unreliable. She, further, recommended that if negotiations were to be conducted with a single bidder, the Price Negotiation Committee should have Government representatives from the DoT and the MoF. However, MTNL conducted price negotiations through an internally constituted committee, thus making the process even more non-transparent.

29.5.2 Reasonability of costs for providing telecommunication infrastructure

Financial competition was imperative to ensure reasonability of the rates secured. It

was particularly important in the instant case as the estimates were unreliable i.e Rs. 450 crore at the stage of the first presentation to the OC, reduced to Rs. 343.11 crore in MTNL's proposal to the GOO. The GOO anticipating a further reduction of 21 per cent through competitive bidding, reduced the estimates to Rs. 270.70 crore. After post-bid negotiations and including additional equipment worth Rs. 40.50 crore, MTNL finally placed an order of Rs. 387.19 crore on HCL/Cisco with the supplier contractually entitled to take back equipment worth Rs. 33 crore.

In our opinion, the cost of providing telecommunication services at Rs. 387.17 crore in CWG-2010 was unreasonably high for the following reasons:

- The COO, OC at the time of receiving the first estimate at the MTNL presentation in March 2009 had observed that the estimate of Rs. 450 crore was 17-18 times that of the expenditure at Melbourne CWG-2006;
- As noted by the Consultant (Technology), OC, in July 2009, the estimated comparative cost of providing telecommunication services in Melbourne CWG-2006 was Rs. 33 crore;
- Airtel had offered a technologically acceptable solution for Rs. 160 crore (excluding taxes) offset by Rs. 100 crore sponsorship;
- The inappropriate choice of IP/MPLS technology for broadcast video/ audio services at a vastly higher cost has already been discussed in this section; and

- The contract awarded by MTNL to HCL/Cisco team for Rs. 387.19 crore (excluding taxes) far exceeded the GOO estimates and, in the absence of financial competition, there was no comparative check.

In response, MTNL indicated that HDTV technology required huge bandwidth of the order of 1.6 GB per channel compared to 0.27 GB per channel in SD (Standard Definition). While it is true that HDTV technology was used for the first time in CWG, this does not affect our audit conclusion as the requirement for HDTV-compatible bandwidth had been known at all stages and appropriately considered by all parties.

Clearly, there was a substantial loss to the Gol on account of this decision. However, we are unable to quantify this loss on the basis of available records.

Incidentally, we also observed that MTNL had not maintained stock registers for the assets procured under the said contract from the HCL/Cisco team, due to which we are unable to seek assurance regarding complete execution of the contract and safeguarding of assets procured at such high costs.

29.5.3 Legacy plan

We had enquired from MTNL as to their long term business plans/ strategies for high speed (10 Gbps) IP/MPLS solutions for identification of the market size and potential clients, for re-deployment of the equipment purchased for CWG-2010 to ensure that it is optimally utilised post-Games.

In response, MTNL provided a one-page listing of tangible and intangible benefits/ advantages, and indicated that this network would facilitate provision of wholesale bandwidth to other operators, banks, corporate houses and various other Government agencies on lease or rental basis (without details). They also stated the equipment purchased for CWG-2010 was “being redeployed” to augment the capacity and expand the IP/ MPLS network, without, however, indicating any specific details or establishing how the equipment procured for a high speed 10 Gbps IP/ MPLS solution would be optimally used on the existing lower speed IP/ MPLS network. MTNL also drew reference to a paragraph in the tender documents, which indicated network capacity to handle 1,00,000 customers each in Delhi and Mumbai.

It would thus appear that this high cost technology was procured by MTNL, largely at Gol cost, solely for the short term purpose of CWG -2010 without any realistic and detailed long term legacy plan, which casts further doubts on the choice of this solution.

Health Services for CWG-2010

The Directorate of Health Services (DHS) in the Department of Health and Family Welfare (DoHFW), GNCTD formulated a Health Action Plan (HAP) for CWG-2010 in October 2009. The aim of the HAP was to provide free medical services to athletes, officials, spectators and others at the Games Village, venues and other locations. Three definitive care hospitals were identified for emergency care, in addition to 21 link hospitals for primary and supplementary care, and a Sports Injury Centre in Safdarjung Hospital. Further, emergency care services were to be provided through 150 ambulances on PPP mode.

While healthcare for the athletes and the Games Family was ensured, we found that the delayed finalization of the HAP, compounded by further delays during tendering/ award, was used to facilitate deviations from stipulated procurement procedures for ensuring transparency and competition (open tendering, adequate time for bidding etc.) on purported grounds of urgency.

The procurement of medical equipment was marked by serious irregularities. DHS followed multiple procurement processes in an arbitrary manner, despite CWG-2010 requirements having been identified well in advance in the HAP:

- *Instead of going in for direct tendering, DHS inexplicably chose to finalise one year Rate Contracts (RCs) for 34 items in June 2010. After non-availability of 15 items (due to failure of supply), DHS ordered 8 items by operating RCs of other hospitals and 2 items by collecting “spot quotations” from the open market; the remaining 5 items (estimated at Rs. 5.89 crore) were not ordered at all.*
- *DHS chose to procure 14 others items (listed in the HAP, but not included in the RC process) directly at a cost of Rs. 2.32 crore on 30 August 2010 through “spot quotations” from the open market. This included purchase of 68 ice making machines from a single dealer at rates, which were, in many cases, higher than the MRPs.*
- *DHS purchased an additional 5 items (which were not included in the HAP) for Rs. 1.10 crore through spot quotations or by operating RCs of other hospitals; these items were received between 31 August and 8 October 2010.*

We found that the rates for many of these items were exorbitant (causing financial loss to the GNCTD), by inter se comparison of rates for the same items between multiple modes of tendering.

We also found the procurement of furniture items and medicines to be irregular.

We found that the Emergency Block at GB Pant Hospital (one of the designated definitive care hospitals) was not fully functional and commissioned, although it was utilised for the Games. Further, although the Sports Injury Centre (SIC) at Safdarjung Hospital was inaugurated in September 2010, it was not fully commissioned even in November 2010. Many items of equipment were yet to be procured and/or installed, and training on use of equipment was yet to be fully imparted. There was also a severe shortage of qualified manpower for providing necessary services. We also noticed significant deficiencies in the award and execution of a contract for a modular operation theatre and medical gas manifold system required for the SIC.

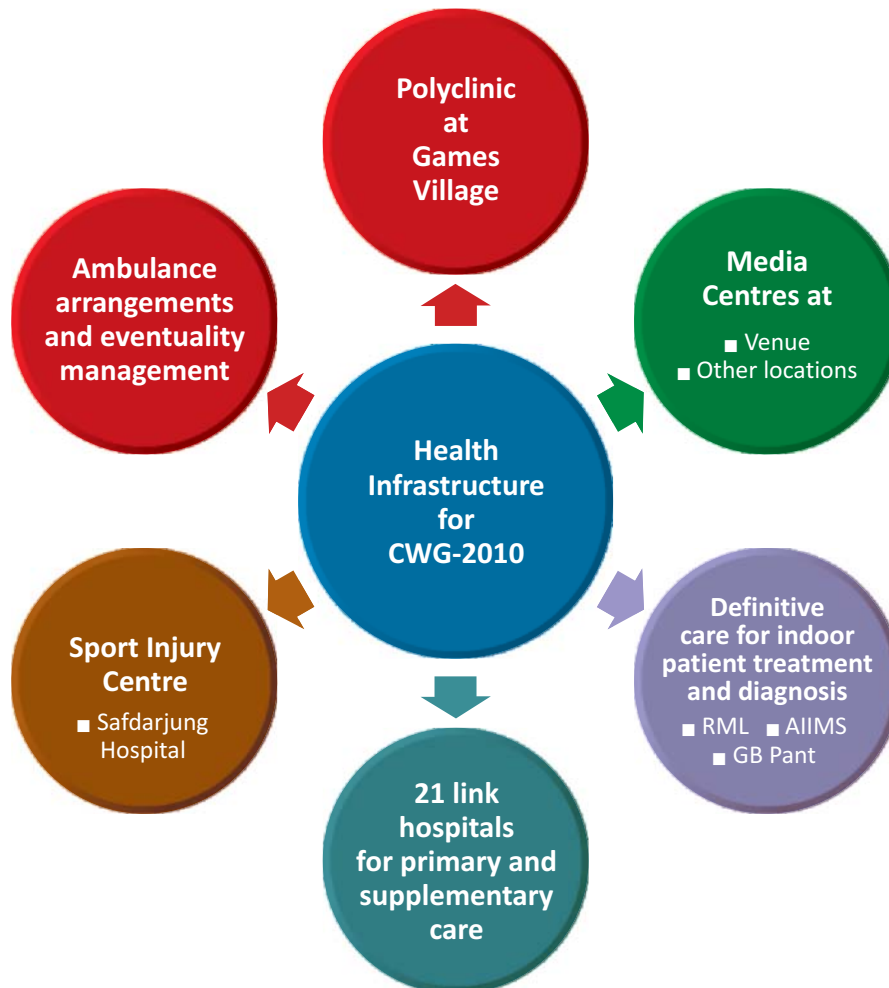
The attempt to strengthen ambulance services in time for CWG-2010 through deployment of 150 ambulances in PPP mode was a failure, since the contract with the selected concessionaire (Fortis Healthcare) was terminated for failure to deliver the ambulances in time. In our opinion, this eventuality arose because of the DoHFW's failure to specify the exact nature of the ambulance vehicle well in advance.

Government then acquired just 31 ambulances in June/ August 2010 on direct procurement for the Games at a much higher price. This difference in prices was largely due to higher specifications for the medical equipment than that envisaged in the RFP prepared by IDFC (the Transaction Adviser); it is inexplicable why this was not considered earlier. Further, 21 of these ambulances were Advanced Life Support (ALS) ambulances, which require the services of trained doctors and are generally attached to hospitals. Only 9 ambulances were Basic Life Support (BLS) ambulances, which primarily address the need of Delhi and its citizens for a general ambulance service (under the aegis of CATS and not any specific hospital) for immediate pre-hospital emergency response services.

30.1 Overview

The health infrastructure for CWG-2010 is summarised below:

Figure 30.1



30.2 Preparatory Activities

30.2.1 Planning

There was ambiguity in identification of the nodal agency responsible for overseeing health services for the Games. This was clarified only in November 2008, when it was indicated that the Directorate of Health Services (DHS), GNCTD would be the nodal agency for health services.

Planning for health services was protracted for over four years, crystallising only in October 2009 with the formulation of the Health Action Plan (HAP) by the Department of Health and Family Welfare, GNCTD (DoHFW). There were subsequent amendments on account of changes in the venues for marathon, cycling, and archery finals as well as changes in manpower at various venues in 2010.

Health Action Plan

The HAP prepared by DHS was quite comprehensive and in line with the different levels of health care responsibility indicated by the OC (complete health care responsibility for athletes, team officials, Games Family etc. and appropriate level of health care for other categories of persons). It indicated the Games time organisational structure for the medical arrangements for the Games, the detailed requirements of manpower, medical equipment, furniture, consumables and medicines at different locations, and the corresponding delivery timelines.

30.2.2 Budgeting

Although line items for CWG health services were provided in the budget of the DHS, GNCTD from 2006-07 onwards, the expenditure incurred till 2008-09 was insignificant, primarily due to delayed planning and preparatory activities; most of the expenditure was incurred in 2010-11.

Against the revised budget of Rs. 41.53 crore from 2006-07 to 2010-11, a total expenditure of Rs. 15.45 crore has been incurred as of November 2010. This does not include expenditure incurred directly by hospitals, which was met out of their own budgets.

30.3 Procurement Activities

The delayed finalization of the HAP, compounded by further delays during tendering/ award, was used to facilitate deviations from stipulated procurement procedures to ensure transparency and competition (open tendering, adequate time for bidding etc.) on purported grounds of urgency. This led to serious irregularities in procurement, as described below.

30.3.1 Procurement Process Followed

Strangely, DHS did not go in for tendering for direct procurement of medical equipment, as per the requirements assessed in the HAP. Instead, they floated tenders for concluding one year Rate Contracts (RCs), which could be operated by DHS and the hospitals. Also, the hospitals retained an option to make purchases from their own existing RCs or from the RCs of other hospitals.

Normally, RCs are concluded for use over an extended period of time (typically by multiple agencies) when requirements are likely to arise at different points of time. When the procurement requirements for CWG-2010 were known well in advance, it is inexplicable why DHS chose to go in for one year RCs rather than direct procurement through appropriate tendering procedures.

Further, against the HAP timeline of initiating procurement by November 2009 and completing procurement/ installation by June 2010, the procurement continued even upto October 2010 during the Games.

For finalising RCs for 34 items of major medical equipment, DHS followed a convoluted process with several irregularities:

- RC tenders (on item rate basis) were floated on 26 February 2010, but cancelled in April- May 2010 on the orders of the Secretary, DoHFW on account of a complaint regarding non-compliance with procedures in respect of Small Scale Industry (SSI) vendors. However, despite the Secretary's instructions for not opening the financial bids, DHS went ahead and opened the financial bids, which was highly irregular.
- RC tenders were refloated on 17 May 2010 (with less time of only 16 days for responses). Out of responses from 16 vendors, 7 vendors were qualified. DHS concluded 1-year RCs in June 2010 with all seven bidders (for items¹ where they were L-1).
- DHS placed supply orders in respect of all 34 items of equipment. However, two contracted firms - Lord Krishna Company and Mangalam Medicaments – failed to supply 15 items of equipment, and were consequently blacklisted by the DHS.

¹ Out of 34 items, RCs were concluded on single bids in respect of 3 items (foldable wheel chair, AED, and military anti-shock trousers).

We found that Lord Krishna Company had submitted false information in the bid document. When we verified the address given for its registered office as well as its correspondence address, we found them to be somebody else's residences².



**15/34, Geeta Colony
(stated correspondence address of
Lord Krishna Company)**



**15/99, Geeta Colony
(stated registered address of
Lord Krishna Company)**

² In a communication to us, Lord Krishna Company indicated that they were being harassed by media persons and some doctors since the time of the CWG. Further, they had already "surrendered" their VAT and sales tax numbers, after their blacklisting for non-supply.

- Out of the 15 items (for which Lord Krishna Company and Mangalam Medicaments had been contracted), DHS ordered 8 items by operating RCs of other hospitals and 2 items by collecting “spot quotations” from the open market by a nominated committee. The remaining 5 items (with an estimated cost of Rs. 5.89 crore) were not ordered at all, casting doubts on either the assessment of requirements or the actual arrangements for health services.

Further, DHS chose to keep 14 items of medical equipment (listed in the HAP) out of the RC process for 34 items of equipment (on the ground that “only major common items” were included under the RCs). For these items, instead of following a tendering procedure, DHS purchased Rs. 2.32 crore of equipment from 10 suppliers on 30 August 2010, by collecting “spot” quotations from the “open market” through a committee.

In addition, DHS purchased five items of medical equipment costing Rs. 1.10 crore, although these items were not included in the HAP. These were either procured from the “open market” through “spot quotations, or on the basis of RCs of other hospitals, and were received between 31 August 2010 and 8 October 2010. In fact, one ECG Machine (costing Rs. 0.68 lakh) and 6 ICU Beds (costing Rs. 11.12 lakh) were received only on 8 October 2010. Our scrutiny of the stock registers revealed significant non-utilisation of these “last minute” purchases:

- Out of 90 AAA type high pressure aluminium oxygen cylinders of 2.2 litres purchased, only 56 were issued during the Games.

- The six ICU beds were issued for CWG only on 11 October.

Thus, DHS followed multiple procurement processes in an arbitrary manner for three sets of purchases, despite requirements having been identified well in advance in the HAP.

In addition to these equipment purchases by DHS, individual hospitals procured equipment for the Games out of their own budget.

We found the procurement of medicines and furniture items also to be irregular:

- DHS procured medicines worth Rs. 0.95 crore from August to October 2010 without open tender; these were purchased either through quotations collected by a committee constituted for the purpose or on the basis of RCs of hospitals.
- DHS also purchased furniture items worth Rs. 1.25 crore; these were procured through open tender (e-tender) with just one day's notice period after publishing the NIT in the newspaper.

30.3.2 Exorbitant rates charged

We found that the rates for many of the items purchased through contracts by DHS/ individual GNCTD hospitals were exorbitant, causing financial loss to the GNCTD. We have tried to come up with indicators of the exorbitant rates in several ways:

- By comparing the rates obtained in the first RC tender (for 34 items) with the final contract prices as per the second RC tender (which were substantially higher in many cases);

- By comparing the contract rates for equipment ordered from two rate-contracted firms - Lord Krishna Company and Mangalam Medicaments - (who failed to supply the equipment) with the substantially lower rates actually paid by DHS for orders on alternative suppliers; and
- By inter se comparison of rates – between those actually paid and the lowest rates paid by DHS/ individual hospitals.

A few instances of widely varying rates for the same item are given below; a detailed listing is given in Annexe 30.1.

Table 30.1 – Widely varying rates for the same item

Equipment	Minimum rate (per unit in Rs.)	Maximum rate (per unit in Rs.)
Scoop Stretcher	13650	86100
Spine Board	6300	20475
Superior Massage Table with Mattress with pillow	21525	57749
Ultrasound Therapy (1& 3MHz)	50925	367499
IRR Lamp	68250	141750
Physiotherapy Laser	194250	409500
X-ray View Box	11393	35700
Automatic External Defibrillator (AED)	140175	519751
Pulse Oxymeter	21525	151200
Cardiac Arrest resuscitation drug and equipment trolley crash cart	19792	81900
Ophthalmo-otoscope	25725	50400
B-type Oxygen Cylinder with flowmeter	6405	110250
Suction Machine Foot Operated	2887	13440
Ambu Bag (Bag Value Mask) Adult	2048	5145
Ambu Bag (Bag Value Mask) Paediatric	2048	5145
B.P. Apparatus	2625	6825

We estimate the extra expenditure incurred due to purchase of items at exorbitant rates (based on the above comparisons) at Rs. 1.94 crore; details are indicated in Annexe-30.2.

In response, GNCTD stated that audit's comparison of rates of equipment across

hospitals was done based upon nomenclature, without going into the technical details of the equipment. We do not agree with the response for the following reasons:

- The equipment were purchased by various hospitals (after due approval by

purchase committees of doctors) for the same purpose viz. CWG-2010;

- Secretary, H&FW had issued directions stating that the hospitals were free to use their own RCs or the RCs of DHS, clearly evidencing interchangeability.

Purchase of Ice-making Machines

DHS purchased 68 ice-making machines at a cost of Rs. 0.78 crore as part of the “open market” purchases of 30 August 2010. All these ice-making machines were purchased from Dolche India (who was only a dealer and not a manufacturer). We found that these rates were, in many cases, even higher than the Maximum Retail Prices (where ascertainable).

In response, GNCTD stated that two e-tenders were floated on 27 July and 10 August 2010, but were unsuccessful on account of technical rejections and lack of response respectively. Further, manufacturers/ distributors expressed their inability to provide machines of the same capacity within the available short span of time. Consequently, negotiations were conducted with vendors for all available sizes and makes, which included the voltage stabiliser, site inspection and installation pre and post Games, besides 6-year additional warranty and service.

We do not agree with GNCTD's response. Despite inclusion of ice-making machines in the HAP, GNCTD floated tenders for them very late. Lack of response was used to facilitate adoption of the “open market” route through spot quotations. Further, the

additional AMC for five years was at extra cost (not included in the above cost). Also, the installation of the ice-making machines at the venues was a struggle, and we are not sure of operationalisation of machines at least eight locations on account of space constraints, lack of utilities, and lack of need.

30.3.3 Items not used for the Games

We found numerous instances of procured items not being used or available for the Games:

- Medical equipment worth Rs. 0.43 crore and furniture worth Rs. 0.46 crore was not issued for the Games, reportedly because of curtailment of medical venues by the OC.
- Rs. 1.49 crore of equipment procured for the Games directly by the hospitals could not be utilised for the Games. 64 electrical nursing beds worth 0.86 crore received by GB Pant in August 2010 could not be installed before the completion of construction of the Emergency Block. Further, items amounting to Rs. 0.60 crore were received by RML Hospital and Lok Nayak Hospitals only after the Games during October- December 2010.

30.4 Contract Management Issues

We found several deficiencies in contract management, both by DHS and individual hospitals:

- AC bills³ for Rs. 8.34 crore in respect of GB Pant Hospital and DHS were

³ AC Bills are Abstract Contingent bills utilized for drawing advances; accounts of advances should be rendered within one month.

outstanding for periods of two to six months upto end of December 2010.

- GB Pant Hospital irregularly drew an extra Rs. 1.11 crore from Government account⁴ and retained it in a bank account.
- DHS and hospitals failed to levy/ recover liquidated damages amounting to Rs.0.32 crore from vendors on account of delayed supplies.
- We could not derive assurance as to the receipt by GB Pant Hospital of additional equipment worth Rs. 0.30 crore to be supplied free by a vendor.
- GB Pant failed to recover TDS of Rs. 0.11 crore from a contractor.

30.5 Facilities Development for Hospitals

30.5.1 Turnkey Project for establishment of Emergency Block in EDP Building of GB Pant Hospital

GB Pant Hospital (along with AIIMS and RML Hospital) was designated for definitive care of accredited personnel during the Games. For this purpose,

- a separate casualty area (with 6 observational beds) was to be designated for the Games on the ground floor of the newly constructed EDP Block, with provision of all routine radiological and pathological services; and
- a dedicated ICU with minimum of 10 beds with all state of the art facilities and nursing care was to be made

⁴ Intended for paying the equipment supplier the balance 20 per cent (after the 80 per cent advance).

functional during the period of the Games.

In November 2008, GNCTD while designating G.B.Pant as hospital for definitive care said that all necessary procurement and installation should be done by May 2010 and functionality ensured by June 2010. However, GB Pant Hospital awarded the turnkey contract (covering both construction and supply of equipment) for establishing an emergency block in the EDP building at Rs. 5 crore only in May 2010 to Adison Equipment Company for completion within 90 days (by 25 August 2010). We found a completion certificate dated 19 November 2010, showing the project as completed on 6 September 2010. The certificate recorded was premature, as

- 7 items of Indian-make equipment were recorded as issued only on 11 November 2010, while the installation certificate of all equipment was issued on 1 November 2010;
- 6 items of imported equipment were not recorded in the stock register; as per customs duty payment records, some of these items were received only after 27 October 2010.

In response, GB Pant Hospital maintained that the project was completed as recorded, and was utilised fully for CWG-2010. While we do not question the utilisation of the block for the Games, in our opinion, the block was not fully functional and commissioned before the Games.

30.5.2 Facilities at AIIMS

For providing definitive care for CWG-2010, AIIMS developed a new dedicated facility at a cost of Rs. 9.8 crore within the JPNA

Trauma Centre, which was completed in time for the Games. This included 20 general beds, 10 ICU beds, 1 integrated operation theatre, area for waiting lounge and other ancillary facilities such as doctors' room, nurses room, stores etc.

30.5.3 Facilities at RML Hospital

RML Hospital earmarked a part of its existing nursing home for the Games, since it was felt that a new Emergency Block (the contract for which was awarded in April 2010) would not be completed by September 2010. It also procured most of the essential items of medical equipment to the extent not supplied by DHS.

30.6 Sports Injury Centre at Safdarjung Hospital

30.6.1 Overview

In June 2008, the Ministry of Health and Family Welfare (MOHFW) decided to establish a Sports Injury Centre (SIC) at Safdarjang (SJ) Hospital, New Delhi in time

for CWG-2010, by upgrading the existing anthropometry and sports injury unit. The project was to be completed by May 2010.

A budget of Rs. 70.72 crore was allocated for the SIC from out of a XI Plan provision for development of sports medicine in the country on a pilot basis. As of November 2010, the expenditure incurred on the SIC was Rs. 61.11 crore. Out of this, Rs. 46.84 crore was given as advance to Hospital Services Consultancy Corporation (HSCC), a PSU which was appointed on nomination basis as the implementing agency in June 2008, and expenditure of Rs. 14.27 crore was incurred by the SJ Hospital for procurement of equipment.

30.6.2 Partial Commissioning of SIC before CWG 2010

Against the stipulated deadline of May 2010, the SIC was officially inaugurated by the Prime Minister of India on 26 September 2010. However, it was not fully commissioned, as revealed by the status of different activities as on 30 November 2010 summarised below:

Table 30.2 — Status of Commissioning of SIC

Activity	Status as on 30 November 2010
Construction of building	Substantially complete - minor works left, completion certificate not yet received
Installation of equipment	Partially complete - 15 equipment yet to be purchased, final installation of and training on some equipment still due
Appointment of staff	47 posts vacant as against sanctioned strength of 138.
Wet leasing of high end equipment	Installation of machine for MRI and CT scan yet to be done.
Central Sterile Supply Department (CSSD)	Tender for outsourcing CSSD yet to be finalised.

30.6.3 Delay in construction of SIC building

The award and execution of the work for the SIC (in particular the SIC building) was beset by delays. Although MOFHW approved the setting up of the SIC in July 2008, tendering for construction of the SIC building started only in December 2008 and the work awarded by HSCC to the successful contractor (Bhayana Builders) only in May 2009, leaving only twelve months for the construction of the project which was evidently inadequate. As of 30 November 2010, the construction of the building had not been completed and the contractor had claimed for further extension of time for completion till 29 December 2010.

Further, as part of this work, HSCC had irregularly charged Rs. 46.03 lakh on consultancy services for certain items for which it did not provide any such services⁵.

30.6.4 Delay in installation of equipment

As against the stipulated date of May 2010 for procurement and installation of medical equipment, we found that:

- Out of 72 equipment procured for the SIC, 35 equipment valuing Rs. 6.83 crore were yet to be formally installed by November 2010.
- Nine equipments ordered costing Rs. 2.62 crore were yet to be supplied to the SIC
- Purchase of three equipment with approximate cost Rs. 1.30 crore and three high value equipment (costing

⁵ Preparation of conceptual architectural plans for building and services; submission drawings for local bodies; and detailed engineering drawings for internal and external electrification

more than Rs. one crore) was still in progress.

- Training of doctors and staff by the equipment suppliers had not commenced as of 30 November 2010.

30.6.5 Delay in appointment of staff for SIC

Out of 138 sanctioned posts, 47 posts remained vacant as of 14 December 2010. The vacancy was noteworthy in respect of specialist doctors of sports medicine and rehabilitation, and the sports psychologist⁶ and the dietician, wherein all the sanctioned post remained vacant.

30.6.6 Irregularities in award of work for Modular Operation Theatre (MOT) and Medical Gas Manifold System (MGMS)

In addition to the building and equipment, a key component of the SIC was a Modular Operation Theatre (MOT) and Medical Gas Manifold System (MGMS). The budget of Rs. 2.35 crore for MOT and MGMS at the time of project inception was increased subsequently to Rs. 10 crore by the SJ Hospital. However, this increase was not based on any detailed estimate for the complete work and was prepared only on the basis of rough estimates.

This work was awarded by MoHFW in December 2009 to MDD Medical System (India) Pvt. Ltd at a cost of Rs. 5,41,50,828+ Euro 5,39,926+ GB Pound 6,00,690.83. We found several irregularities in the award:

- Out of ten bidders who purchased the bid document, only three bids were

⁶ The Sports Psychologist has joined the SIC on 15 November 2010.

received, of which only two bids were technically responsive. The reason for the low response of bidders could be attributed to the decision to combine two items, viz. MOT and MGMS, in a single work. This resulted in stringent prequalification norms, which discouraged the prospective bidders.

- In view of the low response to the bid and lowest bid price remaining 38 per cent higher than the budget, the MoHFW examined reasonability of rates of the L-1 bidder by comparing the different items of supply with similar supplies to other Government and private hospitals. However, the prices of different supply orders quoted in like-to-like comparison were provided by the supplier itself and were not verified from any independent source.
- The Ministry had not examined the bids in respect of possible cartelisation. It is pertinent that for two items costing Rs. 1.33 crore the supplier had made the supplies to the SIC by purchasing the same from the second responsive bidder.

We also found serious deficiencies in scrutiny by MoHFW of the suppliers' invoices:

- Just after 10 days of the contract, MoHFW revised the terms of agreement, allowing payment for goods imported from two foreign principals in Indian Rupees (as against the foreign currency stipulated earlier). They used the exchange rates prevailing on the date of notification of award (22 December 2009) to calculate item-wise rates. However, the exchange rate of Indian Rupee vis-à-vis Great Britain

Pound and Euro had appreciated considerably between the date of notification of award and the subsequent dates of shipment of equipment by the foreign supplier (which was the contractual date for foreign currency payments)⁷; this resulted in overpayment of Rs. 0.54 crore.

- MoHFW allowed customs duty to be paid directly to the foreign supplier (without ensuring the actual payment of the same to the custom authorities) and also failed to deduct Indian Agent commission from the Cost Insurance and Freight (CIF) price quoted by the supplier while calculating the customs duty. Further, the supplier had shown Rs. 40.17 lakh paid as VAT in their invoices claiming payment for imported goods which rendered the invoices doubtful, as VAT is not required to be paid for imported goods.

30.7 Ambulance Services

30.7.1 Background

DoHFW had been planning to upgrade its "102" ambulance services under the Centralised Accidental and Trauma Services (CATS) since 2006. The HAP took into consideration DoHFW's plan for deployment of 150 ambulances in PPP mode through the selected vendor (Fortis Healthcare) by July 2010 for CWG-2010. These ambulances would be of two types:

⁷ The exchange rates changed from Rs. 75.177 per GBP and Rs. 66.88 per € on the date of notification of award to Rs. 68.028 – 72.601 per GBP and Rs. 62.22 per € on the dates of shipment.

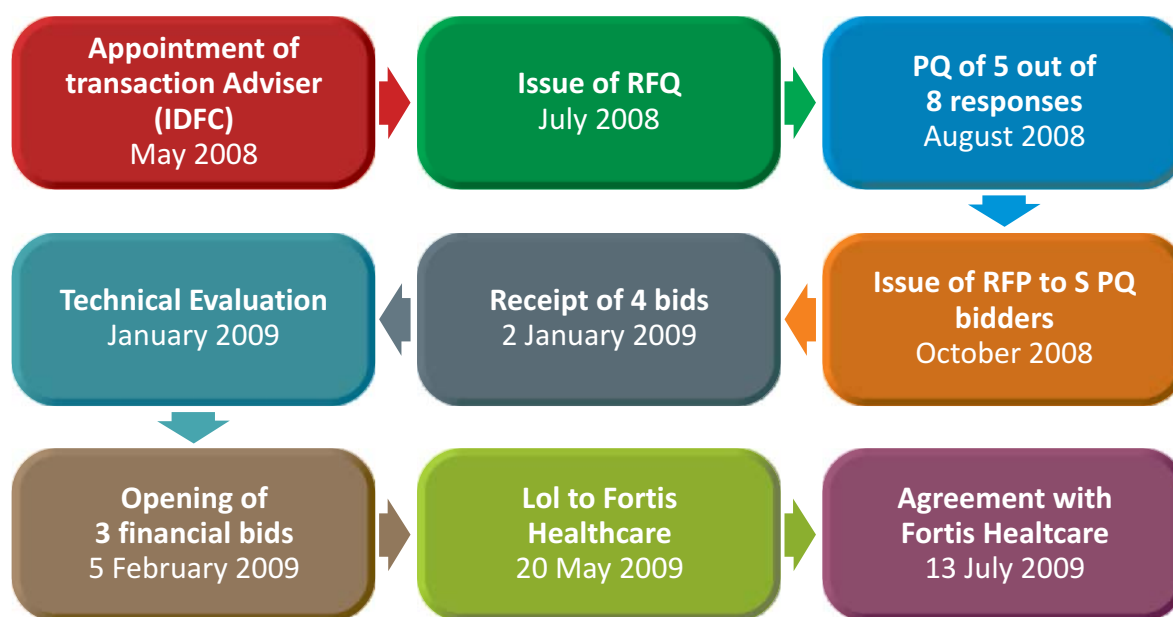
- 9 Advance Life Support (ALS) ambulances for covering high risk sports with potential for serious life-threatening injury; and
- 141 Basic Life Support (BLS) ambulances for other cases.

Since the overall requirement of ALS ambulances during the Games would be around 20, these 9 ALS ambulances would be supplemented from ALS ambulances from various government hospitals and, if required, private hospitals.

30.7.2 Tendering and award of concession for 150 ambulances

A 15-month long process was undertaken for tendering and award of the concession for 150 ambulances in PPP mode, as summarised below. The contract was finally awarded to Fortis Healthcare Ltd. at a one-time capital cost of Rs. 25 crore and monthly annuity payments of Rs. 1.23 crore (which made Fortis the L-1 bidder on NPV basis).

Figure 30.2 – Tendering and award of concession for ambulances



The delay of nearly 3 ½ months between the opening of the financial bids and the issue of the LOI is particularly inexplicable.

The scope of work involved:

- Procurement of ambulance vehicles and fabrication, and procurement and installation of equipment;

- Procurement of hardware/ software and setting up of a control room (Emergency Response Centre), and recruitment and training of manpower;
- Operation of the ambulance fleet over a six year period.

Interestingly, the RFP did not specify a requirement for “factory-built” ambulances, allowing the concessionaire to fabricate ambulances from any vehicle chassis; however, details of the medical equipment were fully specified. The successful concessionaire was required to submit a registered prototype ambulance for inspection by DoHFW. Further, each ambulance was to be inspected by DoHFW before deployment.

The financial model for the PPP involved payment of one-time capital cost and monthly annuity payments to cover cost of categories of persons (accident victims, Economically Weaker Sections, obstetric emergencies etc.) exempted from payment of user fees. The concessionaire could collect user charges from other users.

30.7.3 Failed Execution of Contract

DoHFW terminated the contract with Fortis Healthcare in February 2010, due to its failure to procure and register 50 per cent of the ambulances by the stipulated deadline of 8 January 2010⁸. Subsequently, DoHFW had to procure 31 factory-built Force Traveller ambulances (10 BLS and 21 ALS ambulances) in July- 2010 at a cost of Rs. 2.24 crore for vehicles at DGSD rates from Force Traveller Ltd., and awarded the work of fabrication and equipment at Rs. 6.88 crore in August 2010 to MGM Associates.

The chronology of events related to the termination of the Fortis contract is given below:

Table 30.3 — Chronology of events leading to termination of Fortis contract

Timeline	Event
October 2009	<p>Fortis produced a bus chassis-based ambulance⁹ as the prototype ambulance. Despite multiple meetings/ inspections, the special committee constituted by DoHFW did not find the vehicles satisfactory on several parameters – workmanship, aerodynamics/ ergonomics, fittings, and certification of actual performance on suspension damping</p> <p>However, DoHFW agreed on 22 October 2009 to Fortis' request to go ahead with placing the order for ambulances on the manufacturer, subject to vehicles complying with the stipulated specifications. Incidentally, we found that even before this approval, Fortis had already placed orders on 21 September 2009 for 74 bus chassis.</p>
December 2009	<p>Fortis submitted another prototype ambulance for inspection and ambulance registration; this was approved by the Committee for Registration of Ambulances (CRA) for registration by the Transport Department</p>
January 2010	<p>Transport Department agreed to DoHFW's proposal for registration of 150 ambulance vehicles, subject to certification (in Form 22 (A) Part II) by DoHFW that each fabricated vehicle complied with the Motor Vehicle Act and Rules.</p>

⁸ The remaining 50 per cent were to be operationalised by July 2010.

⁹ Mahindra RTD BS III (bus-chassis without windshield)

Timeline	Event
	One ambulance was registered on 16 January 2010, even without DoHFW certification. A new “core group” constituted by DoHFW found the ambulances to be deficient and non-compliant, especially on the quality of ride, noise pollution, poor quality stretcher and general workmanship.
February 2010	DoHFW terminated the contract with Fortis
April/May 2010	Mediation efforts between DoHFW and Fortis failed.

In our opinion, this eventuality arose because of the DoHFW's failure to specify the exact nature of the ambulance vehicle well in advance. DoHFW did not specify “factory-built ambulances” and the range of acceptable makes/ models thereof; in fact, the Committee of Doctors associated with the second round of procurement expressed their clear preference for factory-built over chassis-built vehicles. Even if chassis-built vehicles were found to be a cheaper option, DoHFW did not even consider specifying the range of acceptable chassis makes/ models.

Further, there was a marked difference in rates between the quotes of Fortis Healthcare (for chassis-built ambulances) and the factory built ambulances purchased later is indicated below:

Table 30.4 — Comparison of quotes for Fortis and ready-built ambulances

(Rs. in Crore)

Supplier	Vehicle Cost	Fabrication and Equipment Cost		Total Cost of BLS Ambulance	Total Cost of ALS Ambulance
		BLS	ALS		
Factory built Ambulances (Force Traveller/ MGM Associates)	7.23	13.43	26.36	20.66	33.59
Fortis (as per business plan) ¹⁰	8.00	6.50	11.50	14.50	19.50

Clearly, the factory built ambulances (with fabrication and equipment) were far costlier than Fortis' quoted cost, although the inner width of the patient compartment

of these factory-built ambulances was only 1650 mm, as against the contracted specification of 2000 mm +/- 10 per cent¹¹.

¹⁰ Incidentally, the invoice documents supporting the registered prototype BLS ambulance supplied by Fortis revealed a cost of just Rs. 9.50 lakh.

¹¹ Incidentally, in June 2009, Fortis Healthcare requested for a reduction in the inner width of the patient compartment from 2000 mm +/- 10 per cent to 1650 mm (which is a more common specification); this was not accepted by DoHFW and the contract retained the original specifications.

We found that the price difference was mainly on account of differing specifications of equipment. The equipment specifications for the factory-built ambulances (drawn up by a Committee of doctors appointed in March 2010 by the Minister of Health and Family Welfare) were substantially higher than that indicated in the RFP prepared by

IDFC, the Transaction Advisor. These specifications clearly drew references to the Medical Device Directives specified by the European Union and also stipulated manufacture of the devices in an ISO-certified facility¹². This is illustrated through the differing specifications in respect of two items – spine board and head immobiliser:

Table 30.5 – Comparison of equipment specifications for ambulances

Equipment	Specifications for Factory-built ambulances	RFP Specifications (earlier)
<p>Spine Board</p>	<ul style="list-style-type: none"> ■ The spine board should be extremely rugged in construction and should be built from high quality material thereby avoiding splintering and cracking. ■ The surface should be impervious to body fluids and secretions and should be completely seamless to eliminate ingress of fluid. It should have a firm surface for CPR & immobilization. ■ It should have compact dimensions for easy manoeuvring and should have provision for cervical collars or head immobilisers. It should have easy underside allowing easy lifting access. It should be X-ray translucent. ■ The device must comply with Medical Device Directives (93/42/EEC) having the CE mark along with the four digit code from the certifying agency. ■ The device must be manufactured in an ISO 13485 certified facility. 	<ul style="list-style-type: none"> ■ <i>Should be in plastic material at high strength and waterproof.</i> ■ <i>It should be four holes for the quick and total fixing of the head immobiliser and two cavities when the board lays on the floor, when the base is blocked in the traditional way, that allow to avoid damages to rip-off straps during the usage or accommodation in the ambulance.</i> ■ <i>It should be 20 handles for the transport, supplied with 3 belts with rapid unhooking buckle.</i> ■ <i>Should have maximum radio transparency to make exams without compromise patient condition.</i>

¹² They did not, however, specify equipment brands.

Equipment	Specifications for Factory-built ambulances	RFP Specifications (earlier)
<p>Universal Head Immobiliser</p>	<ul style="list-style-type: none"> ■ The immobiliser must have integrated universal belts for fixation with spine boards. ■ The unit should comprise of two mono block shells made of a soft plastic and a base. The mono block shells should be impermeable and should avoid absorption of any organic liquid (blood, vomit, mucous) and should be free from any seams and should have optimum thick protective film and should not get damaged by routinely used chemical substances or solvents in the ambulance. ■ The mono block shells should be positioned on the base using wide and stable Velcro system sewn to the base. Both the mono block shells must have through holes allowing inspection of the aural pavilion also permitting verification of any loss of blood or liquids. ■ The device must comply with Medical Device Directives (93/42/EEC) having the CE mark along with the four-digit code from the certifying agency. ■ The device must be manufactured in an ISO 13485 certified facility. 	<ul style="list-style-type: none"> ■ <i>Head immobiliser should be mounted and separated on the scoop stretcher.</i> ■ <i>Should be standard side rigid blocks instead of the adjustable ones.</i> ■ <i>Should be with padded belts for the fixing.</i> ■ <i>It should be covered by a liquid proof and bacterial proof material.</i>

The higher specifications (and higher cost) of the subsequent purchase of factory-built ambulances were also acknowledged by DoHFW (in its response to audit), stating that the detailed specifications for

fabrication and equipment were suggested by experts; further, almost all the equipment was imported, of reputed brands, and met all international standards for safety and quality.

While we acknowledge the higher specifications adopted for the ambulances, it is inexplicable why these specifications were not adopted in the first instance at the RFP stage. Evidently, the work of IDFC, hired as Transaction Adviser at a huge cost of Rs. 0.51 crore, in drafting and finalizing the RFP and other contract documents was not of the desired quality.

30.7.4 Non-fulfilment of requirement of BLS ambulances

Originally, DoHFW envisaged purchase of 141 BLS ambulances and only 9 ALS ambulances. This was to be supplemented through extra ALS ambulances from Government and private hospitals to meet the (short term) requirement of around 20 ALS ambulances for the Games.

However, DoHFW actually ended up buying 21 ALS and only 10 BLS ambulances. It is

pertinent to note that the ALS ambulances require services of trained doctors and are, therefore, not suitable for deployment through CATS. Consequently, these ALS ambulances have been allotted to various hospitals/ institutes.

The real, unmet need of Delhi and its citizens is for a **general ambulance service** under the aegis of CATS (102 ambulance service) for immediate pre-hospital emergency response, which is met primarily through BLS ambulances. Such ambulances are cheaper than ALS ambulances (which are linked to individual hospitals) and, in our opinion, could (and should) have been procured in far large numbers than ALS ambulances.

Consequently, Delhi and its citizens are still deprived of adequate general ambulance coverage for pre-hospital emergency response services.

Integrated Security System (ISS) for CWG-2010

Electronics Corporation of India Ltd. (ECIL), a PSU, was appointed by the GoI in May 2009 on “nomination basis” to provide an Integrated Security System (ISS) for CWG-2010. We found that ECIL prepared a highly inflated cost estimate (approved at Rs. 346 crore) which allowed it to make an exorbitant profit of Rs. 126 crore on just the procured items. Details of the savings on items manufactured in-house were not made available to us. Such exorbitant profits by a PSU appointed on nomination basis by the GoI amounts to a breach of trust.

Considering the unreliability of the estimates and variation between the estimated and actual costs, we recommend that final payments may be released to ECIL only after detailed examination of actual costs and an appropriate certification by ECIL's statutory auditors after allowing a profit margin of upto 20 per cent.

We found that 176 Portable Explosive Detectors (PEDs) worth Rs. 39 crore were wrongly procured by ECIL, and remained unutilised; similarly, 15,090 out of 18,700 RFID tags for accredited vehicles also remained unutilised.

MHA did not have an approved legacy plan for the utilisation/redeployment of the security equipment, without an “a priori” identification of items as legacy, non-legacy and consumables. Subsequent to CWG-2010, ECIL identified legacy and non-legacy equipment worth Rs. 272.65 crore, which had still not been redeployed or utilised.

31.1 Introduction

An Integrated Security System (ISS) was required to ensure effective surveillance for CWG-2010 to cover events, open areas, lanes/important traffic junctions, and highly sensitive and crowded areas in Delhi. The major components of the ISS were:

- perimeter security;
- vehicle access control;
- pedestrian access control for accredited card holders and spectators; and

- venue security command centre.

The security arrangements for CWG-2010 were coordinated by the Ministry of Home Affairs (MHA) through the Empowered Security Committee (ESC). The decision to provide ISS for all competition and non-competition/training venues for CWG-2010 through Electronics Corporation of India Ltd. (ECIL), a PSU, on “nomination basis” was taken by the Cabinet in its meeting held on 8 May 2009. Thereafter,

- on the direction of ESC, the existing Joint Committee¹ considered the technical solution proposed by ECIL for each venue in terms of its 'spread';
 - the Joint Committee's recommendations were then examined by the Steering Committee (headed by Shri R. Narayanswami) for the essentiality and reasonableness of the Bill of Quantities (BOQs);
 - the reasonableness of ECIL's commercial offer prepared on the basis of the approved BOQ was then examined by an Inter-Ministerial Financial Advisers Committee² constituted by MHA, and approved by the EFC in September 2009 for 23 venues and March 2010 for 10 venues;
 - Thereafter, each venue owner entered into a separate agreement with ECIL for supply and installation of equipment.
- The approved cost of providing ISS at 33 competition and training venues was Rs. 345.70 crore, as detailed below:

Table 31.1 – Break-up of Cost of Providing ISS

Equipment		Equipment	
Imported Items	196.18	Installation charges	12.62
Indigenous/in-house items	105.80	Testing	10.16
		Commissioning	7.72
		Integration	7.57
		De commissioning	5.65
Total	301.98	Total	43.72

These costs were apportioned among four agencies³. The scheme was finally implemented only in 31 venues, since Shivaji Stadium and Shri Ram College of Commerce were subsequently removed from the list. However, since the venue owners had already signed a contract with ECIL, equipment for these venues, though procured, was not installed. The value of this equipment at the rates indicated in the EFC memo was Rs. 2.62 crore.

31.2 Inflated estimates of ECIL resulted in exorbitant profit of Rs. 126.38 crore

Although the Inter-Ministerial FA's Committee was not convinced of the reasonableness of the estimates proposed by ECIL, it recommended its approval with an across-the-board cut of 10 per cent on the estimates, subject to the following:

- the production costs of items produced in-house by ECIL were to be assessed by the Cost Accounts Branch of MoF and savings in excess of 2 per cent were to be passed on to the Gol.
- Volume discounts, if any, would be to the benefit of the Gol.

¹ consisting of representatives of the Intelligence Bureau, the Delhi Police, venue-owners and ECIL

² Financial Advisors of MHA, MYAS and MoUD; FA/Director (Finance) of DDA, SAI and other associated bodies; representative of OC (meetings attended by ADG-Tech); representatives of venue owners; and Director (Prov), MHA.

³ MYAS (Rs. 225.89 crore for 20 venues), MoUD (Rs. 73.41 crore for 4 venues), NDMC (Rs. 18.68 crore for 3 venues) and GNCTD (Rs. 27.72 crore for 6 venues)

- The estimates approved were the absolute cap.

ECIL provided equipment against 50 approved BOQs - 43 for equipment to be procured by ECIL and 7 for in-house items. We compared the purchase price of items procured under the 43 BOQs with their EFC-approved rates and found that in 41 of these BOQs, the actual purchase price of the items was lower than the EFC approved rates⁴.

Overall, ECIL procured items in the 43 BOQs for just Rs 100.65 crore (against the EFC approved estimate of Rs. 227.04 crore), thus securing a profit of Rs. 126.38 crore (126 per cent) on these items. Details are given in Annexe-31.1.

In respect of the seven BOQs for items manufactured in-house, ECIL did not provide us with their cost analysis. Further, we found that this analysis had not been sent to the Cost Accounts Branch of the MoF, as of March 2011. Consequently, we could not ascertain whether there were savings in excess of 2 per cent, which should have been passed on to the GoI.

Further, ECIL was required to test individual ISS equipment and issue a job completion certificate, for which it charged Rs. 10 crore. However, it did not produce the relevant records to us.

Clearly, the inflated estimates prepared by ECIL (approved at Rs. 346 crore) did not reflect true market rates, and allowed ECIL to make exorbitant profits of at least Rs. 126 crore. Such conduct by a PSU appointed on nomination basis by the GoI amounts to a breach of trust.

Considering the unreliability of the estimates and variation between the estimated and actual costs, we recommend that final payments may be released to ECIL only after detailed examination of actual costs and an appropriate certification by ECIL's statutory auditors after allowing a profit margin of upto 20 per cent⁵.

31.3 Excess Cash Advance to ECIL of Rs. 37 crore

We found that ECIL received excess cash advance of Rs. 37.08 crore (out of the total cash advance claim of Rs. 137.32 crore) for imported items. This was on account of misclassification of items imported / procured indigenously. ECIL was eligible for advance of 70 per cent of the CIF⁶ value of imported equipment and 40 per cent on indigenously procured equipment. However, out of the equipment to be imported, equipment worth Rs. 123.60 crore (at EFC rates) was actually procured indigenously, resulting in inflated cash advances to ECIL.

⁴ In the remaining 2 BOQs, the EFC rate was lower than the actual procurement rate by 6 per cent and 16 per cent.

⁵ This profit margin of 20 per cent has been indicated in ECIL's estimates.

⁶ CIF: Cost Insurance and Freight

31.4 Procurement of equipment in excess of requirement

31.4.1 Portable Explosive Detectors worth Rs. 38.55 crore wrongly procured and not utilise

Despite being informed by the Delhi Police in July 2009⁷ that Portable Explosive Detectors (PEDs) should be removed from the BOQs as these were being procured separately, ECIL did not delete this item from the BOQs nor did it seek any

clarifications from the MHA. This issue was also not discussed in any subsequent meeting of the Steering Committee.

In March 2010, ECIL procured 176 PEDs at a total cost of Rs. 38.55 crore for supply to the venues. During our joint physical verification of JLN Stadium, we found 42 PEDs still in packed condition. ECIL informed us that the Delhi Police did not use these PEDs at any of the venues. The shelf life of the PED equipment is 7 years and that of its consumables six months.



PEDs lying unutilised in the stores at JLN Stadium

31.5 RFID tags not utilised

RFID⁸ tags, containing details of the accredited vehicles, were to be fixed on the front wind shield of the vehicle for easy reading by the RFID reader fixed at the venue entry gates to control access. OC was

to give the list of accredited vehicles with the required details and ECIL was to prepare RFID tags.

ECIL procured 18,700 RFID tags, but only 3,610 tags were used during the Games and the remaining 15,090 tags (worth Rs. 4.41 crore) were lying unutilised with ECIL. This indicates that the BOQ was not realistically prepared by the ECIL and approved by the Steering Committee.

⁷ and reiterated in August and September 2010

⁸ Radio Frequency ID – a technology that uses radio frequency communication between an electronic tag (attached to an object) and a reader for identification and tracking.

31.6 Poor Legacy Planning and Non-utilisation

MHA did not have an approved legacy plan for the utilisation/redeployment of the security equipment. Further, there was no “a priori” identification of ISS items as legacy items, non-legacy items and consumables.

ECIL's agreements with the venue owners merely stipulated that legacy and non-legacy items were to be decided within 30 days of completion of the events. ECIL would reconfigure all legacy equipment and make them workable in the venue, while non-legacy equipment was to be handed over to the venue owners for subsequent usage and retention. In its report to MHA of November 2010, ECIL identified legacy equipment of Rs. 86.47 crore and non-legacy equipment of Rs. 186.18 crore at the 31 venues.

However, we found that the legacy and non-legacy equipment amounting to Rs. 272.65 crore was lying unutilized. ECIL had dismantled all the equipment (legacy and non-legacy) in all stadiums, except Thyagaraja Stadium. These were retained in packed condition in the venues under ECIL's custody.

The legacy items had not been reconfigured, as various network switches and cables required to operate them had been provided by the OC as a part of overlays, and had since been removed. Although the OC had undertaken to provide these again after CWG-2010, this was yet to be done. Also, no utilisation plans for the non-legacy items had been prepared by MHA.

31.7 Security arrangements during CWG-2010 at Kadarapur Shooting Range

Kadarapur Shooting Range in Gurgaon, Haryana was one of the competition venues for CWG 2010. MHA released (February 2010) a special grant of Rs. 23.23 crore, under the Modernisation of Police Forces Scheme, to the Haryana Government for making security arrangements for CWG-2010.

We found that although Rs. 21.96 crore had been drawn from the treasury during July–October 2010 and deposited with the executing/ procurement agencies, no equipment had been received as of November 2010, even after CWG-2010 was over. In addition, 39 fabricated police assistance booths worth Rs. 0.74 crore were procured by the Haryana Police Department, but these were not handed over to the Gurgaon and Faridabad traffic police in time for CWG-2010.

GoI should adjust the amount of Rs. 22 crore, drawn but not utilised for CWG-2010, against the release of the next tranche of assistance under the Modernisation of Police Forces Scheme to the Government of Haryana.



Preparation of Indian Teams for CWG - 2010

In June 2008, MYAS initiated a scheme for “Preparation of Indian Teams for CWG-2010” for imparting state of the art training, with well-equipped infrastructure and other supporting facilities, through the Sports Authority of India (SAI) and its regional centres to a core group of 1286 elite athletes, who would be the medal probables for CWG-2010.

We found that SAI utilised only 30 per cent of the budget of Rs.678 crore allocated for the period 2008-11.

There were substantial delays in selection of core probables ranging from four to 17 months, with probables in cycling discipline being selected in July 2009.

There were also substantial delays in appointment of coaches (in five out of 17 disciplines) and other supporting staff, including supporting staff to SAI regional centres. The performance parameters for judging improvement in the performance of the core probables were decided as late as 15 to 20 months after commencement of implementation of the scheme. Also, a web-based IT system for continuous monitoring and assessment of athletes' training could not be operationalised.

A total number of 284 training camps were held for 18 (17 normal disciplines and one para sports). However, many disciplines and sub disciplines had not had training camps during the year.

For supporting training of core probables, SAI awarded 28 contracts/ orders for procurement of imported sports items and equipment at a cost of Rs. 40.12 crore during 2008-11. We found serious deficiencies in the procurement process. All 28 orders were awarded on single tender basis as “preferred items” without adequate justification – brand requirements were not specified by the national federations, purchases were made from different vendors at different rates etc. In the absence of competitive tendering, we are unable to derive assurance regarding considerations of economy and transparency. This is supported by our comparison of rates for the same items supplied by different vendors quoted.

Further, the expenditure of Rs. 40.12 crore on procurement of sports equipment was largely unfruitful as,

- *Items worth Rs.4.88 crore were received just 10 days before the Games after the training camps, and items worth Rs.0.84 crore were received during and after the Games. Notable instances of delayed procurement/ receipt include cycles, shooting ammunition and shooting equipment.*
- *Sports items for aquatics, archery, squash, tennis, table tennis and boxing (estimated to cost Rs. 5.55 crore) could not be purchased at all.*

- *Gymnastic equipment procured at a cost of Rs. 1.39 crore could not be installed, and athletic and weightlifting items worth Rs 0.28 crore were delivered to SAI centres that did not require such equipment. Stock of Rs. 1.25 crore remained unutilized in the centres of Patiala and Bhopal.*

Oversight and monitoring by the Ministry was inadequate due to the mechanism not being practicable. The staffing of the CWG cell for monitoring was poor.

Other deficiencies in provision of facilities for training of core probables included the following:

- *Training workshops for dope testing were inadequate and ineffective in some centres.*
- *There were delays in provision of medical insurance coverage for the core probables, and large number of medical insurance cards were received late.*

On the infrastructure front, SAI failed to construct hostels in five regional centres; while hostels constructed in three regional centres could not be utilised due to non-availability of furniture, kitchen and other supporting facilities. Seven out of eight sports science centres, all eight standard modern fitness centres and renovated/ upgraded halls at various centres could not be utilised before the Games. Thus, out of funds of Rs. 78.63 crore released for infrastructure up-gradation, expenditure of Rs. 74.35 crore was not fruitful in time for the Games. Further, out of the envisaged Rs. 9.20 crore of sports science equipment, only a negligible amount of equipment was in position before the Games.

Attempts initiated from March 2007 to introduce PPP for management of five stadia in Delhi were not successful, due to procedural delays as well as policy decisions on this issue by MYAS.

There were deficiencies in financial management including

- *Non refund of the unutilised amount of Rs. 45.50 crore by SAI and diversion of Rs. 19.00 crore for construction of the administrative block of SAI Hqrs building; and*
- *Non-settlement of advances and non-receipt of UCs/ audited SOEs.*



32.1 Introduction

In June 2008, MYAS initiated a scheme for “Preparation of Indian Teams for CWG-2010” for imparting state-of-art training with well equipped infrastructure and other supporting facilities for a core group of

1286 elite athletes, who would be medal probables for CWG 2010. This scheme was implemented by the Sports Authority of India (SAI) and its regional centres/sub centres¹. The budget allocation and actual expenditure for the scheme was as follows:

Table 32.1 – Budget allocation and actual expenditure on the Scheme

(Rs. in Crore)

Component	Budget allocation	Actual expenditure (up to 1.12.2010)
Training	375.00	108.05
Infrastructure	85.00	74.35
Sports science back up etc.	218.00	20.95
Total	678.00	203.35

32.2 Delay in selection of probables/staff

The schedule of training, exposure and competition was to cover a period of 305 days (210 days' training camp, 75 days' foreign training and competition and 20 days' domestic tournament) in a year. The scheme also provided for engagement of the best available Indian coaches as well as top level foreign coaches. A Steering Committee was to be formed for each of the 18 (17 normal + 1 Para sports discipline) disciplines to approve the selection of the core group of probables and coaches, and to monitor the performance of the probables.

We observed that there were delays in selection of probables, coaches and supporting staff as given below:

¹ Bhopal, Patiala, Sonapat, Bengaluru, Guwahati, Imphal, Thiruvanthapuram, Gandhinagar, Kolkata, Balewadi (Pune), Lucknow

32.2.1 Delay in selection of core probables

The first meetings of the Steering Committees were held in July 2008. However, there were substantial delays in finalising the list of core probables who were to be continuously trained upto CWG 2010. The delays ranged from four months (archery, boxing, athletics netball) to 17 months (cycling) which significantly reduced the period available for their training.

32.2.2 Performance Monitoring

There were delays in finalisation of performance parameters for judging the improvement in the performance of the core probables by the Steering Committee.

- The performance parameters for five disciplines (athletics, cycling, gymnastics, net ball and shooting) were finalised only between September 2009 and February 2010, when the implementation of the scheme was in the final stages.

- It was not clear whether performance parameters were finalised at all for boxing and rugby.

32.2.3 Delay in appointment of coaches/supporting staff

The scheme envisaged appointment of top level foreign coaches in addition to the best Indian coaches. It was noticed that in five (athletics, gymnastics, weightlifting, hockey and cycling) out of 17 disciplines, foreign coaches were selected only during March to December 2009. Also, against a requirement of a foreign coach and four Indian coaches for lawn bowls, only one foreign coach was engaged during the whole period of the training camps.

Similarly, there were delays in appointment of supporting personnel in the SAI regional centres of Bengaluru and Sonepat as detailed below:

- At Sonepat centre, no physiologist, psychologist, bio- mechanist and

nutritionist/dietician were engaged for the entire period of training.

- Against the requirement of 9 Masseurs and Masseuses at Bengaluru centre, only one masseur was provided and no masseurs was provided to core probables during the training camp at Ooty for exposure to high altitude. Further, physiotherapists were engaged only in December 2009, although the camps were being held at this centre from March 2008.
- Food supplements provided to the core probables were without supervision by an experienced nutritionist during the camps conducted outside the Bengaluru centre for periods ranging between 28-329 days in respect of badminton, shooting, athletics, boxing, squash and cycling.

32.2.4 Conduct of Training Camps

A total 284 training camps were held for 17+1 disciplines during 2008-11, as summarised below:

Table 32.2 – Conduct of training camps for different sports/ disciplines

No.	Sport/Discipline	2008 - 09		2009-10		2010-11	
		Men	Women	Men	Women	Men	Women
	Proportionate Target in days	158	158	210	210	105	105
1.	Archery	153	153	361	361	105	105
2.	Aquatics						
	Swimming	32	32	188	188	110	110
	Synchronised	58	0	42	108	0	47
	Diving	0	0	130	98	141	141
3.	Athletics	170	170	289	289	0	0
4.	Badminton	174	174	317	317	162	162
5.	Boxing	50	NA	336	NA	173	NA
6.	Cycling	0	0	212	212	132	132

No.	Sport/Discipline	2008 - 09		2009-10		2010-11	
		158	158	210	210	105	105
		Men	Women	Men	Women	Men	Women
7.	Gymnastics						
	Rhythmic	NA	22	NA	196	NA	107
	Artistic	44	22	351	351	173	140
8.	Hockey	80	124	187	227	82	85
9.	Lawn Bowls	40	40	352	352	111	111
10.	Net Ball	NA	77	NA	206	NA	137
11.	Rugby 7s	0	NA	157	NA	170	NA
12.	Shooting						
	Rifle	126	126	175	175	91	91
	Shortgun	83	83	114	114	52	52
	Pistol	32	32	78	78	73	73
	Bigbore	0	0	0	0	26	26
	Fullbore		0	0	0	13	13
13.	Squash	0	NA	0	0	32	21
14.	Table Tennis	87	87	164	164	45	45
15.	Tennis	0	0	131	151	20	20
16.	Weightlifting	53	53	310	287	186	169
17.	Wrestling						
	Greeco	59	59	344	365	0	0
	Freestyle	63	NA	186	NA	0	NA
<i>NA : Data not made available to audit</i>							

Incidentally, no medals were won by India in cycling, squash, shooting (big bore), shooting (full bore), swimming (diving) and swimming (synchronised), where there were substantial shortfalls in conduct of training camps.

32.2.5 Non operationalisation of web-based System for monitoring athletes' performance

A web-based IT system, 'Performance Review Indicators Monitoring and

Evaluation of Sportspersons' (PRISM) for continuous monitoring and assessment of athletes' training, which was developed/maintained by NIC at a cost of Rs. 1.08 crore could not be operationalised during the entire period of training. This defeated its purpose of continuous assessment of athletes' training at regular intervals.

32.3 Test events

Test events in all disciplines were required to be conducted during 2008, 2009 and 2010 in order to test the performance of the core probable, identify shortcomings and also familiarize them with the newly created venues. However, we found that no test events were conducted during 2008 and 2009.

32.4 Procurement of sports equipment

32.4.1 Procurement on single tender

For supporting training of core probables, SAI awarded 28 contracts/orders for procurement of imported sports items and equipment at a cost of Rs. 40.12 crore during 2008-11.

The procedure followed by SAI for procurement of sports equipment was as given below:

- Requirements were projected by 17 National Sports Federations
- Technical Experts Committee assessed the requirement, brand (preferred item) and made recommendations to the Steering Committees
- Steering Committees assessed the requirement and made recommendations to the Finance Committees
- Finance Committee assessed requirements and made recommendations to SAI Governing Body for approval
- SAI Governing Body approved procurements

- Procurements were to be initiated by Equipment Sports Division of SAI

We found that there were deficiencies in the procurement process as:

- All 28 orders were awarded on nomination basis as “preferred items” without adequate justification
- No specific brand requirement was identified by the concerned federations of boxing, netball, gymnastic and lawn bowl disciplines.
- In twelve cases of procurement of javelins and ammunition, SAI placed orders on different manufacturers, treating them as preferred items. In particular, javelins were purchased from three vendors (Nemeth, Nordic Sports, Gill Athletic) separately on a single tender basis at different rates on the justification that these items were of proven international standard.
- Equipment like Bar Bell and Electronic Score Board costing Rs 0.92 crore were procured from Eleiko without calling for tenders, though these were not directly linked to athletes' performance or training.

In the absence of competitive tendering, we are unable to derive assurance regarding considerations of economy and transparency. This is supported by our comparison of rates for the same items supplied by different vendors quoted. While we were unable to quantify the loss, we have tried however, to come up with indicators by comparing rates for certain items (indigenous and imported) supplied by different vendors.

32.4.1.1 Indigenous items

The comparison of rates in respect of supply order placed on two firms by SAI Headquarters and one firm by SAI, Patiala for athletic sports equipment of Vinex and ATE brand is as follows:

Table 32.3 – Comparison of rates for indigenous items

Description	SAI Patiala	SAI Delhi	
	Supply order placed to Vats Sports on 22 December 2009	Supply order placed to Vinex Enterprises through Amitco Khel Centre on 23rd February 2010	Supply order placed to Anand Track and Field Equipment Pvt. Ltd. Meerut on 10th June 2010:
	"Brand : Vinex"	"Brand : Vinex"	"Brand : ATE"
	Rate (In Rs.)		
Hammer wire men and women	75	232	230
Hammer handle	300	348	345
Discus Gold men 2 kg	5400	4600	7320
Discus men 2.25 kg	975	6190	3290
Discus Gold 1 Kg	3900	3250	6250
Discus 1.1 kg	585	4932	4890
Discus 1.25 kg	608	7390	4550
Discus 900 gms	575	5295	5250
Discus 1.75 kg	750	5280	5350
Discus 1.9 kg	855	5295	5390
Discus Super Spin 2 kg	3636	5532	5490
Discus Super Spin 1 kg	3000	5420	5390
Hammer Women 5 kg	1110	5220	5145
Hammer Men 6.5	1200	5420	5345
Hammer Women 3.5 kg	885	4310	4275
Hammer men 7.26 kg	1365	5610	5645
Hammer Women 4 kg	923	5600	5610

32.4.1.2 Imported items

The rate comparison of supply order placed on two firms revealed that there were variations in price of purchase of javelins with same specifications shown as under:

Table 32.4 – Comparison of purchase prices for javelins

Name of Items	Rate as per supply order issued to	
	Gill Athletic Inc	Nordic Sports
Javelin 600 gms carbon	68121	83241
Javelin 800 gm carbon	91149	83241
Javelin 800 gm 70 M range	34243	40804

In response, SAI stated that they had followed the stipulated process in letter and spirit for procurement of “preferred items” (i.e. specific brands of equipment), which were communicated to them by the SAI technical committee². The need for items covered under single tender arose due to very special reasons on account of their quality, performance and the preference of sports persons.

While we note that preferred items may be identified from out of the list of brands approved by the concerned international sporting federations, we are unable to derive assurance that the prices paid for these brands are reasonable, in the absence of competitive tension. This is compounded by situations where multiple brands of equipment are all selected as price items, with wide variations in prices.

32.4.2 Contract Management

Due to procurement on nomination basis, SAI was bound by the terms and conditions offered by the vendor which resulted in the following:

- Waiver of earnest money, bank guarantee and warranty periods etc in 17 cases
- In purchase of full bore rifle against the original condition of 85 percent payment on shipment and balance 15 per cent after the acceptance of goods, SAI changed its mode of payment as 100 per cent advance payment.
- In case of procurement of athletic equipment from Nordic Sports, Sweden,

² Including representatives of SAI, the sporting federation, national observer, and coach

SAI initially blacklisted an agent and later in January 2007 declared it as an agent with objectionable conduct contravening business ethics. However, in April 2010 both the orders were withdrawn to accommodate the said agent instead of asking the original manufacturer to change its agent.

Further, SAI did not levy penalty of Rs. 2.20 crore in 12 cases of procurement of sports equipment/material, on account of delay in supply. In one particular case, SAI could not levy penalty of Rs. 1.44 crore on the supplier due to ambiguity³ in the contractual clauses.

32.4.3 Unfruitful expenditure of Rs 40.12 crore due to delayed procurement of sports equipment

Although the scheme was introduced in June 2008, the sports equipment to be procured were approved by the Finance Committee only in June 2009 and the process of procurement was initiated in August 2009. Thus, the elaborate mechanism for procurement merely resulted in delays without ensuring economy in procurement.

Further, the sport equipment which was crucial for imparting state of the art training to the core probables were received at the fag end of the training period/after completion of CWG 2010 at various SAI centres.

³ The clause 10 of the tender document provide that delivery should be completed within 15 days after the placement of contract and receipt and confirmation of letter of credit, whereas, the clause 16(vii) provides that “It may be ensured that delivery, installation and commission etc. of the system is completed within 90 days from the date of issue of letter of credit.

All the equipment was delivered only in 2010 as shown below:

- Equipment for Rs.4.88 crore was received just ten days ahead of the Games
- Equipment for Rs. 0.84 crore was received after the Games
- Equipment for Rs. 1.60 crore was received only one month ahead of the Games

- Equipment for Rs. 4.99 crore was received 2-3 months ahead of the games
- Equipment for Rs. 27.81 crore was received 6-9 months ahead of the games

A discipline -wise analysis is summarised below:

Table 32.5 – Delayed receipt of sports equipment

(Rs. in crore)

No.	Discipline	Equipment	Cost	Received on
1	Shooting	Ammunition	0.12	07.10.10
2	Shooting	Shooting Ammunition and consumable	4.03	19-09-2010 to 29.09.10
3	Shooting	Equipment	27.62	06.01.10
4	Hockey	Fitness Equipment	0.85	22.09.10
5	Hockey	body matrix equipment	0.01	Mar-10
6	Lawn Bowls	Sports equipment	0.49	17.09.10
7	Athletics	Athletic sports material	0.85	23.07.10
8	Athletics	-Do-	0.71	06.07.10
9	Athletics	-Do-	0.13	05.08.10
10	Athletics	-Do-	0.72	12.10.10
11	Athletics	-Do-	0.18	27.04.10
12	Wrestling	wrestling mats	0.39	07.07.10
13	Gymnastics	Gymnastic equipment	1.39	30.08.10
14	Weight Lifting	weight lifting equipment	1.39	23.07.10
15	Boxing	Punching bags Leather (Boxing)	0.13	06.07.10 to 08.07.10
16	Cycling	Cycles	1.11	17.09.10
		Grand Total	40.12	

Some extreme cases of delayed receipt of equipment costing Rs. 3.90 crore are discussed below:

32.4.3.1 Unfruitful expenditure of Rs. 1.11 crore on procurement of cycles for core probables:

As SAI could not procure cycles in time, the Steering Committee (June 2010) decided to

entrust the job to Indian Olympic Association (IOA). We noted that IOA obtained the signatures of various players and coaches on printed format in support of a particular brand and placed the supply order worth Rs.1.11 crore on Dolan Bikes Ltd. on the basis of a single quotation, with the request to supply the bikes latest by 4 September 2010. However, the cycles were handed over to the cyclists only on 18 September 2010, when only four days were remaining for the closure of the training camp.

32.4.3.2 Ammunition for Rifle/Pistol and Shotgun event:

The proposal for procurement of ammunition for Rifle/Pistol and Shotgun event from Fiocchi Munizioni SAP, Italy was initiated in March 2010 and the revised order of Rs. 0.83 crore was placed on the supplier in September 2010. The material was however, received finally on 28 September 2010 after the close of the shooting camp even after airlifting at an additional cost of Rs. 0.19 crore.

32.4.3.3 Ammunition for big bore rifles event:

SAI initiated the proposal for procurement of ammunition for big bore Rifles event from Winchester Australia Ltd., in March 2010 at a cost of Rs. 0.12 crore and placed the supply order in August 2010. However, the material was received only on 7 October 2010 at Karni Singh Shooting Range (KSSR) during the Games.

32.4.3.4 Non utilisation of additional equipment for shooting:

SAI decided to procure additional equipment⁴ from Sius AG, Switzerland in

January 2010 but placed the supply order for Rs. 1.85 crore only in August 2010. The equipment was delivered in September 2010 but could however, not be installed at the shooting range till 30 September 2010. As installation and commissioning required another two weeks after supply of equipment, it could not be utilised in time for training.

In response, SAI stated that a time consuming, though essential, process had to be followed for procurement. When it came to a choice between hasty decisions and financial prudence, SAI chose the latter. Further, procurement of imported items had a time cycle of 6-8 months, and one could not plan imports with the precision of a gold weighing machine. Also, all equipment imported were used by athletes for CWG, thereafter for the Asiad, and then for Olympic training.

While we note the time consuming process for procurement, this should have been factored in through timely and better planning, keeping in view such operational contingencies and lead times. Further, although the equipment procured would have considerable legacy value, it was procured in the first instance for use for training of core probables for CWG-2010, which was not fully achieved.

32.4.4 Non-procurement of sports materials worth Rs. 5.55 crore

Procurement of sports equipment costing Rs. 5.55 crore related to aquatics, archery, squash, tennis, table tennis and boxing could not be finalised due to various reasons like non receipt of tenders, not as per specification, rejection on technical terms etc and re-tendering was not done due to paucity of time.

⁴ for 6th bay of 25 mtr with electronic scoring board

32.4.5 Improper planning and assessment of requirement of sports material

32.4.5.1 Excess procurement for shooting

Scrutiny of the stock register for shooting discipline at KSSR revealed that SAI had made fresh purchases even when there was enough stock available in respect of various items. As a result, shooting ammunition/equipment costing Rs.1.21 crore remained unutilised even after the end of the Games.

32.4.5.2 Unfruitful expenditure of Rs. 1.39 crore on procurement of gymnastic equipment

SAI initiated a proposal for procurement of gymnastic equipment for two centres at

Patiala and Kolkata from Gymnova, France at a cost of Rs. 2.10 crore in October 2009 and placed the supply order in March 2010. Upon the request of foreign coaches (Pune centre) for immediate supply of three items (one floor exercise complete set, two vaulting tables with complete set with runway and four spring board for vaulting table), part of the supply was diverted to Pune in July 2010. As a result, the equipment at Patiala and Kolkata became inoperative and could not be utilised and remained in stock unissued. Thus, the equipment costing Rs. 1.39 crore could not be used at any one of the three centres. Out of this equipment, 65 gymnastics equipment and accessories costing Rs.0.58 crore were delivered in June 2010 at SAI, Kolkata after the camp for women core probables was shifted from Kolkata to Pune.



Unpacked gymnastics equipments for CWG 2010 lying at SAI Kolkata

32.4.5.3 Unfruitful expenditure of Rs. 0.28 crore on the procurement of weight lifting equipment and athletic sports material for Patiala Centre

SAI procured the weightlifting items⁵ from Eleiko AB, Sweden costing Rs. 1.39 crore for Patiala Centre in January 2010. We found that out of 24 Eleiko practice platforms procured for the Patiala centre received in July 2010, ten platforms costing Rs. 0.15 crore were transferred to Bengaluru in September 2010, where no weightlifting training camp was in existence at that point of time.

Similarly, a supply order was placed on Anand Track and Field equipment Pvt. Ltd., Meerut in June 2010 for athletics at a cost of Rs. 0.13 crore for Patiala without any requisition. The equipment was diverted to SAI, Bengaluru in August 2010. In September 2010 at Bengaluru, it was noticed that one discus 2 kg gold was short and four pole vaulting boxes were not as per IAAF specifications. The supplier was asked after completion of CWG 2010, to rectify the supply in respect of pole vault boxes, which was not rectified as of November 2010.

32.4.5.4 Infructuous expenditure of Rs. 0.51 crore on athletic equipment - Pole vault pits

SAI procured two imported pole vault pits for SAI Patiala and Kolkata centres for athletics and transported them to the respective centres in October 2009. One complete unit of pole vault pit consists of

four separate segments to be joined together. SAI Patiala received double sets of segments 3 and 4, while Kolkata received double sets of segments of 1 and 2. As a result, both the pole vault units costing Rs. 0.51 crore could not be utilised at either Kolkata or Patiala. However, SAI stated that these procurements were not made out of CWG funds.

32.4.5.5 Purchase of hockey ball throwing machine costing Rs 2.21 lakh after shifting of hockey camp

SAI, Bengaluru placed order on Ha-Ko Enterprises, Bombay for a hockey throwing machine costing Rs. 2.21 lakh. The machine was received at Bengaluru in July 2009 after the camp was abruptly shifted to SAI, Bhopal in May 2009 due to insufficient infrastructural facilities.

32.4.6 Stock of Rs. 1.25 crore remained unutilized

A scrutiny of stock register of equipment of SAI Patiala and Bhopal revealed that most of the imported equipment procured under the scheme was received at the fag end of the training camps and remained unissued to the campers. The details are in Table 32.6.

⁵ Electronic Score Board, Reference decision light system, Barbell sets, Eleiko Practice Platform (3.06m x 2.58m) and Competition Platform (4m x 4m)

Table 32.6 – Unutilised equipment in stock

(Rs. in Lakh)

No.	Discipline	Firm from which material procured	Date of receipt of material at centre	Balance (as on November 2010)	Cost of unissued items
Patiala Centre					
1	Athletics	Gill Athletic Inc., USA	08.07.2010	76	59.98
2	Athletics	UCS, USA	22.04.2010	37	30.19
3	Athletics	Nemeth, Hungary	08.07.2010	21	10.86
4	Boxing	Budoland Sportartikel Vertrieb GmbH	09.06.2010	296	9.43
5	Hockey	Patiala Sports Industries	08.08.2010	104	1.14
Bhopal Centre					
6	Hockey	R.K. International, RK Sports	11.02.2009	255	11.19
7	Hockey	Amitco Khel Centre, Meerut	--	69	0.66
8	Hockey	Beat all Sports	21.01.2010	3	0.86
9	Table Tennis and Football	Amitco Khel Centre, Meerut	06.01.2010	315	0.46
Total					124.77



Unused boxing gloves, head guard and javelins at Patiala centre

Thus, sports equipment worth Rs. 1.25 crore pertaining to athletic, hockey, boxing and table tennis remained unissued at Patiala and Bhopal centres as of November 2010 which indicates that assessment of the requirement for procurement of equipment was not properly done. Clearly, the assessment of requirement at different centres was handled in an abysmal manner by SAI, resulting in chaotic movement and receipt of equipment at centres.

32.5 Other Deficiencies

32.5.1 Inadequate programmes and seminars for doping

National Anti Doping Agency (NADA) was assigned the task of conducting dope tests, seminars, workshop and training sessions for athletes/coaches/supporting personnel/officials, for enhancing their knowledge levels, professional skills, code of conduct and awareness of anti doping policy and programmes, either directly or through SAI/IOA/NSFs etc. Further, samples of athletes were to be taken and checked

on a regular basis in these training centres to familiarize them with the rules and regulations and to educate them about the harmful effects of doping, banned substances, etc.

We observed that NADA delivered 26 lectures (during 2009 and 2010) and conducted 697 dope tests (during 2010) at various venues/SAI centres. However, deficiencies were observed in the following centres:

- **SAI Gandhinagar:** A seminar was conducted on 15 and 16 of July 2010 but no core probable/sports persons participated in the above seminar. Only coaches and supporting staff took part in the seminar. Further, no samples of the athletes were taken/ collected for checking the status of banned substances.
- **SAI Guwahati:** Lawn bowl camps were conducted during March 2009 to April 2010 (288 days) at SAI Guwahati. However, only one seminar/workshop was conducted for awareness of the doping and only nine samples (random) were taken.
- **SAI Sonapat:** Only one lecture was delivered in March 2010 at Sonapat regional centre, where incidentally two probables were weeded out during random collection of sample in November 2009 as the blood sample had Furosemide (diuretic).

Further, fourteen core probables (six weightlifters, four wrestlers, three swimmers and one athlete) tested positive. A penalty of Rs. 2.28 crore was imposed by the international body on 'Indian Weightlifting Federation' and Rs. 0.14 crore on the individual players.

32.5.2 Delay in providing medical insurance coverage to core probables

Medical insurance was to be provided to each core probable for safeguarding against any injury, medical support, etc, which could occur during training/camps/foreign exposure. Accordingly, SAI initiated a proposal for insurance cover (medical/personal accident) in November 2008 for 1673 core probables. We observed that:

- United India Insurance Company offered a tailor made insurance policy for the core probables as per the specific requirement of SAI. However, SAI opted for the standard Insurance policy of New India Assurance Company, which did not include OPD facilities or medical/personal insurance during foreign exposure.
- SAI finalised the insurance policy for the period November 2009 to October 2010 at a cost of Rs 0.25 crore for 1600 core probables in October 2009. However, we noted that documentation work was not completed even till July/Sep 2010.

Further, a large number of 'Medical Identity Cards' were not received by SAI till August 2010. All the identity cards pertaining to probables of netball, boxing disciplines were not received till July/August 2010, although SAI, in response, stated that the certified list of core probables was sent to the insurance company. 216 medical cards out of 324 core probables were not received till August 2010 at SAI Pune (Balewadi).

32.6 Delay in establishment of infrastructure and procurement of related equipment

32.6.1 Establishment of Infrastructure

SAI identified ten regional centres/ sub-centres for creation and up-gradation of infrastructure at an estimated cost of Rs. 85 crore. This included:

- Construction of hostels, modern fitness centres⁶ and sports science centres at eight regional centres, and

- Renovation/up-gradation of existing facilities at five regional centres.

SAI entrusted execution of these works to CPWD. The works were started from October 2008 to August 2009 by CPWD although the training camps for core probables for CWG 2010 were initiated from August 2008. Upto January 2011, SAI had incurred an expenditure of Rs. 74.35 crore on infrastructure for CWG 2010. However, we found that the status of the construction/renovation/up-gradation of existing facilities of various regional centres was as given below:

Table 32.7 – Status of renovation/ construction/ upgradation of facilities at SAI regional centres

(Rs. in crore)

No.	Location of SAI Centre	Actual Expenditure	Actual date of completion	Status of utilisation
Hotels				
1	Lucknow	7.50	May 2010	Not utilised
2	Gandhinagar	7.05	July 2010	Not utilised
3	Bengaluru	7.25	August 2010	Not utilised
4	Kolkata	8.75	In progress	Not utilised
5	Bhopal	2.74	In progress	Not utilised
6	Imphal	4.54	In progress	Not utilised
7	Thiruvananthapuram	8.35	In progress	Not utilised
8	Aurangabad	3.14	In progress	Not utilised
Total		49.32		
Sports Science Centre				
1	Lucknow	0.49	February 2010	Not utilised
2	Bengaluru	0.46	May 2010	Utilised
3	Bhopal	0.98	April 2010	Not utilised
4	Sonepat	0.99	August 2010	Not utilised
5	Aurangabad	1.11	September 2010	Not utilised
6	Kolkata	2.00	In progress	Not utilised
7	Thiruvananthapuram	0.97	In progress	Not utilised
8	Gandhinagar	1.00	In progress	Not utilised
Total		8.00		

⁶ with facilities such as sauna bath, steam bath, two massage rooms, whirlpool unit, aerobics hall, yoga hall and change room with shower facility etc.

No.	Location of SAI Centre	Actual Expenditure	Actual date of completion	Status of utilisation
Modern Fitness Centre				
1	Bhopal	1.37	August 2010	Not utilised
2	Sonepat	1.33	August 2010	Not utilised
3	Lucknow	1.35	March. 2010	Not utilised
4	Aurangabad	1.45	September 2010	Not utilised
5	Imphal	2.11	In progress	Not utilised
6	Gandhinagar	1.27	In progress	Not utilised
7	Kolkata	1.57	In progress	Not utilised
8	Thiruvananthapuram	1.50	In progress	Not utilised
Total		11.95		
Renovation/up-gradation of existing facilities				
	Patiala ⁷	5.49	August 2010	Not utilised
	Sonepat ⁸	3.17	In progress	Not utilised
	Bengaluru ⁹	0.70	March, 2010	Not utilised
Total		9.36		
Grand total		78.63*		

*Rs. 78.63 – Rs.4.28 crore to be refunded by regional centre =74.35 crore)

Further, construction of hostels, sports science centres and modern fitness centres at Thiruvananthapuram, Aurangabad and Lucknow was taken up at a cost of Rs. 25.86 crore, although no training camp for any discipline for core probables of CWG 2010 was scheduled at any of these centres.

Thus, SAI failed to fill the gap of insufficient infrastructure at its centres, as none of the hostels, fitness centres, sports science centres could be utilised for CWG 2010 despite an expenditure of Rs. 74.35 crore.

32.6.2 Procurement of Sports science equipment

The scheme envisaged a complete scientific backup with the help of doctors, psychologists, physiologists and recovery experts on full time basis to be introduced

for each sport discipline. Sports science equipment was envisaged for conduct of tests including anthropometric, psychological, physiological, biochemical, biomechanical, nutritional and other medical tests to monitor the progress of each athlete on a regular basis during the training.

Sports Science Centres at four regional centres of Gandhinagar, Kolkata, Thiruvananthapuram and Aurangabad could not be completed. Centres at Lucknow and Bhopal, though completed, could not be taken over by SAI.

Regarding procurement of equipment related to Sports Science Centres, we found that negligible procurement was actually made although procurement was initiated for Rs. 9.20 crore. Further, we found that:

⁷ Repair/renovation of 4 halls i.e. weightlifting, wrestling, TT and Boxing with provision of air conditioners.

⁸ Air conditioners for hostel rooms and dining hall including civil and electrical work, false ceiling and Air Conditioning of Multi Purpose Hall

⁹ Flooring, lighting and Replacement of roof (Galvanizing Aluminium)

- SAI had to abandon the procurement of Rs. 6.33 crore on various science equipment due to paucity of time.
- Out of total procurement of Rs. 2.87 crore, equipment worth Rs. 1.95 crore were not delivered to regional centres till January 2011; equipment worth Rs. 0.38 crore were received after the CWG 2010 in October 2010; and equipment worth Rs. 0.06 crore were received at regional centres during the Games.

SAI failed to provide world class state of art sports science backup to athletes as none of the eight Sports Science centres could be utilised for training. Further, most of the scientific equipment procured could not be used for the training of core probables as either these were received after the close of the CWG 2010 or their supply was still awaited as of January 2011.

32.7 Monitoring by MYAS/SAI

32.7.1 Inadequate monitoring

The Steering Committees and Review Committees for each discipline at the level of MYAS were to be constituted for each discipline to monitor the preparation and progress of the core group of elite sports persons, coaches and supporting personnel. The Steering Committees (for each discipline) were to meet once every month. In this regard, we found that:

- The steering committees for different disciplines met just seven to eleven times during June 2008 and September 2010.
- The Review Committees constituted to review the progress in performance levels of the core group of sports

persons, coaches etc. was formed in respect of only five disciplines and met only once/twice during the entire period of implementation of the scheme.

MYAS stated that it was not practicable to hold monthly meetings of the Steering Committee as there would have been 18 meetings in a month, and also that one month's period was too short for the NSFs to evaluate performance of the athletes. It also confirmed that review committee meetings could not be held regularly. It may be noted that MYAS itself put in place a monitoring mechanism which it now finds impractical.

32.7.2 Non-appointment of personnel in the CWG cell

SAI was to set up a cell, to be known as 'Commonwealth Games Cell' (Cell) which would have a Programme Officer (PO) and a Programme Assistant (PA) for each of the 17+1 disciplines of the Games having specialised knowledge and expertise of their respective disciplines. However, we found that SAI had appointed only eight POs and one PA as against the sanctioned posts of 18 each. Out of the eight POs, one PO was appointed for audit, two for infrastructure and two for equipment sports division. Thus, effectively only three POs for sports disciplines were appointed and the CWG cell could not be appropriately operationalised.

32.8 Legacy plan for SAI Stadia

In September 2006, the Expenditure Financial Committee (EFC) suggested exploring the Public-Private Partnership (PPP) model while recommending the

proposal for sanction of budget for redevelopment of five¹⁰ stadia.

- This was approved by the Cabinet in March 2007 and SAI was authorised to manage the entire process of planning and implementation of the PPP model for management and operation of these stadia post CWG.
- Inter-ministerial correspondence was made between March 2007 and November 2008 between MYAS, MoF and SAI.
- SAI though selected Feedback Ventures as the transaction advisor in October 2009, the agreement at a cost of Rs.0.84 crore was signed in February 2010. However, no effective action had taken place.

Further, MYAS was yet to bring out a legacy plan for utilisation and maintenance of the SAI stadia as of March 2011. As a result, the stadia were not being utilised by either sportspersons or others which is evident from the notice of MYAS (dated 1 March 2011) that 'regular coaching/pay and play scheme has not yet started in the stadium'.

32.9 Financial management

In this regard, we observed that:

- SAI was yet to refund the unutilised Rs 45.40 crore under the various sub heads of the CWG scheme, which was required to be refunded within one month of the conclusion of the Games.
- Unadjusted advances of Rs. 1.14 crore

¹⁰ Jawaharlal Nehru Stadium Complex (JNS), Indira Gandhi Sports Complex (IGS), Dr. Shyama Prasad Mukherjee Swimming Pool (SPM), Major Dhyana Chand National Stadium Complex (MDCS) and Dr. Karni Singh Shooting Ranges (KSSR).

were pending with the two agencies i.e. IOA and Bowling Federation of India.

- Utilisation certificate for Rs. 34.75 crore given for procurement of Time Scoring and Results equipment was still awaited from the OC.
- Utilisation Certificates for Rs. 1.08 crore were yet to be received from seven sports federations.
- Advances of Rs. 0.94 crore for 12 training camps at SAI Pune centre were yet to be settled even after lapse of three to six months from the date of completion of the camp. Also, the accounts of the Rugby camp held during September 2010 were not even submitted by the Director of Sports, Pune.

32.9.1 Diversion of funds for construction of SAI Headquarter building

Funds of Rs. 19.00 crore under this scheme were irregularly diverted for construction of the administrative Block of SAI Headquarters at Jawahar Lal Nehru Stadium Complex, New Delhi.

32.10 Other point of interest

The Haryana Government incurred a total expenditure of Rs. 1.87 crore (including cost of land of Rs. 0.85 crore), out of Rs. 3.27 crore released by MYAS in December 2009 for widening and strengthening of existing road from Badshahpur to Kadarapur to Group Centre, CRPF, Gurgaon for CWG 2010. However, the work remained incomplete as of November 2010. The entire advance of Rs 3.27 crore should be recovered from the Government of Haryana as it was not utilised for the Games.

It is acknowledged that India hosted the largest and among one of the most successful Commonwealth Games in Delhi in October, 2010. India also acquitted itself remarkably by securing more than 100 medals in a broad spectrum of sporting events in which it participated. It is indeed a remarkable commentary on the nation's managerial and sporting capabilities that despite a multitude of adversities leading to the actual conduct of the games, India emerged successful both as hosts and as competitors.

It may be recalled that while submitting a study done by this Department in July, 2009, we had commented that establishment of basic infrastructure and putting in place support services for facilitating the games was lagging far behind. Consequently, we had strongly recommended that Government should revisit the model of governance for a smooth and successful delivery of the games. This report was prepared 15 months in advance as an "aid to the administration" as an objective commentary on the stage of preparedness. The governance model was tweaked, but without due authority. Audit continues to feel that serious cognizance was not taken of the issues pointed out in that report, as timely remedial action may have mitigated some of the adverse attention that the conduct of the Games attracted.

The Commonwealth Games 2010 were not the first event of this magnitude being held in India. The nation had the benefit of organizing the Asian Games in 1982. Further, a sufficiently large contingent of administrators, sports managers and other experts were deputed to Melbourne CWG-2006 to closely observe and study the

governance model, infrastructure requirements as also other support services, which provided a period of four years to take any remedial action necessary.

This report has commented upon the model of governance adopted for CWG-2010, in which authority was dissipated, accountability was defused and unity of command was not provided for or followed. It was also misplaced confidence to have placed such huge public funds at the disposal of non-government officials, who were not willing to heed to any advice from informed government officials.

The modus operandi observed over the entire gamut of activities leading to the conduct of the Games was: inexplicable delays in decision making, which put pressure on timelines and thereby led to the creation of an artificial or consciously created sense of urgency. Since the target date was immovable, such delays could only be overcome by seeking, and liberally granting, waivers to laid down governmental procedures. In doing so, contracting procedures became a very obvious casualty. Many contracts were then entertained based on single bids, and in fact, some of them were even awarded on nomination basis. Taking liberties with governmental procedures of the aforementioned kind led to elimination of competition. The conclusion in fact is inescapable that this could indeed have even been an intended objective. Eliminating competition led to a huge avoidable burden on the exchequer. It can most confidently be concluded that due to the perceived sense of urgency and resultant lack of competition, the country had to pay a higher price for the same

activities, equipment and infrastructure. Further, it is yet to be conclusively established that the end product was of the desired quality.

While the governance model certainly suffered from inadequacies, with a key role for the Organising Committee, Audit observed that the personnel selected for shouldering critical responsibilities in the OC did not possess the requisite qualifications and experience to discharge responsibilities of this magnitude. Standard recruitment procedures such as advertising of posts, selection committees, security clearance/ reference checks etc. were given the go-by in most appointments made in the Organizing Committee.

As per established procedure in Government, whenever an outside entity makes a proposal to the Government involving budgetary commitments, the concerned departments are required to conduct an in depth and de novo examination of such proposals. However, such independent examination of proposals, especially regarding revenue generation by the OC and the expenditures likely to be

incurred as also the total financial liabilities to be borne by the Government, were conspicuous in their absence. There is evidence to indicate that the revenue generation figures were enhanced to remain in tandem with the rapidly burgeoning expenditure of the OC. Appropriate due diligence was conspicuously absent at all levels, while scrutinising and according approvals to expenditure proposals.

A basic canon of financial propriety is that the expenditure should not prima facie be more than what the occasion demands, and officials charged with stewardship of Government funds must exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money. Further, not only should transparency and fair play be exercised, the public at large should perceive that Government monies have been expended in a fair and transparent manner and officials will be held accountable for lapses. Government needs to take appropriate measures to live up to the high expectations in this regard.

Dated : 31 May, 2011
Place : New Delhi



(K.R. SRIRAM)
Principal Director of Audit
Economic and Service Ministries

Countersigned

Dated : 20 June, 2011
Place : New Delhi



(VINOD RAI)
Comptroller and Auditor General of India

Common Issues in Venue Development

There were considerable variations in the performance of design consultants engaged by different venue owners/ implementing agencies. We noticed that where the role of the foreign partner in the design consultants consortia (with relevant experience in design of sports stadia) was less, there were significant deficiencies in performance.

Despite a multi-level quality assurance mechanism, most of the implementing agencies had engaged Third Party Inspection/ Quality Assurance (TPIQA) Agencies for larger works. It is important that the role and responsibilities of the TPIQA Agencies and the implementing agencies should be clearly demarcated. While the TPIQA Agencies should be held accountable in its own right for poor quality of execution of the work, the implementing agencies should continue to be the final point of responsibility and should closely monitor the work of the TPIQA Agencies.

Different implementation agencies followed different processes for award of major construction works. CPWD awarded most of the venue development contracts on item-rate basis, which is the preferred method according to the CPWD Manual since it is best suited to deviations from the original scope of work. However, two major works (SPM and roofing of JNS), which were awarded on lumpsum basis. Large number of extra/substituted items and deviations in the works awarded on lump sum basis tended to change the very essence of the contract. PWD, GNCTD awarded most of its works on percentage rate tenders. This method of tendering is recommended/ suitable, only when the major portion of work is on account of items included in the Delhi Schedule of Rates (DSR), which was not the case in most of the venue development works.

Deficiencies in the process for award of major works related mainly to pre-qualification and eligibility. The pre-qualification of bidders separately for each venue not only introduced arbitrariness and inconsistencies in eligibility criteria, but also delayed the process of award and execution. Considering the similar nature of works for sports venues, a common pre-qualification process should have been conducted.

There were delays relating to venue development at all stages – practically no progress being made till mid 2006; thereafter planning delays on account of late preparation/ approval of venue briefs, return briefs, and concept designs; delays in tendering and contract award; and delays in works execution and handover.

We found several deficiencies in the process of “justification” for awarding works at substantially higher amounts than the cost estimates. There were also numerous instances of deviations (quantity deviations, extra items, and substituted items) from the original scope of work, with adverse implications in terms of increased cost and delays.

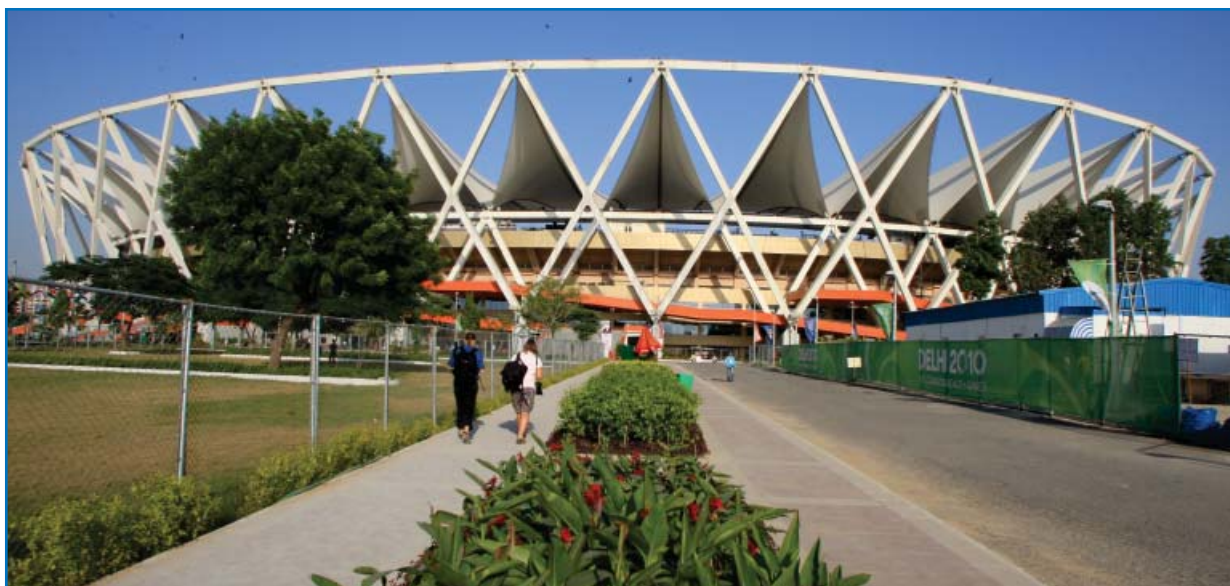
These are attributable to deficiencies in performance of the design consultants, the works contractors, and the implementing agencies, as well as subsequent changes in detailed venue specifications at the instance of the OC/ International Sporting Federations.

We found numerous instances of delays in achieving the milestones listed in the contract, for which adequate penal action (levy of compensation/ Liquidated Damages) was not taken, hindrance registers were poorly maintained, and Extensions of Time (EOTs) not managed properly. Further, it is a matter of grave concern that despite the lapse of several months since the conclusion of the Games, final payments are nowhere in sight for most venue development works. Also, in our opinion, the current clauses for compensation/ LD do not provide adequate disincentives for delays in completion. For such projects, GoI may consider revised LD/ compensation clauses with higher disincentives, with an appropriate cost-versus-time trade-off.

A key element of cost escalation is labour wage escalation. We found several deficiencies in the application of this escalation clause. In our opinion, although such payments are in the nature of compensation, the payments are routinely made as per a specified formula and there is no mechanism to verify that payment is made for labour actually engaged by the contractor/ sub-contractor. In order to ensure that the benefit of increased minimum wages reaches the actual beneficiary, we recommend that such payments should be made only on production of proof of unskilled labour actually engaged, duly authenticated by the Labour Welfare Department.

Another issue with regard to the venue development contracts is the reimbursement of service tax to the contractors. Currently, such reimbursement is being made on the basis of e-challan indicating only lump payments. In future, such reimbursement should be made only on the basis of a certification from the Chartered Accountant that the service tax claimed for reimbursement has been paid specifically for the work covered under the contract.

We also found deficiencies in legacy planning and signing of MoUs with the venue owners.



16.1 Introduction

For hosting CWG-2010, 14 Competition venues and several training venues were constructed/upgraded to meet the standards and specification for such international events. The works were undertaken under the guidance of different consultants by the implementing agencies who further engaged contractors to execute them. Figure 16.1 is a schematic presentation of the various agencies engaged in venue development.

16.2 Design Consultancy

There were considerable variations in the performance of design consultants engaged by different venue owners/ implementing agencies. A key requirement for the design consultants was experience in designing of similar sports stadia¹. Such experience requirements were usually met through consortia involving a foreign partner with such experience. We noticed that where the role of the foreign partner with relevant experience was less, there were significant deficiencies in the performance of design consultancy services:

- Almost all the design consultancy services relating to CPWD venues were awarded to CES. The role of the foreign partner (SBP), if any, was not verifiable from CPWD's records, although the fees payable to the foreign partner were 60 per cent under the contract. In the case of roof designing consultancy contract for JNS, strangely SBP (the JV partner) was also engaged as the TPQIA. The

¹ Especially when the implementing agencies had no such experience and the construction contractors were not required to specifically have experience in constructing sports venues.

services of CPWD's Central Design Organisation (CDO) were not utilised. (Refer paragraph 17.1 and 17.2 of the report);

- In the case of the Games Village practice venues, a consortium of Suresh Goel Associates with Decathlon was awarded the contract; however, Decathlon withdrew from the consortium due to problems with the Indian partner.(Refer paragraph 20.6. of the report); and
- Likewise, Architects Bureau in consortia with Group GSA was appointed by DDA for refurbishment of existing venues at Siri Fort Sports Complex and Yamuna Sports Complex (Peddle Thorp Architects having been appointed for designing of new facilities). There were several deficiencies in the performance of Architects Bureau.(Refer paragraph 18.2.2 of the report).

16.3 Third Party Inspection/ Quality Assurance Agency

Third Party Inspection/ Quality Assurance (TPIQA) Agency are engaged to provide an independent assessment, at various stages of the construction. The scope of work of TPIQA included:

- Assessment of the quality of the work being executed with regard to the material and workmanship as per the stipulated specifications;
- review the quality assurance plan submitted by the contractor in consultation with the client;
- advise the department on quality check of various materials being used, as well as that of the finished works.

- periodically, inspect ongoing as well as finished works and record observations about the quality and standard of the work and the workmanship; and
- prepare a report on its observations and submit the same to the department for taking necessary action on their recommendations.

We found that all the venue owners/ implementing agencies viz. CPWD, PWD, NDMC, GNCTD etc. had appointed/ engaged independent design consultants, who were also required to assist the departments during the execution stages of the projects in order to ensure that the works were carried out as per the approved plan and concept. Further, the CVC also periodically monitored the projects of the CWG – 2010, through its technical wing, the Chief Technical Examiner (CTE), and submitted reports with its recommendations. Besides, the quality assurance functions of the implementing agencies also covered the projects at all stages of execution.

Despite a multi-level quality assurance mechanism, the implementing agencies also engaged TPIQA Agencies for larger works. While it is difficult for us to question the rationale of engaging TPIQA Agencies, it is important that the role and responsibilities of the TPIQA Agencies and the implementing agencies should be clearly demarcated. While the TPIQA Agencies should be held accountable in its own right for poor quality of execution of the works, the implementing agencies should continue to be the final point of responsibility and should closely monitor the work of the TPIQA Agencies, so as to ensure that:

- it is available at all stages of construction;
- it gives its reports periodically, preferably linked with the construction milestones; and
- it submits its report in a timely manner and the client ensures that the deficiencies are rectified immediately.

Further, in cases of failure to perform its duties and responsibilities, the penalties imposed on the TPIQA Agencies should be stringent and not limited to financial penalties viz. liquidated damages, compensation for damages, etc., but also such that it adversely affects the credibility of the agency (TPIQA), so that it is debarred/ blacklisted from securing any government/ private contract for third part assurance/ engineering consultancy in future.

16.4 Award of Contracts

Different implementing agencies awarded major construction works differently:

- CPWD awarded most of the venue development contracts on item-rate basis, which is the preferred method according to the CPWD manual, since it is best suited to handling deviations from the original scope of work.
- However, CPWD awarded two major works – the Dr. SP Mukherjee Aquatics Complex (SPM) and the roof for Jawaharlal Nehru Stadium – on lumpsum basis. Large number of extra/ substituted items and deviations (in particular in the case of the SPM) – tended to change the very essence of

the lump sum contract. (refer paragraph 17.6.1.1 , 17.6.1.2 & 17.7.1.1 of this report)

- PWD, GNCTD awarded most of its works on percentage rate tenders. Under this method, the bidding contractors quote a single percentage rate above or below the cost estimate for the project. Consequently, errors/ calculations in individual items of the cost estimate cannot be factored into consideration at the time of bidding. According to the CPWD manual, this method of tendering is acceptable only when the major portion of the work is on account of items included in the Delhi Schedule of Rates (DSR). Considering that many of the items associated with development of sports venues were not listed in the DSR, adoption of this method was not desirable. (refer paragraph 19.3.1.4 of this report)

Deficiencies in the process for award of major works mainly related to pre-qualification and eligibility:

- In the case of Major Dhyan Chand Hockey Stadium, Unity Infra became eligible only through relaxation of pre-qualification criteria. (refer paragraph 17.9.2 of this report)
- In the case of Indira Gandhi Stadium(indoor cycling velodrome), JMC India was considered eligible on account of financial position only through consideration of a shortened accounting period of six months with profits (while substantial losses were incurred during the preceding extended 18 month accounting period). Further, undue favours were shown in selection of Swadeshi Construction Co. for many

works. (refer paragraph 17.8.2.1 and 17.8.4.1 of this report)

- The main work for the Games Village practice venues was awarded to Sportina Payce, which was ineligible at the time of bidding. (refer paragraph 20.6.4 of this report)
- The main work of construction of Shivaji Stadium was awarded to China Railway Shisiju Group Corporation (whose eligibility is open to question) which, in turn, employed a sub-contractor, Simplex Projects Ltd. Incidentally, this stadium is still not complete. (refer paragraph 19.2.2.5 of this report)
- The main work in respect of Talkatora Indoor Stadium was awarded on the basis of a single financial bid to Simplex Projects Pvt. Ltd. (refer paragraph 19.2.3.1 of this report)

The pre-qualification of bidders separately for each venue not only introduced arbitrariness and inconsistencies between the eligibility criteria adopted by different implementing agencies (and their executing divisions), but also delayed the process of award and execution of these contracts. In our opinion, considering the similar nature of works for sports venues (based on the venue briefs prepared by OC's consultant, EKS), a common pre-qualification process (cutting across all implementing agencies and venues) should have been conducted, which would have minimized such issues.

16.5 Delays

There were delays relating to venue development at all stages:

- Planning delays – As already discussed in Chapter 5, till mid-2006, there was practically no progress made on planning. While the sporting disciplines and the competitive venues were approved in January 2006, no major progress could be made till the appointment of EKS as OC's consultant, which was approved in November 2006.

Thereafter, time was lost on account of delayed preparation of venue briefs by OC, submission of return briefs and concept designs by the implementing agencies, and final approval by the OC; this was compounded by delays in applying for, and receiving clearances from various statutory agencies. Annexure 16.1 indicates the delays at the planning stage;

- Delays in tendering and contract award; and
- Delays in works execution and handover.

16.6 Contract Management and Execution

16.6.1 Cost Estimation

In most cases, the costs at which works were finally awarded were substantially higher than the estimated costs². The awards were then “justified” within a band

² In one case i.e. Weightlifting Auditorium in JNS, the civil works component of the technical estimates were inexplicably prepared in January 2008 on the basis of DSR 2002 (without indexing it to increase in costs) though the revised DSR 2007 was notified in December 2007.

of 10 per cent through calculation of justified costs (based on market assessment of the majority of items) post- financial bid opening. We found several deficiencies in the process of justification.

We recognise that the only alternative to the justification process – viz. re-tendering – was not feasible in the vast majority of cases, due to the limited time available for completion of the venues in time for the Games. However, in addition to casting doubts on the reliability of cost estimation, not knowing the precise cost to be ultimately borne by the public exchequer is also a highly undesirable situation. This also puts the Government in a weak negotiating position vis-a-vis potential bidders.

16.6.2 Changes in Scope of Work

In most of the works, there were numerous deviations from the original scope of work, with adverse implications in terms of increased cost and delays. In our opinion, these are attributable to multiple factors:

- the failures of the design consultants,
- deficiencies in performance of the works contractors;
- failure of the implementing agencies to properly supervise and monitor the progress of work; and
- subsequent changes in detailed venue specifications at the instance of the OC/ International Sporting Federations.

These changes in the scope of work of awarded contracts, fell into three categories:

- Deviations – representing increases/ decreases in quantity for items already included in the contract;

- Extra items – for items of work which are completely new and in addition to the items contained in the contract; and
- Substituted items – where an item is taken up in partial modification or in lieu of items of work in the contract.

The financial implication of these changes is complicated by the differences between the current market rates and the item-wise rates stipulated in the contract. The rate of extra items will be worked out at market rates prevailing at the time of commencement of execution of these items. However, for substituted items, the agreement rate of the original item will be adjusted for the difference in market rates of original and substituted items. In a few instances, we noticed treatment of items as “extra” items where there was a rising market trend, and substituted items where there was a declining market trend. Both these scenarios tended to be to the financial benefit of the contractors. Case study 16.1 illustrates the variation in amounts payable by treating substituted items as extra items.

Case Study: 16.1

Overpayment by irregularly treating the substituted items of works as extra items

We noted that undue financial favours were extended to the contractor through irregularly treating items of work in the agreement as 'extra items' instead of 'substituted items'.

In Dr. Karni Singh Shooting Range agreement, items of integral flood flight were partially modified but instead of deriving rates as above, CPWD paid market rates treating the item as extra

item resulting in overpayment of Rs. 0.31 crore.

In SPM treating the item viz. 'toughened glass' as extra item instead of substituted item CPWD justified the rate of Rs. 15,955 per sqm in lieu of the rate of Rs. 13,744.45 per sqm already sanctioned as substituted item, with an additional financial implication of Rs. 2.16 crore. The extra payment was justified on grounds of a decision that for lump sum contract usual substitution of items cannot be operated upon on the basis of variation rates and therefore such items would be treated as new item for payment at market rate. However, fact remained that in another case but in the same agreement, CPWD (Electrical Division) has substituted some items. Hence, CPWD adopted two different methodologies for adoption of rates in case of substitution of items in a lumpsum contract.

The extent of extra, substituted and deviated items in the 29 works (with tendered cost of Rs.1483.91 crores) reviewed by us, is summarized below:

(Rs. in crore)

Category	Amount
Extra items	95.66
Substituted items	15.99
Deviated items	131.83

These include cases which are also discussed in works specific paragraphs of the relevant chapter.

The details of extra items, substituted items and deviated items in different works, along with our remarks, is given at Annexe 16.2.

16.6.3 Handling of Delays

We found numerous instances of delays in achieving the milestones listed in the contracts, for which adequate penal action was not taken. Hindrance registers, which would clarify the responsibilities of the contractor and implementing agency for these delays, were poorly maintained, compromising the process of determining liabilities for delays. Further, Extensions of Time (EOTs), which are required to be handled in a timely manner (to ensure contractually that time remains the essence of the contract, if a dispute requires legal or arbitration remedies) were not managed properly. Also, compensation/ liquidated damages for delays have not been levied on the contractors in most cases.

It is a matter of grave concern that despite the lapse of several months since the conclusion of the Games, final payments are nowhere in sight for most venue development works.

16.6.4 Non-levy and recovery of compensation for delay in completion of work

All contracts awarded by CPWD for CWG-2010 indicated stipulated dates of start and completion of work specifying that time was essence of the contract. All agreements provided for recovery of compensation @ 1.5 percent per month of delay in completion of work, computed on per day basis, not exceeding 10 percent of the tendered value of work. Agreements for major works also included milestones indicating stages of work for achievement by the contractor. In case of failure of the contractor to achieve the contracted

milestone, specified percentage of tendered amount was to be withheld from contractors' bills for adjustment against any recovery due from contractor for slow progress and delay in completion of work. Regarding grant of EOT, the CPWD Manual stipulates that based on the Hindrance Register where adequate and proper grounds exist, the Engineer-in-charge can grant extension of time. Remedies for delayed completion/ inferior workmanship at disposal of the Government include levy of compensation, termination of contract, award of unexecuted work to another contractor after giving notice to the contractor, forfeiture of earnest money/ security deposit/ performance guarantee etc.

We found that generally completion of works was delayed due to numerous lapses, slippages, inadequacy of manpower, incompetency of contractors/ sub-contractors, delays in procurement of material etc. on the part of the contractor and there were either no bona fide hindrance in completion of work or hindrance were of routine nature not justifying long delays in completion of work. Despite records indicating that the contractor was fully/largely responsible for delay in completion of work, CPWD had not initiated action in a single case for levy and recovery of compensation from contractors. Amounts withheld for slow progress of work and non-achievement of milestone were also released without reasonable justification. Extensions of time were routinely granted, completely ignoring lapses, slippages and delays on the part of the contractor, letters issued to the contractors pointing out such lapses, inadequacies of resources & materials and

notices issued to the contractor from time to time under provisions of respective agreement.

In two of the six cases in which final EOT had been granted we found that no compensation was levied despite delays being attributable to inadequate manpower and lack of management on the contractor's part; and delays in providing drawings for the consultancy contract. The maximum amount of compensation that could have been levied in these 2 cases amounted to Rs. 2.32 crore as detailed in Annexe 16.3.

In 41 cases extension of time had not been decided and CPWD assured that due consideration would be taken for lapses on the part of the contractor at the time of final extension of time/bill and compensation levied. Details of these cases are given in Annexe 16.4.

16.6.5 Payment of escalation in cases of unjustified EOT

Further, under the provisions of the contract, penal action against the contractor for delay in completion of work would deprive them of their claim for escalation in rates of labour and material beyond the stipulated date of completion of work. We found that an escalation of Rs. 7.02 crore for periods beyond the stipulated date of completion, was made in JNS (refer paragraph 17.6.1.3 of this report).

Recoveries need to be made in all such cases while finalising the EOTs and penalties for delays in completion.

16.6.6 Adequacy of penal provisions for delays in completion of projects

For the venue development and other projects relating to CWG-2010, completion within stipulated time limits was of paramount importance. Clearly, the routine delays in completion occurring in a large proportion of public works projects would not be acceptable in this scenario. However, the current clauses for liquidated damages/ compensation for delays (generally limited to 10 per cent of the contract cost) do not provide adequate disincentives for timely completion. By contrast, BOT contracts with revenue generation arrangements automatically provide necessary incentives/ disincentives for contractors, since delayed completion automatically delays/ reduces revenue generation.

For such projects, where timely completion is of utmost importance, GoI may consider revising the LD/ compensation clauses (to, say, 20 -25 per cent of contract cost), which would provide far higher disincentives to the contractor for delayed completion. Naturally, the risks on account of stricter LD clauses would be factored into consideration by the prospective bidders, and would, likely, result in higher awarded costs. However, an acceptable cost-versus-time trade-off needs to be considered in such circumstances.

A potential problem in such an arrangement is that contractors could be favoured by attributing delays to the Department (and not the contractor); in such a situation, LD/ compensation would not be leviable. Safeguards against such misuse could include specifying that hindrances/ delays not attributable to the contractor should be identified well in time (and not just before/

after the stipulated completion date) and approved at one or two levels higher than the NIT/ contract-approving authority.

If a contractual arrangement on the above lines is considered feasible, it should be finalised at the level of the Central Works Board, and not at lower levels.

16.7 Justification of rates by inclusion of additional labour cost due to reduced time period for execution

Most major contracts for works were awarded between late 2007 and 2008. Since the costs tendered were generally higher than the estimated costs, these were justified partly by including a cost component of increased labour cost due less than normal time allowed for execution of work in view of the immovable deadline of CWG-2010. However, most projects could not be completed as per the reduced time schedule, defeating the very premise on which these additional costs amounting to Rs. 15.02 crore were anticipated. Details of time lines (targeted and actual) and the additional labour costs due to reduced time for execution are given in Annexe 16.5.

As commented elsewhere in this chapter, Extension of time has been granted but it has not been determined how much of the delays are attributable to the contractor. To the extent that the delays are attributable to the contractor, the additional cost for labour included in the justification is not tenable and should be adjusted in the final bills.

16.8 Inadmissible component of cost transportation of labour from labour huts to site and back in cases where arrangements are not made for labour huts at an off-site location

Generally, the Notice Inviting Tender (NIT) for works stated that “No labour hut/jhuggies shall be allowed at site. The contractor shall accommodate the labourers etc. in neat looking prefabricated structures, instead of temporary jhuggies including provision of toilet blocks on his own land.”

Accordingly, when justification of rates were prepared, a component of cost “transportation from hutments to site and back” was included.

We found evidence indicating that some labour hutments were provided on site instead of off-site at venues listed in Annexe 16.6 As such, it cannot be assured that the contractor fully incurred costs for the component “cost of transportation from hutments to site and back” estimated at Rs. 8.79 crore in the justification of rates.

16.9 Labour wage escalation payments under clause 10C of General Conditions of Contract

Clause 10 C of General conditions of Contract (GCC) provides for reimbursement to/recovery from a contractor of increase/decrease in labour costs caused as a direct result of coming into force of any fresh law or statutory rule or order, by which wages of labour are increased/decreased over wage rates

prevailing at the time of the last stipulated date of receipt of tenders. This clause forms an exception to the general rule of the contract that nothing more than what has been agreed to be paid for work done is to be paid to the contractor. **It is in the nature of recompense to the contractor** if during the progress of the work the cost of wages of labour increases as a direct result of the coming into force of any fresh law or statutory rule. Similarly, the contractor cannot benefit in the event the cost of labour decreases due to the same reason.

As per this clause, for labour wage escalation payments, the labour component of the work executed during period under consideration shall be the percentage, as specified in Schedule F, of the value of work done during that period and the increase/decrease in labour shall be considered on the minimum daily wages in rupees of any unskilled adult male mazdoor, fixed under any law, statutory rule or order. Also, Engineer-in-Charge may call for books of account and other relevant documents from the contractor to satisfy himself about reasonability of increase in cost of wages.

We found several deficiencies in the application of clause 10C with regard to reimbursement of increase in labour costs

Escalations were to be calculated on the basis of percentage of labour component in schedule F to the contract. We found cases, detailed in Annexe 16.7, where no such percentage was mentioned in the signed contract and appended to Schedule F, but payments of Rs. 3.81 crore were made. Such payments against deficient contracts are irregular and not permissible.

Though the payment under Clause 10 C of GCC is in the nature of a compensation,

there is no mechanism in place to verify that payment is being made for labour actually engaged by the contractor/sub-contractor. Though the contractor does submit fortnightly reports indicating the labour engaged, these are neither complete as they generally do not reflect the labour engaged by sub-contractors, nor are these authenticated by an independent competent authority (Labour Welfare Department of the Government). It is also not mandatory for the engineer in charge to verify the strength of labour engaged before making such payment. Hence, no assurance can be drawn that the payments made under Clause 10C of GCC truly and fairly reimburse the contractor for the labour actually engaged by it and that the benefit of increase in minimum wages is being passed on to the actual beneficiary i.e. the labourer in the instant case. A case study in this regard is given in the box below

Case Study: 16.2

Contractor paying less than minimum wages to labour while claiming compensation under Clause 10C

In case of the Indoor Cycling Velodrome at IG stadium (Composite work for construction of Indoor Cycling Velodrome executed by JMC Projects (India) Ltd.), the contractor claimed escalation payment for the months of June-September 2009 on the basis of revised labour rate of Rs. 180 per day per labour and for October-December 2009 at the revised rate of Rs. 203 per day per labour. However, as per labour reports attached with running account bills, payment to the unskilled labourers by the contractor was @ Rs. 155 per day per labour.

It is a known fact that the unskilled labour sector is a disorganised sector. It is the primary responsibility of the Labour Welfare Department to ensure that the unskilled labour engaged in any nature of employment activity is duly identified, registered and recompensed/benefited as per the labour laws of the country. Construction industry being a major employer of unskilled labour, it is imperative that systems are put in place in this sector to ensure all unskilled labour are duly identified, registered and remunerated at least as per the prevailing minimum wage rates apart from benefitting from other statutorily prescribed labour welfare measures.

Therefore, we recommend that payments under clause 10C for statutory increase in wage rates/other labour related costs, should be made only on the production of proof by the contractor, duly authenticated by the competent authority of the Labour Welfare Department, of the unskilled labour actually engaged and compensated at minimum of the applicable wage rate.

In the long term, measures should also be taken to ensure proper identification of unskilled labour through issue of unique identification numbers and payments through wage cards directly credited to their bank accounts as is being done in the implementation MNREGA scheme.

16.10 Deficiencies in Detailed Analysis of Rates for Delhi(DAR)

Scrutiny of records indicated that the Department was reckoning the following components of costs as per DAR while analysing rates, as indicated below:

- one per cent of the cost of the steel items towards water charges, though no use of water was required in the execution process of the items; and
- five per cent towards wastage of steel (TMT Bars) used without crediting its scrap value in the analysis of rates.

CPWD, without commenting on the reasonability of the charges stated that these were done as per provisions of DAR and did not furnish the comments of the competent authority (approving authority) of DAR.

The matter needs to be examined by the DAR approving authority and necessary clarification issued

16.11 Service Tax Issues

16.11.1 Excess reimbursement of Service tax

As per clarification issued in the Service Tax Rules for reimbursement of service tax, the gross amount charged for the works contract was to exclude VAT/Sales Tax to arrive at the net amount subject to service tax. However, this was not done by CPWD while allowing reimbursement of service tax reimbursed with reference to total amount of work done. CPWD accepted the fact in SPM stadium and assured that necessary

correction/adjustment shall be done in the next reimbursement of service tax to the agency. Though CPWD was requested in January 2011 to provide details of such overpayments made in all CWG-2010 works, their reply was still awaited. As a case study, we calculated that such recoveries/ adjustments amount to Rs.0.18 crore in the case of Ahluwalia Contracts (India) Ltd., the agency executing works at Dr. SP Mukherjee Stadium.

16.11.2 Reimbursement of Service Tax without assurance of its payment for the particular work

CPWD, in the NIT for works, specified that Service Tax on work contract as applicable would be reimbursed to the executing agencies, and accordingly reimbursed service tax @ 4.12 per cent of the gross amount of the work done. Such reimbursement was done on the basis of e-challan, which indicate only lump sum payment without break-up of the payments made against various works – Government/ non-government, undertaken by the contractor. In the absence of work-wise breakup, it cannot be assured that the reimbursement is specifically with respect to the Service Tax paid on that particular work executed for Government, and the contractor is not unduly enriched by such reimbursement.

We recommend that in future, reimbursement of Service Tax should be made only on the basis of a certification from the Chartered Accountant to the effect that the Service Tax payment sought to be reimbursed has been paid specifically for the work covered under the contract/ agreement permitting the reimbursement.

16.12 Absence of Works of Art

Delhi Urban Arts Commission, in its approval to projects, stipulated a condition that one percent of the project cost should be spent on works of art in the buildings. No such works were executed. CPWD replied that since the estimates did not include this cost, it had separately asked SAI to release Rs. 22.54 crore for the execution of such works in the venues owned by SAI.

As such, the works of art remain unexecuted.

16.13 Legacy Plan

Since the funds for development/ upgradation of various competition and training venues not owned by Government directly/ indirectly were released by Government, MYAS was required to enter into MoUs with the venue owners for legacy/ future use of sports infrastructure and facilities created. We found that the action taken by MYAS in this regard was deficient

16.13.1 Memorandum of Understanding (MoU)

MYAS signed MoUs on various dates in respect of the following venues:

Sl.No.	Name of the organization and venue	Date of MOU
1.	Main Rugby Competition Venue, Multipurpose Hall and Athletics Track Training Venue at Polo Ground at Delhi University, North Campus.	09.11.2010
2.	Delhi Lawn Tennis Association (DLTA) and All India Tennis Association (AITA), R.K. Khanna Tennis Stadium	27.05.2010
3.	Rugby and Table Tennis Training Venue at JMI.	08.07.2010
4.	Lawn Bowls Training Venue at DPS, RK Puram	04.08.2010
5.	1000 yard Big Bore Shooting Range at CRPF Campus at Kadarapur	17.06.2010

We found that the MYAS had not fixed any time limit for signing of MoU with the venue owners although the CWG-2010 concluded on 13 October 2010, the legacy/future use of most venues are yet to be decided.

16.13.2 Deficiencies in MoUs

The deficiencies in the MoUs signed are listed below:

Venue	Deficiencies
Delhi University, North Campus.	<ul style="list-style-type: none"> ■ DU signed MoU with MYAS; however, MoU with seven colleges³ for legacy use of rugby training venues and women wrestling hall are still pending.
DLTA and AITA	<ul style="list-style-type: none"> ■ DLTA and AITA signed MoU for legacy use of R.K. Khanna, Tennis Stadium. As per MoU <ul style="list-style-type: none"> ● MYAS has the right to nominate seventy five talented players annually to avail of free coaching by AITA, ● MYAS would nominate up to ten coaches per year for free of cost training by AITA, ● tenure membership be provided for 20 government servants for using facilities and ● maintenance of stadium and facilities shall be responsibility of DLTA and AITA. ■ It was observed that the activities mentioned in the MoU schemes viz. nomination of talented players and providing coaching to them had still not been implemented.

³ Daulat Ram, Khalsa, Ramjas, Kirorimal, St. Stephens, SRCC and Hindu.

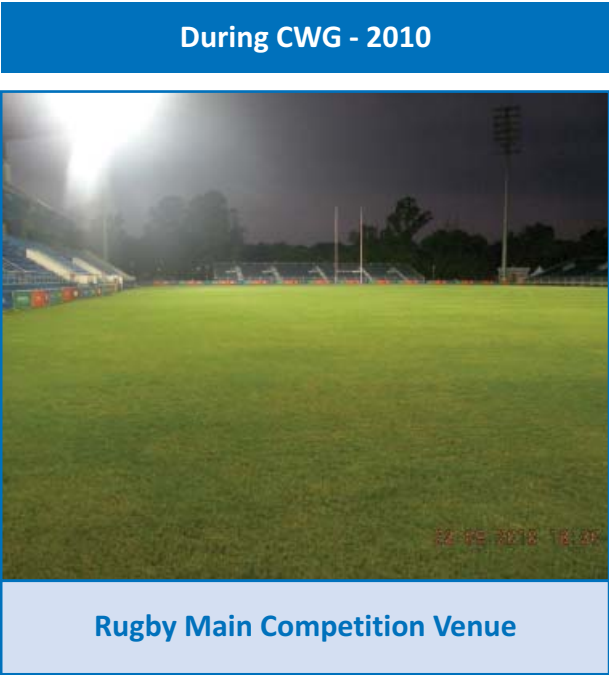
Further, the provision of tenure membership for 20 Government servants for using DLTA facilities does not represent proper legacy use of such facilities (targeted towards children, youth and sportsmen) and instead provide an opportunity for patronage by MYAS to individual Government Servants. We recommend that this clause in MoU be ammended.

The comprehensive legacy plan for optimum utilization of developed infrastructure for usage and regular maintenance and upkeep of facilities in the operational condition in respect of above venue owners has still not been prepared.

We suggest that
At DU, besides regular use by the students of DU and respective colleges, the sports facilities may be made available for training/ practice of national level athletes; and Tennis associations and societies could have been invited to utilize the stadium by organizing tournaments/tennis events.

16.13.3 Present Position

Our visit at the DU, revealed that if the legacy plan for usage and regular maintenance and upkeep of facilities for the operational condition had been prepared and implemented, then the sporting infrastructure would have remained in proper working condition; unlike the poor condition as can be seen from the series of phorographs taken by us and presented below:



During CWG - 2010

Rugby Main Competition Venue



After CWG - 2010

Rugby Main Competition Venue

During CWG - 2010

After CWG - 2010



Main Rugby Field - Seating

Main Rugby Field - Seating



Toilets in Multipurpose Hall

Toilets in Multipurpose Hall

Venues Developed by Central Public Works Department

CPWD was engaged by the Sports Authority of India (SAI) for upgradation/ renovation of five competition venues – Jawaharlal Nehru Stadium, Dr. SP Mukherjee Stadium, Major Dhyan Chand National Stadium, Indira Gandhi Stadium, and Dr. Karni Singh Shooting Range, as well as one training venue – DPS, RK Puram. In addition, CPWD renovated the Kadarapur Shooting Range on behalf of CRPF.

We found that the appointment of Consulting Engineering Services (CES) as the main design consultant for the five main stadia, in September / October 2006, was seriously flawed. CES was favoured at the evaluation stage by award of marks on “concept design” (which were largely outputs of a previous set of consultancy contracts for “condition survey” awarded to CES). Further, the technical qualification of CES on the basis of “concept design” is all the more amazing, since OC's consultant, EKS was engaged only in November 2006 and thereafter prepared the venue briefs, on the basis of which “concept designs” were to be prepared. The performance of CES in almost all the venue consultancy contracts was abysmal. The financial liability of CES for numerous deficiencies should be determined, and CES should be blacklisted for consideration for future consultancy contracts. We also recommend that CPWD's Central Design Organisation be strengthened, to reduce undue dependence on external consultants.

A Centralised Co-ordination Committee, chaired by Chairman, OC and including representatives from venue owners/ implementing agencies, was responsible for selection of brands of sports surfaces. We found clear instances of favouritism and bias shown by this Committee (which was largely guided by the OC) in selecting sport surfaces for athletic tracks, hockey turf and badminton court mats.

A joint tendering mechanism was put in place for selection of agencies for laying the sports surfaces at the venues. We found serious deficiencies in the award of the contract for laying of synthetic athletic track surfaces by CPWD to Shiv Naresh Sports Pvt. Ltd. The restrictive tendering conditions resulted in a situation where the awarded rates were much higher than comparative rates. We also found that the area over which synthetic track was laid included 9,130 sqm outside the main track and area of final warm-up and call rooms at JLN Stadium at a cost of Rs. 6.63 crore; we are unable to derive assurance that this additional quantity was required for the Games, and confirmed as such by OC. We also found deficiencies in the quality of the main competition track during our field visits in November 2010.

A joint tendering mechanism was evolved for supply and installation of VVIP/ VIP chairs and media chairs for five venues. We found a systematic pattern of calculations and re-

calculations for inflation of rates, which ultimately benefited the vendor, Superior Furnitures.

We found massive overkill in purportedly building “redundancy” in power supply arrangements for the venues, including:

- *Installation of DG Sets as permanent fixtures (the prospects of utilisation of which during the non-events period are negligible) for “critical loads” as assessed by CPWD which were close to the normal power requirement;*
- *Installation of UPS (whose requirement on a legacy basis is, in our opinion, more or less insignificant); and*
- *Hiring of additional DG sets of huge capacity by OC.*

In Jawaharlal Nehru Stadium, we found instances of non-adjustment for work not executed, extra payments for work already covered by the scope of the lumpsum contract, and non-levy of compensation for delayed completion of the work of the membrane roof. The creation of a tunnel at JNS for entry and exit of performing artistes at the opening and closing ceremonies was initiated only in November 2009; we are unable to ascertain how much of the delays are attributable to the introduction of the tunnel at this late stage. During a joint inspection in January 2011, we found several deficiencies in execution of work, including leakages in underground parking and evidence of water logging in the lower basement.

The main work of Dr. Shyama Prasad Mukherjee Swimming Pool Complex was awarded on a lumpsum contract. We found a number of concessions to the contractor, in deviation from the spirit of the lumpsum contract – large number of extra items, additional payment for work covered in the original contract, as well as substitution of the original galvalume (aluminium-zinc coated steel) roof with an aluminium roofing system, due to the failure of the contractor; this was also noticed in the replacement of the roof at JNS Weightlifting auditorium. The essence of the lumpsum character of the contract was, thus, defeated. We also found instances of execution of poor quality of work.

Work at the Indira Gandhi Stadium Complex involved upgradation/ construction of venues for cycling, gymnastics and wrestling. We found that an otherwise ineligible firm for the composite work of the indoor cycling velodrome was qualified (and ultimately became the successful bidder) through a change in accounting periods (to ensure compliance with the condition of not having incurred losses in more than 2 of the last 5 years), as well as inconsistent and unreliable figures of liabilities. Strangely, competition for laying the permanent timbre track for the velodrome was limited to Indian furniture contractors (in association with an international track design and construction expert), with no attempt to float international tenders; this was compounded by dilution of eligibility criteria. We also found deficiencies in the bidding process for the wrestling stadium, with an inexplicable delay of four months in declaring the pre-qualified bidders, ultimately

resulting in a single financial bid, which raises concerns on the competitiveness of the bidding process. Further, we found numerous irregularities/ relaxations in the tendering process for different works relating to the gymnastics stadium, hostel/ media centre and roads, boundary wall etc. to favour a particular bidder, Swadeshi Construction Co. Our verification of its correspondence address revealed that it was a residence, casting further doubt on its credibility and authenticity.

In the case of the Major Dhyan Chand Stadium, we found dilution of pre-qualification criteria benefiting a particular contractor; further, estimates were lowered substantially from the RFQ to the RFP stage, which may have discouraged larger companies from participating. We also found that the “justified” rates calculated by the CPWD did not truly reflect the market, as we found evidence of much lower rates for components of the main work from outsourced agencies. Also, despite additional costs for reduced time period for completion factored into the “justification” process, the project took 37 months, against the stipulated 18 months; no compensation had, however, been levied. We also found inexplicable delays, with re-tendering twice along with dilution of bid criteria, in award of the work of the PA system to a firm, which was ineligible in the first and second rounds of tendering.

The originally envisaged renovation/ upgradation of Dr. Karni Singh Shooting Range was changed to reconstruction of ranges after a delay of seven months, creating a squeeze of time at the execution stage. Due to the failure of the contractor, part of the work was awarded (after relaxation of eligibility conditions to another agency). We found deficiencies in the quality of works executed, which persisted even after the Games. We also found certain deficiencies in the execution of works at the Kadarapur Shooting Range. The training facilities to be constructed at the CRPF campus, Jharoda Kalan for police sportspersons for participation in CWG-2010, had not been completed.

17.1 Engagement of Design consultants

17.1.1 Venue Appraisal Studies and Venue Briefs by EKS

In June 2005, at the conceptualisation stage of the CWG – 2010, EKS was appointed¹ as a consultant for conducting a baseline study – 'Venue Appraisal Services' (VAS). This included

- comments on the appropriateness of the proposed infrastructure for meeting internationally accepted standards;
- technical venue requirements;
- recommendations regarding alternate venue opportunities/ upgradation of existing venues; and
- preparation of Master Plan for CWG - 2010 venues, etc.

The competition venues were finalised in January 2006 in the 9th Group of Ministers (GoM) meeting. Subsequently, in November

¹ On the proposal of OC to the GoM in its 4th Meeting in March 2005 at a cost of Rs. 0.49 crore to be borne by DDA

2006, EKS was again appointed as the main consultant by the OC for preparing Venue Briefs, which were to be the basic guiding documents for the venue developer to develop sports venues for hosting international sports events during CWG – 2010.

The venue briefs stipulated that the design and technical solutions for venue development were to be prepared by the design consultants appointed by the respective agencies.

17.1.2 Engagement of CES for “Condition Survey”

In July 2004, soon after the award of CWG-2010 to Delhi but before planning for the same had started at the Government's level, SAI entrusted renovation of stadia to CPWD. Following this (in March 2005), CES was awarded contracts for condition survey and repairs for five stadia namely – MDC National Stadium, Dr. S.P.M Swimming Complex, Indira Gandhi Stadium Complex, Jawaharlal Nehru Stadium, and Karni Singh Shooting Range for a total consultancy fee of Rs. 0.43 crore². As a part of this set of

earlier contracts, CES prepared reports in several volumes for all these stadia, which included concept designs, BOQs, technical specifications, etc. These contracts were continuing even in March 2007; the exact dates of completion of contracts could not be ascertained from CPWD.

17.1.3 Selection of Consultant Engineering Services (I) Ltd. (CES) by CPWD as main consultant in all the five stadia

In the meantime, subsequent to the identification of the venues, CPWD initiated the work of award / identification of Design Consultants for its venues during the period June – July 2006.

For the engagement of specialized agencies for consultancy services for works in all the stadia, an evaluation committee³, on the approval of the Additional Director General (TD) – CPWD, was constituted. The tenders for the main consultancy contracts for the development of the five stadia, for CWG – 2010 were floated by the individual stadiums. Details of firms that technically qualified and then were awarded the consultancy contract are given in Table 17.1.

Table 17.1 - Consultancy firms technically qualified and awarded consultancy contract

Venue	Firms pre-qualified.short listed	Firm declared technically qualified	Firm awarded the work
Jawaharlal Nehru Sports Complex	JNS Complex <ul style="list-style-type: none"> ■ CES (I) Pvt Ltd. ■ STUP Consultants Pvt. Ltd. ■ RITES Ltd. ■ Tata Consulting Engineers Ltd. ■ Intercontinental Consultants and Technocrats Pvt. Ltd. (ICT) ■ Dalai Mott MacDonald 	CES (I) Pvt. Ltd.	CES (I) Pvt. Ltd.

² MDC + KSSR = Rs.9.87 lakh; IG+SPM = Rs. 12.55 lakh; JNS = Rs. 20.44 lakh

³ Members of the committee were CE CDO-cum-Project Manager CWG – 2010; CE (NDZ) – IV; CE (Electrical); Chief Architect; ED-Finance (SAI); SE (Designs)-I, CDO; SE (Designs)-II, CDO; and SE DCC – III – member-Secretary.

Venue	Firms pre-qualified.short listed	Firm declared technically qualified	Firm awarded the work
	JNS Weightlifting Auditorium <ul style="list-style-type: none"> ■ CES (I) Pvt Ltd. 		
Indira Gandhi Stadium Complex (in two packages)	Package – I (Gymnastics) <ul style="list-style-type: none"> ■ CES (I) Pvt Ltd. ■ STUP Consultants Pvt. Ltd. ■ Development Consultants Pvt. Ltd. ■ M. N. Dastur Ltd. ■ Construma Consultants Pvt. Ltd. 	CES (I) Pvt. Ltd.	CES (I) Pvt. Ltd.
	Package –II (Wrestling, Warm-up Halls for Gymnastics, External Utilities) Five firms pre-qualified which included ⁴ <ul style="list-style-type: none"> ■ FMM Pvt. Ltd. ■ Span Consultants Pvt. Ltd. ■ CES (I) Ltd. 		
Dr. S.P.M. Swimming Pool Complex	<ul style="list-style-type: none"> ■ CES (I) Pvt Ltd. ■ STUP Consultants Pvt. Ltd. ■ RITES Ltd. ■ Tata Consulting Engineers Ltd. ■ Intercontinental Consultants and Technocrats Pvt. Ltd. 	<ul style="list-style-type: none"> ■ CES (I) Pvt. Ltd. ■ Intercontinental Consultants and Technocrats Pvt. Ltd. 	CES (I) Pvt. Ltd.
Major Dhyan Chand Hockey Stadium	<ul style="list-style-type: none"> ■ CES (I) Pvt Ltd. ■ STUP Consultants Pvt. Ltd. ■ Mott MacDonald Pvt. Ltd. 	CES (I) Pvt. Ltd.	CES (I) Pvt. Ltd.
Dr. Karni Singh Shooting Range	<ul style="list-style-type: none"> ■ Kothari & Associates. ■ Span Consultants Pvt. Ltd. ■ CES (I) Ltd. ■ Architects Bureau ■ TEAM 	<ul style="list-style-type: none"> ■ CES (I) Pvt. Ltd. ■ Span Consultants Pvt. Ltd. 	CES (I) Pvt. Ltd.

CES technically qualified in all the five contracts. In three stadia, its financial bid was the only one to be opened, effectively denying the benefit of competitive bidding.

The contracts for design consultancy were awarded to CES in all the five venues at the rates indicated in Table 17.2:

⁴ Other details not available in records furnished to audit

Table 17.2 - Stadium wise awarded cost of consultancy services to CES

Venue	Awarded Cost
Jawaharlal Nehru Stadium Complex	Rs. 8.97 crore
Indira Gandhi Stadium Complex (in two packages)	Rs. 5.17 crore (The scope of work increased, post award, to include interior space planning of gymnastics stadium at an additional cost of Rs. 0.38 crore)
Dr. S.P.M. Swimming Pool Complex	Rs. 6.41 crore
Major Dhyan Chand Hockey Stadium	Rs. 2.09 crore
Dr. Karni Singh Shooting Range	Rs. 0.32 crore (Original consultancy work not foreclosed, and new consultancy work assigned at an additional cost of Rs. 0.55 crore augmenting the cost of consultancy work to Rs.0.80 crore)
Total	Rs. 22.96 crore

We found that CES emerged as the only technically qualified bidder for three stadia, primarily on account of marks assigned to them on the parameters of 'concept designs' and other details (which were largely outputs of the previous set of

consultancy contracts). All other bidders, despite possessing specific experience in sports stadia, were held to be technically not qualified, by assigning lower scores to them on the parameters of 'concept design' as indicated in the Table 17.3:

Table 17.3 - Marks obtained bidders on the parameter of concept design

Venue	Maximum and minimum qualifying marks	Marks obtained on concept design	Firm Declared technically qualified
Jawaharlal Nehru Stadium Complex	Maximum Marks – 30 Minimum Marks – 22	<ul style="list-style-type: none"> ■ CES (I) Pvt Ltd – 26.62 ■ ICT Pvt. Ltd. – 10.87 ■ TCE Ltd. – 16.59 	CES (I) Pvt Ltd.
Indira Gandhi Stadium Complex (in two packages)	Details regarding marks obtained not furnished.	Details regarding marks obtained not furnished.	CES (I) Pvt Ltd. for both the packages
Dr. S.P.M. Swimming Pool Complex	Maximum Marks – 30 Minimum Marks – 20	<ul style="list-style-type: none"> ■ CES (I) Pvt Ltd – 26.00 ■ ICT Pvt. Ltd. – 22.50 	CES (I) Pvt Ltd and ICT Pvt. Ltd qualified (Financial offer was evaluated on techno-commercial parameters where ICT scored 68 marks and CES 86.64)
Major Dhyan Chand Hockey Stadium	Maximum Marks – 20 Minimum Marks – 15	<ul style="list-style-type: none"> ■ CES (I) Pvt Ltd – 17.50 ■ Mott MacDonald Pvt. Ltd. – 7.50 ■ STUP – 0.00 	CES (I) Pvt Ltd.
Dr. Karni Singh Shooting Range	Maximum Marks – 40 Minimum Marks – 25	<ul style="list-style-type: none"> ■ CES (I) Pvt Ltd – 27.50 ■ Span – 31.00 	CES (I) Pvt Ltd. & Span qualified (CES quoted the lowest Rates of Rs. 39.51 lakh as against Span's quote of Rs. 61.73 lakh)

- **CES did not directly possess specific experience in designing sports stadia, with its experience being primarily in providing design consultancy for roads and bridges.** It could show experience for building sports stadia only through purportedly “associating” with foreign consultants, and that too only after purchasing the PQ documents (all the MoU submitted were signed on dates falling after the PQ documents were purchased). Other bidders who were technically rejected had fairly good experience in construction of sports stadia viz.
- **Mott MacDonald** – Wembley Stadium in London, Melbourne Cricket Ground in Australia, Lord's cricket ground in London;
- **STUP** – Stadia for National Games in Guwahati and Hyderabad, Twin Turf Hockey Stadium at Hyderabad.
- Further, we could not see, through perusal of various designs and documents submitted by the consultant, the contributions of the foreign consultants, on the basis of which CES was deemed to be technically qualified vis-à-vis sports stadia. In response to our query, CPWD stated that the tender conditions did not insist on the signature of the foreign consultant. However, in view of the contractual provision regarding involvement of the foreign consultants to the extent of not less than 60 per cent of the total fee, documentary evidence of the actual involvement of the foreign consultants in work was essential.
- The technical qualification of CES primarily on the basis of the 'concept

designs' submitted by it as part of the bidding process is all the more amazing, since EKS was engaged only in November 2006 and prepared the venue briefs thereafter, based on which the concept designs were required to be prepared. Without the venue briefs (and without adequate time being provided), the other bidders could not have been expected to prepare such designs at the bidding stage, nor was this at all necessary. This advantage to CES was irregularly facilitated by CPWD by including the concept design requirement in the RFP for consultancy contracts, well before even the venue brief was ready. This effectively favoured CES.

- In response to our observation, CPWD replied that the condition survey was conducted to assess the repair and retrofitting cost and nothing was decided about the new structures. Therefore no insight was available to CES regarding the nature and scope of work for CWG-2010. Moreover concept plan was desired to judge the aptitude and vision, and the consultants who are bidding for mega sports stadia can prepare concept plan on the basis of scope of work, site visits and pre-bid meetings.
- However, the advantage to CES is evident from its own statement in the section “Project Appreciation” of the technical bid document that 'Consultants, during a prior assignment, took up extensive reconnaissance survey and condition survey of installations and utilities of the area. In the process, the Consultants have gone through available drawings and condition survey data

which enabled them to have full understanding of the project and its requirement indicated in the TOR.' This amply evidences that the prior assignment of condition survey to CES created a foundation for the preparation of concept plan, project appreciation and technical proposal and this advantage was not available to other bidders.

The inexperience of CES was evident from numerous deficiencies noticed during the execution of the design consultancy contracts such as

- frequent and drastic changes in designs and drawings,
- changes in BOQs and tender documents, frequent delays in submission of designs and drawings,

- delays in obtaining approval from local bodies, and
- engagement of additional specialist design consultants for works which were, primarily, the responsibility of the main consultant, etc.

Details are given in Annexe 17.1. This adversely affected the planning as well as execution of the various projects. All such deficiencies were condoned or ignored by CPWD. Penalties for such failures were either not included in the contract⁵ or, where included⁶, were not enforced. Some of the glaring deficiencies are summarised in Table 17.4:.

Table 17.4 – Deficiencies in consultancy work of CES

Stadium	Deficiencies (in brief)
JLN Stadium	Defective assessment of the requirement of lump sum contract resulted in deviations primarily on account of changes in BOQs, resulting in gross deviation ⁷ of Rs. 41.24 crore.
JLN Weightlifting Stadium and Dr. SPM Swimming Pool Complex	The scope of roofing work was changed from Zinalume steel to aluminium (Kalzip), resulting in extra payment to contractor of Rs. 6.79 crore.
Dr. Karni Singh Shooting Range	There were huge deviations and extra items worth Rs. 20.37 crore due to improper assessment of BOQs for the work. The basic item of excavation in hard rock could not be envisaged earlier (despite the hilly location of the venue). Further, rebate of Rs. 0.50 crore could not be availed.
IG Stadium Complex	In the work of "improvement of roof truss", there were huge deviations in steelwork alone, ranging from 83.8 per cent to 139.70 per cent, amounting to Rs. 15.62 crore.
MDC National Stadium	Astronomical increase in the quantities of cables, ducts, pipes etc. in the work of SITC of PA system and electrical component of the main work resulted in additional financial burden of Rs. 4.11 crore.

⁵ Major Dhyan Chand Stadium

⁶ Jawaharlal Nehru Stadium, Dr. SPM Swimming Pool Complex, Indira Gandhi Stadium Complex and Dr. Karni Singh Shooting Range.

⁷ Sum of positive (+) and negative (-) deviations.

The performance of CES in almost all the venue consultancy contracts was abysmal. The financial liability of CES for the numerous deficiencies should be ascertained and recorded. Further, CES should be blacklisted for consideration from any consultancy or other contracts with CPWD and the GoI, to prevent recurrence of such events. In addition, responsibilities should be fixed on the officials who facilitated appointment of CES and grant of undue favour to it in the course of these consultancy contracts.

Separately, several other consultants were also engaged for other venues i.e. WADA block, shooting range etc. (CPWD); and other sporting venues developed by DDA, PWD, GNCTD, NDMC, DU, JMIU, AITA. The engagement and performance of these consultants has been discussed in the relevant sections of the report.

For the preparation of venues for the CWG – 2010, approximately Rs. 113 crore was spent on engagement of design consultants for all venues including those of DDA, NDMC, PWD GNCTD and others.

17.2 Lack of organised in-house design skills in CPWD

CPWD's, Central Design Organisation (CDO) consists of four units namely

- the Design Unit;
- Repair & Rehabilitation Unit;
- Computer Centre Unit; and
- Technology Application Development Cell Unit.

CDO is mainly responsible for structural analysis, design of large projects and special structures, development of in-house expertise in the field of repairs and rehabilitation, development of new innovative technologies for the department and computerisation.

The CDO currently has 1 CE, 6 SEs, and 24 EEs/AEs/AEEs, besides other supporting staff. However, the CPWD did not utilise the services of CDO for design consultancy for any of the stadia for CWG-2010, and instead engaged external agencies for design and other consulting services for these projects, as discussed in the previous paragraph.

In response, CPWD stated that:

- for planning and design for all the sports stadia in a time bound manner for the CWG-2010, a well coordinated multidisciplinary planning and design team covering architectural, structural, mechanical, audio-visual, Integrated Building Management System etc were essential requirements.
- All these specialisations did not exist in CPWD, that too under single command, which was absolutely essential for timely accomplishment as a coordinated job of multidisciplinary consultants.
- Even in its limited role in structural design and drawing, CDO did not have skilled and experienced structural engineers to deal with the structural complexities of sports stadia involving use of new imported structural materials, necessitating latest state of the art technologies in structural engineering as well as material science.

In our view, it is absolutely essential for CPWD to develop, maintain and properly

utilise a core multi-disciplinary pool of planning and design expertise; and CPWD cannot be perceived merely as a project monitoring agency.

In the Games Project, CPWD visibly abdicated all designing responsibilities by entrusting them to external consulting agencies. As has been adequately pointed out elsewhere in the report, the performance of these agencies was less than satisfactory. However, the lack of adequate multidisciplinary planning and design team left CPWD at the mercy of the consultants. Further, due to short term nature of the consulting engagements, there is no 'institutional memory'. Moreover, once the Government pays the consultants, the design should become the intellectual property of the Government and should be patented in its name.

We recommend that immediate steps should be taken to strengthen the Central Design Organisation (CDO), both in terms of the number of technical officers as well as in the quality of resources provided. Where necessary, upgradation of relevant state-of-the art skills may be ensured through appropriate training.

This would reduce CPWD's undue dependence on external consultants. CDO should function as a centre of excellence for

- Innovation of designs of building, bridges and other infrastructure and its documentation;
- Documentation of designs given by consultants and their patenting;

- Standardisation of designs and their availability and dissemination to other agencies within the public sector; and
- Peer review.

17.3 Procurements through common tendering

17.3.1 Selection of brands of Sports Surfaces

On 24 May 2008, Shri Kalmadi constituted an expert committee for finalising the selection of brands of sports surfaces and sports equipment for CWG-2010. The Committee was chaired by Shri Bhanot, and included representatives from the 17 National Sports Federations, GNCTD, SAI, DDA, NDMC, AITA, and CGF.

Separately, on 14 June, 2008, in pursuance of a meeting held by Minister of State, YAS with CM, Delhi and Chairman, OC, Shri Bhanot notified the constitution of a "Committee for Centralised Co-ordination for finalisation of Overlays, including Sports Specific Surfaces/ Equipments" on the grounds that the OC had the ultimate responsibility for ensuring that "look and feel" of the Games was maintained, and the required certification from the respective International Federations was obtained in time. This Committee for Centralised Co-ordination was chaired by the Chairman, OC, and included Secretary, Sports and CS, GNCTD and the heads of SAI, DDA, NDMC and CPWD. This Committee was to take inputs from the earlier constituted expert committee. Subsequently, a Joint Tendering Mechanism was agreed to, where a lead agency was decided for each surface

The chronology of events relating to the specification of brands for sports surfaces is summarised in Table 17.4:

Table 17.4 – Deficiencies in consultancy work of CES

Timeline	Event
24 May 2008	Constitution of (expert) committee by Shri Kalmadi
14 June 2008	Constitution of Committee for centralised co-ordination
22 July 2008	Expert committee recommended brands for various sports surfaces (in most cases, single brands)
26 September 2008	Centralised Co-ordination Committee, after considering Expert Committee recommendations, shortlisted three brands for most surfaces.
16 November 2008	Expert committee shortlist conveyed to MYAS
16 December 2008	List of shortlisted brands placed before Centralised Co-ordination Committee for consideration. Committee decided that MYAS would designate a centralised procurement agency.
29 January 2009	OC floated EOI, at Secretary MYAS's direction, for offering opportunities to other suppliers. Only four vendors for lawn bowls and two for wooden floor were considered additionally eligible.
13 April 2009	Centralised Co-ordination Committee prepared a final list of shortlisted brands.
2 July 2009	MYAS approved the list of brands shortlisted by the Centralised Co-ordination Committee.

We found clear instances of favouritism shown by the Centralised Co-ordination Committee (which was largely guided by the OC), as summarised below:

17.3.1.1 Athletics

The top four brands of synthetic track surfaces with maximum IAAF Class-I certificates were Mondo (19), Conica (15), Polytan (8) and Rekortan (4). The Expert Committee decided to procure Conica Full PUR track surface, and ruled out Mondo⁸, based on the following:

- The Athletics Federation of India representative observed that the Mondo track was earlier laid at

⁸ Mondo is the official supplier of athletic tracks for the last nine Olympics (including Beijing Olympics 2008) as well as the upcoming London Olympics 2012.

Thiruvananthapuram, Jamshedpur, Lucknow and New Delhi was not suitable for Indian weather conditions and at all these places, the track was cracked out within two years and had a very short life.

- Further, the Mondo track was a pre-fabricated track, whereas other tracks were polyurethane tracks and easy to repair in case of any damage at the spot.

However, at the meeting of the Centralised Co-ordination Committee on 26 September 2008, DG SAI raised the issue of IAAF approved brands for synthetic tracks. Again, in the Committee meeting on 2 April 2009, DG, SAI mentioned that he had been advised that Mondo was preferable for athletics track as it was pre-fabricated, and in case of damage to the track during the

Opening Ceremony, the particular damaged surface could be easily replaced. This was countered by Shri Bhanot, and it was decided not to go in for pre-fabricated synthetic surfaces, based on the poor experiences of pre-fabricated tracks in India. Finally, three brands (Conica, Polytan and Rekortan) were shortlisted.

We found no evidence / reports to substantiate claims of the poor performance of Mondo's tracks. Further, the rejection of a firm supplying surfaces for Beijing Olympics 2008 is in stark contrast to the use of supply at Beijing Olympics 2008 as justification for vendors for other surfaces.

17.3.1.2 Hockey

The expert committee had shortlisted three companies for hockey on the assumption that these global surface providers would be able to produce polyethylene surfaces with the approval of International Hockey Federation (FIH) instead of the hitherto used polypropylene surfaces. However, there was a deviation in qualifying criteria for the hockey surface, necessitating a fresh EOI. After evaluation of the EOI by a committee, four products of different fiber i.e. polyethylene, polypropylene and nylon were recommended. These were produced by the same vendors, whose names were shortlisted earlier. The selection of polyethylene, a new type of synthetic surface instead of the hitherto used polypropylene surface is indicative of the fact that ***the criterion regarding the selection of widely used surface for selection of company*** was not followed consistently by the expert committee.

17.3.1.3 Badminton

The Expert Committee decided to recommend Yonex, since it was being used at Beijing Olympics 2008 and other events, and also because BWF confirmed that only Yonex court mats and shuttlecocks were exclusively approved. We found this assumption to be of doubtful veracity. BWF has 23 approved brands, but has an exclusive sponsorship contract with Yonex for use at BWF events. Although the BWF website lists CWG-2010 as a BWF event, this appears to be incorrect as the badminton events at neither the Olympics nor the Asian Games are listed as BWF events.

17.3.1.4 Permanent timber track for the cycling Velodrome

The Expert Committee recommended Schuermann Architects (who built the velodrome for Beijing Olympics-2008) as the international technical delegate for cycling events and mentioned that no architect other than Schuermann Architects could guarantee to meet the specifications of International Cycling Union (UCI). However, this was not implemented, since the bidding condition stipulated by CPWD restricted competition to Indian furniture contractors in association with an international track design and construction expert (refer paragraph 17.8.2.4 of the report). The contract was finally awarded to Comfort Net Traders, in association with another international architect.

Clearly, the selection of brands for sports surfaces was not transparent and objective. It appears from the minutes that objections raised by venue owners were ignored by Shri Bhanot by giving selective technical information.

17.3.2 Laying of synthetic athletic tracks surface

As already discussed in para 17.3.1.1, the Centralised Co-ordination Committee shortlisted three brands/ manufacturers (Conica, Polytan and Rekortan) for laying synthetic athletic track surfaces at five venues⁹, thereby creating grounds for restrictive tendering. CPWD was identified as the nodal agency for joint tendering for selection of agency to lay the track surfaces at these venues. A joint tendering committee¹⁰ was constituted to oversee the tendering process.

17.3.2.1 Dilution of eligibility criteria to suit the agencies that finally bid.

In July 2009, Press Notice inviting bids for laying synthetic athletic track surface at five stadia was issued. The eligibility criteria included:

Agency	Eligibility Criteria
Manufacturers of the shortlisted brands (having registered office in India)	Completion of two works (laying athletic synthetic track surface approved by IAAF) costing not less than Rs. 4 crore each
Authorized Indian Representatives of manufacturers of the approved brands	Completion of one work (laying synthetic athletic track surface approved by IAAF) costing not less than Rs. 4 crore each

⁹ JNS, Thyagraj Stadium, Chhattarsal Stadium, Commonwealth Games Village and Polo Ground of Delhi University.

¹⁰ Its members included Chief Engineer (CWGP), CPWD (Chairman), Chief Engineer (PWD, GNCTD), Chief Engineer, DDA, Addl Chief Engineer, NDMC, University Engineer, DU; Representative of SAI, SE (C), CPWD

We found that the relaxation of conditions from completion of two similar works to one and reduction of value of works to Rs. 4 crore each (which was only 10 percent of the estimated cost of the work as against the generally prescribe 80 percent of estimated cost for one work, which would amount to Rs. 30.73 crore in case of an authorised Indian representative bidding) was tailor made to suit only the three bidders (authorised Indian Representative of each brand) who responded, as indicated below:

Brand Manufacturers	Authorised Indian representative	Value of single work completed (Rs. in crore)
Polytan	Inderjit Mehta Construction Pvt. Ltd.	4.60
Canica	Shiv Naresh Sports Pvt. Ltd.	4.32
Rekortan	Jubilee Sports Technology Pvt. Ltd	4.99

Clearly, all the bidders just met the much diluted eligibility criteria and the dilution was probably done only to ensure that these agencies could bid.

17.3.2.2 Selection of Shiv Naresh Sports Pvt. Ltd. and the reasonability of the rates it quoted

From the three bids received, the contract was awarded to Shiv Naresh Sports Pvt. Ltd. (SSPL)¹¹ who was the L1 bidder at Rs. 60.38 crore for the five venues of which Rs. 27.61 crore was for JNS alone.

¹¹ SSPL was primarily a manufacturer of sports wear as per its website.



Athletics track at Chhatrasal Stadium

We found that the restrictive tendering conditions created around the tendering process by limiting the competition to three brands only resulted in a situation where the rate at which the contract was finally

awarded was not at all comparable with the rates of similar works quoted or intimated at different works/stages as indicated in Table 17.5.

Table 17.5 — Comparative rates of similar work obtained for different works or stages

Agency	Net Rate per sqm (in Rs.)	Total cost for normal stress area at all venues as per NIT (48469 sqm) (in Rs. Crore)	Event
SSPL	7,604.05	36.86	Net rate after rebate of 17.06% and addition of service tax @10.30%.
NCCL at DU	7,337.00	35.56	Rates tendered in April 2008 inclusive of all taxes.
BASF (Manufacturer)	4,928.70	23.88	Rates indicated by the manufacturer and partner of SSPL in September 2009.
SSPL to NCCL at Ranchi	2,784.00	13.49	Work completed in January 2009
Jubilee Sports Technology (I) Pvt. Ltd.	4,650.00	22.53	<ul style="list-style-type: none"> ■ Rates obtained by CPWD in June 2009 for preparing cost estimates; and ■ However, the agency bid at the rate of Rs. 9000 per sqm in its bid for CWG-2010.
Inderjit Mehta Construction Pvt. Ltd for CRPF Campus, Jharanda Kalan	4,516.05	21.89	<ul style="list-style-type: none"> ■ Rates offered to CPWD in February 2010 for CRPF campus at Jharoda Kalan; ■ However, the agency bid at the rate of Rs. 8850 per sqm in its bid for CWG-2010

Note. The above rate only covers laying of surface track; the cost of sub-base is not included

As is evident from above, advantage was taken of the artificial restriction on the agencies that could participate as well as the limited time, which inhibited the possibility of re-tendering. The rates quoted by the bidders were much higher than the rates quoted by the same agencies for other similar projects or points of time. Hence, the reasonableness of cost at which the athletic synthetic track surfaces were laid for CWG-2010 cannot be assured by us.

17.3.2.3 Quantity and quality of work executed by SSPL at JNS

As per the NIT, the synthetic athletic surface track was to be laid over an area of 27,530 sqm. We found that this area included 9,130 sqm laid outside the main track and area of final warm up and call rooms at a cost of Rs. 6.63 crore. We are unable to derive assurance that the quantity of 9,130 sqm was contractually required for the purpose of CWG-2010 and confirmed as

such by the OC. Further, though the athletic surfaces in the main competition track and the warm up track were suitably certified as Class I and Class II, this area of 9130 sqm was not certified.

As per the performance standards appended to the Agreement, no surface imperfections such as bubbles, fissures, delamination, uncured areas, bumps or depressions should be present on the tracks. During our field visits to the Stadium ground on 15, 19 and 23 November 2010, we observed that in the main competition track, the surface of the track were uneven at numerous places, there were signs of water logging even after dry up, and patch work had been done at over 40 places in areas ranging from 2 sqm. to 20 sqm. approximately. Apparently, there were deficiencies in the execution of base work resulting in depressions at numerous places causing uneven surface, water logging and resultant patch work as stated above.



Patch work on the athletic synthetic surface track



Patches of water logging

17.3.3 Unjustified inflation of rates of VVIP/VIP and media chairs procured for five stadia, resulting in extra expenditure of Rs. 3.66 crore

EOIs were invited in Decembers 2009 from the manufacturers/suppliers of seats/chairs for supply and installation of 15,900 VVIP/VIP chairs with arms, cushion and arm rest and media chairs with cushion, folding table and arm rest for five venues¹² for CWG-2010. The manufacturers/ suppliers were to visit the venues to understand the requirement and to submit salient data with brief technical parameters/ specifications, details of turnover, manufacturing capacity, delivery period and prices (inclusive of installation cost). They were also required to install their samples at JNS and submit model wise technical specifications and catalogues, and photos of samples installed along with the response to EOI. Of the 15

agencies that installed their samples at JNS, a committee of seven senior officers headed by the DG, SAI approved, in December 2009, a total of 14 samples (11 for VVIP/VIP and 3 for Media) of six manufacturers¹³.

In January 2010, NIT was issued inviting agents or manufacturers of the shortlisted makes/models to bid¹⁴. Four bids were received. None were from the manufacturers, except Superior Furniture, who was awarded the contract based on its L1 bid in March 2010.

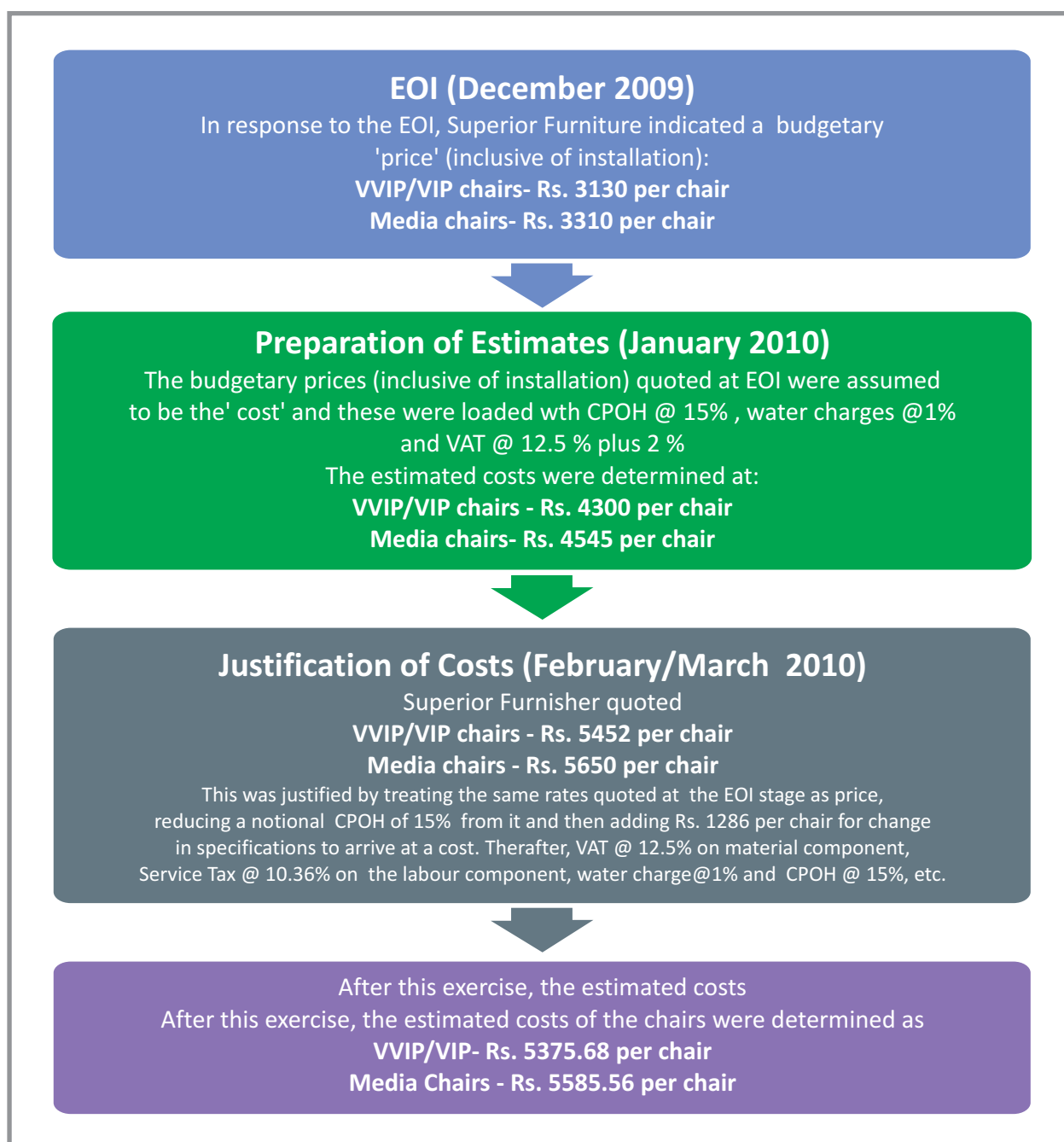
We found that though Superior Furniture was the L1 bidder, its rates were inflated and CPWD justified these inflated rates by Rs. 3.66 crore to award the contract. This is established by the estimates prepared at different points of time, as depicted in Figure 17.1.

¹² JNS, IG Complex, MDC, SPM, and KSSR

¹³ Hoabo Chair Co. Ltd(China), Zhejiang Dageng Sports Equipment Co. Ltd (China), Starena International Pty Ltd., Australia, Superior Furnitures India, Hangzhou Juniu Chairs Industry Co Ltd (China) and Camatic Pty Ltd. Australia.

¹⁴ Shiv Naresh Sports Pvt. Ltd., Superior Furnitures, Millith Karv, and Pen Workers

Figure 17.1 - Estimation of Rates of VVIP/VIP and Media Chair



From the calculations and re-calculations shown above, it is evident that these were manipulated and the rates inflated, which ultimately benefitted Superior Furniture, who was awarded the contract (March 2010) to supply the chairs at a negotiated tendered rates of Rs. 5362 and Rs. 5623 for VVIP/VIP and Media chairs respectively. The additional cost on this account worked out to Rs. 3.66 crore.

Further, we found that about 2500 chairs costing Rs. 1.34 crore, so installed, were removed from the seating areas of various stadiums before start of the games to make broadcasting and media platforms, which is the normal practice in holding international events. These were lying uninstalled in the stadiums.

We also found that Superior Furniture was also allotted the work of designing , fixing and dismantling of Mild Steel (MS) sitting arrangement for Rs. 1.40 crore in IG Complex as extra work without calling any tender or work order.

17.4 Installation of DG Sets as permanent fixture

OC's consultant, EKS, in its venue brief stated that if two high voltage electricity feeders were provided, critical supplies should be evenly distributed across both the feeders. A backup generator of capacity sufficient for the Games 'critical supplies' should also be provided. EKS had also proposed provision for plug-in or permanent prime generators. In pursuance thereof, all the venues obtained two independent high voltage feeders from their respective power supply companies. In contrast, in the return venue brief, the design consultants firm, appointed by the respective venue development agencies,

suggested permanent DG Sets as backup power source. Resultantly, taking this as a ground, CPWD opted for permanent installation of DG Sets. The CPWD took a plea that when EKS proposed plug in type of DG Sets it was intended for non-regular activities like overlays which were to be looked after by OC and this was not meant for permanent installation created by CPWD. The fact, however, remains that despite suggestion/ proposal from M/s EKS for plug-in or permanent generators, CPWD installed all DG Sets in all the five venues as permanent fixtures without any cost benefit analysis (permanent fixtures v/s hiring as and when required). The prospects of utilisation of these permanent DG Sets, during non-events period, are negligible resulting in unfruitful financial burden; this was also the case in DU.

Stadium-wise sanctioned load, critical load, DG Set capacity installed, UPS Capacity installed and temporary DG Sets for which orders were placed by the OC are detailed in Table 17.6:

Table 17.6 — Details of normal sanctioned load, critical load, DG set capacity and UPS capacity.

S.No.	Stadium	Normal Power requirement as per sanctioned load from the concerned power distribution utility	Critical Load as assessed by CPWD	DG Set Capacity Installed	UPS Capacity Installed	Order for Temporary DG Sets placed by OC
1.	Jawaharlal Nehru Stadium	12,000	10,065	11,530	3,330	45,290 ¹⁵
2.	Dr. S.P.M. Swimming Pool Complex	3,471	2,806	3,750	2,500	3,660 ¹⁶
3.	Dr. Karni Singh Shooting Range	2,777	2,159	2,250	1,020	5,202 ¹⁷
4.	Major Dhyan Chand Stadium	3,888	4,558	4,500	3,590 ¹⁸	5,390 (for IG Stadium Complex, MDC Stadium and Central Vista)
5.	Indira Gandhi Stadium Complex	11,111	10,650	10,650	5,328	
TOTAL				Rs. 34.63 Crore	Rs. 39.84 Crore	

Note.

- **Normal Power requirement as got sanctioned from the power utility** – While converting the power requirement from KW to KVA (in cases of KSSR, MDC and IG Stadium Complex), the power factor has been taken as 0.9.
- **Critical load** – While calculating the critical load/ emergency load for DG Supply, CPWD stated that the configuration given in the return venue brief by the design consultants carried no weightage other than confirm to the OC that the Games requirements would be met. The appropriate time to finalise the configuration of the DG Sets was at the time of obtaining the technical sanctions, so that the “latest requirements” were met. Hence, while justifying the critical load arrived at, in response to our audit query, CPWD stated the following issues were taken into consideration (a) suggestions of the CES; (b) suggestions of the fire department (c) CPWD's general specification for electrical work Part- I Internal; and (d) other issues which the department thought necessary.
- **DG Set Capacity installed** – While calculating DG Set capacity, CPWD has taken into consideration a load factor of 0.8 (80% loading) and power factor as 0.8. Further, the department has also taken into consideration parallel N+1 system to provide full redundancy for the games critical supply as per the suggestions of the design consultants (CES).

¹⁵ Includes DG Sets for DPS, RK Puram.

¹⁶ includes Central vista, Talkatora Indoor Stadium and Shivaji Stadium.

¹⁷ Includes Shri Fort Sports Complex, Saket Sports Complex, Thyagraj Sports Complex, Jamia Milia Islamia, RK Tennis Complex and CRPF Campus (Kadarpur) – breakup not available from OC's records.

¹⁸ 4 sets of 2 X 40 KVA DG Sets shifted to JNS

Thus, an expenditure of Rs. 112.29 crore was incurred by CPWD, DU and OC for permanent installation of DG Sets/ UPS

- Rs. 34.63 crore by CPWD for DG Sets
- Rs. 39.84 crore by CPWD for UPS
- Rs. 6.03 crore by DU for DG Sets & UPS
- Rs. 28.08 crore for hiring of DG Sets (primarily for JNS)
- Rs. 3.71 crore for hiring of DG Sets for IG Stadium Complex & MDC Stadium.

Clearly, there was a massive 'overkill' in purportedly building 'redundancy' in power supply, when October was identified as a lean season in terms of power demand¹⁹, and the Ministry of Power allocated an additional 100 MW of power for Delhi for the Games.

The issues relating to installation of DG Sets as permanent fixtures at venues developed by other agencies (DDA, PWD, GNCTD and NDMC) are discussed in chapters pertaining to these agencies in this audit report.

17.5 Installation of additional UPS as parallel redundancy

While installing UPS System for supporting not only the Key Technology Equipments (as suggested by EKS in the venue brief and the design consultant in the return venue brief) but also for sports lighting, the department had installed additional UPS for a total capacity of 1370 KVA as parallel redundancy in MDC National Stadium, despite absence

of any such provision in the venue brief or the return venue brief resulting in addition financial burden to the tune of Rs.2.01 crore. This was on the instructions of the Committee of Secretaries.

The permanent DG Sets in the stadia could, perhaps, still be used (at least to a part of the installed capacity) for national / international sports events. However, the requirement of UPS on a legacy basis, is in our opinion, more or less insignificant (except for the minor requirement for key technical equipments viz. PA Systems, computers etc. and not for sports lighting). Moreover, the batteries attached to these UPS also have a relatively short life. CPWD/ SAI may therefore consider identifying the requirement of UPS strictly for key technical equipments, and ensure that these are properly maintained in the long run. The balance of UPS (which is likely to be substantial) may be transferred, free of cost/ at nominal rates, to other government departments/ agencies requiring relatively large IT Systems (typically large data caches). This will, at least, ensure productive utilisation of these assets.

¹⁹ The efforts of Pragati Power Corporation Ltd. in augmenting power generation and Delhi Transco Ltd. in increasing power transmission capacity are described substantially in Chapter 26.

17.6 Jawaharlal Nehru Stadium Complex



Jawaharlal Nehru Stadium

Jawaharlal Nehru Stadium Complex (JNS) was the main venue for CWG-2010. It underwent major redesign and reconstruction for this event. It hosted the competitive events for athletics, weight lifting and Lawn Bowl as well as the opening and closing ceremonies.

The major works undertaken at JNS were

- Construction of a new tensile membrane roof and support structure for it;
- Structural repair & space planning of entire JNS;
- Construction of weightlifting auditorium;
- Construction of Administrative Block²⁰ and World Anti Doping Agency (WADA) Laboratory;

²⁰ Now housing the SAI. The diversion of fund of Rs. 19 crore from the scheme for "Preparation of Indian Teams for CWG-2010" for construction of this administrative block is described in Chapter 32.

- A Hostel/ Media Accommodation block;
- Reconstruction of lower tiers; and
- Installation of sports lighting and PA system.

17.6.1 Construction of fixed tensile membrane roofing over the seating area

CPWD awarded a lumpsum contract for construction of fixed tensile membrane roofing over the seating area in JNS at a cost of Rs. 308.08 crore to Shapoorji Pallonji & Co. Ltd. (SPCL) for completion by September 2009.

17.6.1.1 Non adjustment of Rs.5.99 crore for work not required to be executed

The lump-sum agreement provided for regulating increase / decrease in quantities of work at variation rates. Payment of Rs. 314.46 crore had been made to the



Tensile membrane roof over JNS

contractor, but adjustments totalling Rs. 5.99 crore for items of work not required to be executed were pending. Details are given in Annexe 17.2.

CPWD in its reply stated that these adjustments would be affected in the final bill. This shall be verified at the time of subsequent audit of final payments.

17.6.1.2 Extra payments of Rs.4.96 crore for items of work covered by scope of contract

The scope of work clarified at various places in the contract that the quoted cost of lump sum contract would cover all incidental work actually required, but not specifically stated in the tender. We noted that extra payments of Rs.4.96 crore had been made/ approved for several items of work covered within the cost of lump sum contract. Details are given in Annexe 17.3.

17.6.1.3 Non levy of compensation (estimated maximum of Rs. 30.80 crore) for delay in completion of work and payment of escalation cost of Rs.7.02 crore for the EOT period

The work was awarded in December 2007 for completion by September 2009. The schedule of work stipulated eight milestones and in case of non-achievement thereof, an amount equal to 0.5 percent of the tendered amount was required to be withheld for the contractor's failure to achieve each of the milestones. The Contract provided for levy of compensation from the contractor @ 1.5 percent of the tendered cost per month subject to a maximum of 10 percent. For early completion of work, the contractor was entitled to bonus @ 1 percent per month subject to 5 percent of the tendered value. The work was completed in August 2010. We found that delays in achievement of targeted completing date were at least partly attributable to SPCL, as indicated below:

- After erection of X column in September 2009, it was found that there were gaps in head plates, resulting in defective geometry of the alignment. To correct the alignment, the contractor took over three months (9 September 2009 to 7 December 2009) causing delay in progress of work;
- Issues regarding fabrication and erection of ramps and catwalk, erection of cable, casting of staircase, fixing of railing, drainage pipeline etc were not resolved as of December 2009. SPCL observed that its associates, viz. P&R Group (for steel work), and Taiyo Membrane Corporation (engaged for membrane work on the recommendations of CPWD), were not committed towards completion of work in time due to problems of co-ordination and organisation;
- About 61 curved beams, 40 RT1 beams, RB beams, flood light mast and some catwalk structure units, and the entire parapet were not installed even as of 4 January 2010;
- No proper methodology for laying of the cable on the stairs and temporary connecting to the lower compression ring was planned. All the ring cables were coiled in the wrong direction, leading to loss of time in laying of the cable net, the methodology of cable jacking was flawed and incomplete. Consequently, jacking work was stopped for 20 days during erection, and on-site strengthening was done;
- The manpower, tools and machinery, and expertise for fabric installation

were found to be grossly inadequate, causing unprecedented setback to the membrane installation and other works of the stadium;

- Two shipments of bolts and nuts were brought to site only in May 2010, SS drainage pipe were brought from Mumbai in June 2010, and the programme for fabrication and erection of additional props to ramps was submitted only in August 2010; and
- Inadequate personnel were deployed for membrane work, the methodology for installation of fabric was not correctly planned, the length of the light mast cable was wrongly calculated, the length of the inner edge cable was also wrongly estimated, and the location of all the catwalk clamps were wrong and they had to be shifted by 750 mm to 1200 mm each.
- CPWD clarified to the contractor (January 2010) that there were no hindrances at site, and issued several notices including on 28 April 2010, 5 May 2010 and 16 August 2010, holding the contractor responsible for slippages, slow progress of work and non-achievement of revised milestones.

The work was certified to have been completed on 26 August 2010 subject to measurement, quality check and also removal of various defects in shear walls, stair case columns, parapet, ceiling, wall, tie beam, ramps, ramp slab, stainless steel (SS) drainage pipe, steel structure and SS railing requiring rectification.

Thus, the contractor was, at least partly responsible, for the delay of over eleven months in completion of work with

numerous defects, and thus liable to recovery of compensation upto a maximum of Rs. 30.80 crore. Though several notices for imposition of penalty / compensation were issued to the contractor, no action for levy and recovery of compensation from the contractor was initiated. CPWD granted extension of time upto 26 August 2010 and also released the amount of Rs. 2.75 crore withheld from the contractor's bills for non-achievement of 5th and 6th milestone, without any recorded justification. Taking serious note of the delays, shortcomings and repeated failures in completion of CWG works, the Additional Director General-in-charge of Commonwealth Games projects directed in August 2010 that the contractual remedies for failures of the agencies to complete the works in time must not be lost sight of at any cost and the individual officers shall be responsible for inaction. However, no action had been taken as of February 2011 for levy and recovery of compensation from the contractor.

As detailed separately, the impact of late inclusion of the tunnel in November 2009, on the erection of the membrane roofing and other construction activities of JNS is not clear to us, on the basis of available records. However the month of commencement of tunnel work (December 2009) falls well after the scheduled date of completion of the membrane roof (September 2009).

Payment of Rs. 29.70 crore had been made to the contractor as of September 2010 on account of increase in the cost of labour and material on the basis of rise in the quarterly cost of index as per provision of contract. We noted that escalation beyond the stipulated date of completion of work

was admissible only if no penal action had been taken for failure of the contractor to complete the work in time, as per the provisions of the contract. Completion of work was delayed by over eleven months due to various delays, attributable at least partly on the contractor/sub-contractors, but CPWD never enforced contractual remedies against the contractor, and also made payment of Rs. 7.02 crore, as of September 2010, toward escalation costs for periods beyond the stipulated date of completion i.e., 3 September 2009.

17.6.2 Tunnel at JNS

In September 2009, in the 3rd meeting of the 'new' GoM, the Core Group of creative persons, while making a presentation on the concept and theme of the opening ceremony, requested that in order to facilitate the ingress and egress of the performing artists during the ceremony, a tunnel may be constructed from the interior of the JNS to the outside. Minister, YAS expressed strong reservations against increasing the scope of work, which could jeopardize the timely completion of the stadium that was already running against very tight time lines. However, the Core Group insisted that it would not be possible to deliver the opening and the closing ceremony, in a befitting manner, without the tunnel. Finally, the 'new' GoM decided that it was an engineering issue and the technical feasibility of construction the tunnel within the time frame, keeping in mind the laying of the synthetic turf and the scheduled test events, should be carefully considered by the engineering team before a decision in this regard was taken. Thereafter, in October 2009, in the 4th

meeting of the 'new' GoM, approval was given to the proposal to engage Shri Mark Fisher – Production designer and entertainment architect²¹ immediately so that the work relating to the 'trench' and other infrastructural additions to JNS could be commenced by CPWD immediately. This engagement was strongly recommended by the Core Group of creative persons and supported by the OC. Thereafter, in November 2009, CPWD provided revised milestones for completion of various works at JNS, as indicated below

Milestone	Date
Finalisation of design of new tunnel by OC	3 November 2009
Approval of fire, security and athletics federation etc	11 November 2009
Date of start	12 November 2009
Completion of tunnel	15 June 2010
Completion of synthetic tracks	22 April 2010

We found that these milestones could not be achieved. The work involved synchronization with the erection of cable and membrane work of roof structure and synthetic track being undertaken by different agencies. There were significant delays in completion of works. However, we are unable to determine how much of it is attributable to the introduction of a new

²¹ Shri Mark Fisher was engaged simultaneously for the designing of the band stand (which was abandoned subsequently) and the tunnel, and was also subsequently engaged for the Aerostat.

and substantial infrastructural requirement at a very late stage. While the milestones proposed by CPWD indicated that the completion of the synthetic track would proceed side-by-side with the construction of the tunnel, we are not aware of how these activities actually progressed concurrently on the ground.

17.6.3 Construction of weightlifting auditorium with two tier underground parking

The work was awarded to Nagarjuna Construction Co. Ltd.(NCCL) at the tendered cost of Rs.65.45 crore for completion by June 2009.

17.6.3.1 Irregular payment of escalation

We found that powers delegated to senior officers in CPWD for modifications in contractual conditions were used to regularise inadmissible payment of Rs.1.95 crore to the contractor on account of escalation in price of steel as indicated in Case study-17.1

Case Study: 17.1

Exercise of powers in favour of contractor

CPWD Works Manual and Clause 10 CA of the General Conditions of Contracts (GCC) of CPWD Works 2007 provide for varying the amount of contract, due to increase or decrease in price of materials pertaining to the work as mentioned in Schedule F forming part of the agreement, provided such variations were effected up to the stipulated period of contract, including justified extensions. Notice Inviting Tenders (NIT) for construction of weightlifting auditorium approved by competent authority in January 2008 did not include such provisions, which was included through a corrigendum. However, the list of materials for which Clause 10CA would be applicable was not appended with the corrigendum, nor included in Schedule F. Thus the agreement signed between CPWD and the contractor indicated applicability of Clause 10CA without appending thereto the list of materials on which the Clause would be applicable. In the absence of the list of materials in Schedule F, no price variation for any of material was admissible. CPWD erroneously made payment of Rs. 0.86 crore under Clause 10 CA in respect of reinforcement steel which was objected to by audit in November 2008. CPWD admitted (July 2009) that no material was listed in Schedule F to the agreement but stated that in the pre bid conference it was clarified to bidders that Clause 10 CA would be applicable and continued with similar payments adding up to Rs.1.95 crore. Audit again objected to the payment in December 2009.

We found that using the powers to modify the contract conditions, CPWD approved modifications to Clause 10 CA in December 2010 for inclusion of cement, reinforcement bars, structural steel sections/flat/sheets/ plates/ tubes etc in Schedule F, in disregard to the sanctity of the contract.

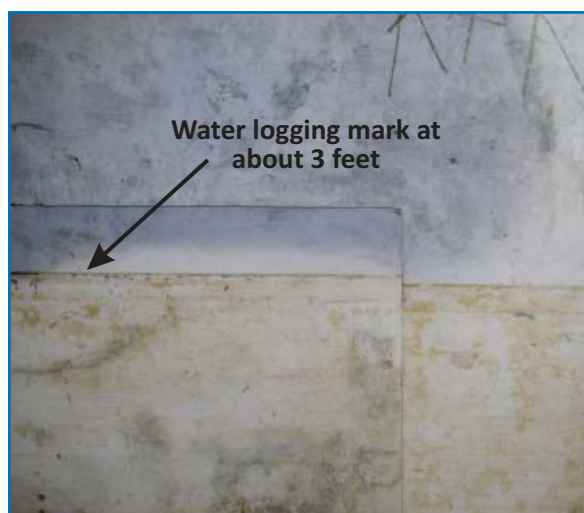


Weightlifting Auditorium

17.6.3.2 Defects in execution of work

Joint inspection of the site with CPWD officers on 22 January 2011 revealed:

- Leakages in underground parking;
- Incomplete flooring work in lower basement;
- Incomplete painting/white washing in lower and upper basements;
- Evidence of water logging in the lower basement up to 3 feet; and
- Two storied parking measuring 15293 sqm had not been used during CWG-2010.



**Water logging mark at about 3 feet
Underground parking at JNS**

17.6.4 Consultancy services for WADA lab and administrative block

Consultancy work for construction of WADA and administrative block were routine construction activities, planning, designing and drawings work and could well be handled by CPWD through its Central Design Organisation (CDO). However, CPWD opted to hire consultants and awarded consultancy contract at a cost of Rs. 40 lakh. We noted that:

- While the consultancy contract for detailed architectural and structural planning, designing, drawings, all internal services etc., was awarded only in March 2007, the pre-qualifications bids for construction work notifying estimated cost of Rs. 24 crore assessed by CPWD had already been invited in February 2007 indicating much of the planning and designing work had already been completed departmentally.
- The evaluation criteria was diluted three day before the extended date of submission of consultancy bid on grounds of better participation of consultants. Against the original criteria of 30 out of 40 marks in concept, appraisal and methodology and a total of 80 out of 100 marks, the diluted criteria provided for scoring at least 25 out of 40 marks in concept, appraisal and methodology and a total of 65 out of 100 marks to be eligible/ considered for financial evaluation. M/s Kothari and Associates scored 26 marks in concept and methodology and a total of 79.9 marks. But for dilution of evaluation criteria they were not eligible for financial evaluation.

The consultancy services were required to be completed in 90 days with stipulated

date of completion of 12 June 2007. We, however, noted:

- Drawings and write up were submitted to MCD on 5 June 2007;
- Draft tender documents were submitted in August 2007;
- Structural design and drawing were submitted in November 2007; and
- GFC drawing for upper floor of the Administrative Block had not been submitted as of November 2007.

Due to delay in submission of estimates, tender documents etc. by the consultant the work was awarded in September 2007, seven months after pre-qualification process. Further, defective planning and cost estimates resulted in large deviations of Rs. 4.52 crore and extra items of Rs. 1.11 crore.

Case Study: 17.2

Recovery of income tax at the instance of audit

Under provisions of the Section 194J of Income Tax Act, 1961, tax on technical and professional services is required to be deducted at source @ 10 percent. During audit of CWG related projects undertaken by CPWD, we noted that deductions were made at the rate of 2 percent. On the matter having been reported to Ministry of Urban Development in September 2009 CPWD reported (January 2011) recovery of Rs.1.65 crore. However, recovery of Rs.5.30 lakh could not be made due to closure of contracts. No recovery of penal interest from defaulting agencies and/or penalty from authorities responsible for short recovery was reported. Correctness of up to date deductions, interest and penalty in terms of the Income Tax Act would be verified in due course.

17.6.5 Construction of Road, Storm Water Drains and RCC Seating Tiers of Warm-up Area

This work was awarded to NKG Infrastructure Ltd. at their tendered cost of Rs. 21.02 crore²², with stipulated date of start of July 2009 and completion by January 2010. We found the following instances of unwarranted expenditure.

- M-30 grade, 80 mm thick inter locking paver blocks²³, meant for heavy vehicular traffic, were irregularly laid in the stadium on the pedestrian footpath.



M-30 grade interlocking paver block meant for heavy traffic laid on footpath

- Grass pavers with green honey comb panels, meant for distributing load from vehicular and pedestrian traffic to the base course below, and for minimising the grass and root compaction, were laid in the parking area. However these were found lying on the surface, broken and scattered, defeating the very purpose of laying these pavers. The expenditure on the item was Rs.0.09 crore (upto Sept. 2010)

²² 0.06 percent below the estimated amount of Rs.21.04 crore

²³ 80 mm thick GRC/FRC decorative



Broken and scattered green honeycomb panels in parking areas



The work was an integral part of the facilities to be provided during the games. Non availability of the same has defeated the purpose of the work.

17.6.6 Construction of Sub-Station building I, III, IV & underground water tanks & pump rooms

This work was awarded to Rama Construction Company at Rs. 7.41 crore with stipulated date of completion as September 2009.

17.6.6.1 Unrealistic Estimate

The detailed estimate for the above work was for Rs. 8.83 crore. The work was

awarded to Rama Construction Company at the negotiated amount of Rs. 7.41 crore. Against this, the contractor had been paid Rs. 15.10 crore by the eleventh RA bill, which is more than twice the original amount. This was due to deviation in quantity and execution of extra items, which indicates that the estimates were unrealistic.

17.6.7 Construction of Boundary Wall of Stadium Complex

Arora Construction Company was awarded the above work for Rs. 6.17 crore, which was 5.80 per cent above the estimated cost of Rs. 5.83 crore.

In this regard, the following was noticed:

17.6.7.1 Extra expenditure incurred due to lack of proper planning

In March 2010, CPWD was directed to fix a 6 mm thick M.S. plate on both sides of the boundary wall to make it bullet proof (against the Delhi Police's original request of a 2.8 mtr impenetrable brick boundary wall, which was turned down by the GoM). By this time, 90 percent of the work was already completed as per the original drawings

In its reply CPWD stated that there was no such provision even in highly secured premises such as Parliament House, Rashtrapati Bhawan.

In our opinion, ordinary, customary or usual materials of construction would have turned out to be equally suitable and at the same time would have been cost effective alternatives to ensure that the boundary wall was secure and bullet proof. A case has been worked out for brick boundary wall with concertina coil which would have

served the same purpose and its cost would be approximately Rs 5 crore, which is much lesser than the final gross amount of this work which is likely to exceed Rs. 16.00 crore, (including the cost of originally designed walls and extra items subsequently included to meet security requirements) spent at the insistence of the security agencies.

17.6.7.2 Unwarranted Execution of Work

The site was handed over to the contractor in a piecemeal manner. Throughout the execution of the work, various authorities kept inspecting the site and accordingly the drawings were changed from time to time. Since an integrated approach was not adopted, work seems to have been executed in an ad hoc manner.

We found that the boundary wall between Gate No. 9 and Gate No. 10 served no real purpose. This was built as per initial plans but abandoned subsequently to include the SAI building withing the JNS complex. The expenditure incurred for this work, which is approximately Rs. 0.60 crore, was thus wasteful



Boundary wall between Gate No. 9 and Gate no. 10

17.6.7.3 Execution of Defective Work

CPWD had pointed out various pending/ defective works to the contractor in a letter dated 11 October 2010. The contractor did not take any action. A reminder in this regard was sent to the contractor on 7 January 2011. During our field visits to the site on 13 January 2011, various defects in the work of the JNS boundary wall were noticed, which are depicted below pictorially.



Unplastered Wall of JNS



Gap in MS Plate security cover

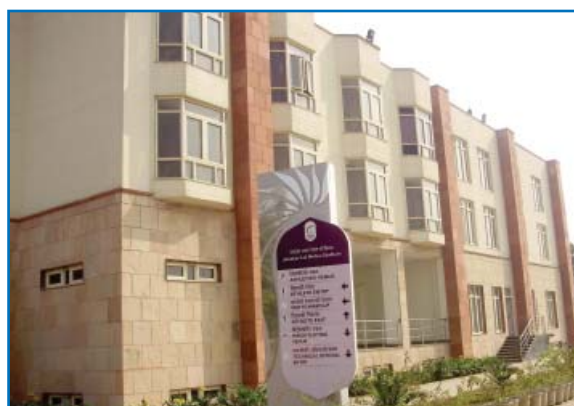


Unfilled Gaps in boundary wall

CPWD, in its reply, stated that the defects had since been rectified.

Further, CPWD recorded a completion certificate in which detail of defects were not recorded, and no payment on account of defective work was withheld from the contractor till the 13th R.A. Bill (the last bill made available to us).

17.6.8 Non utilisation of completed Hostel/ Media Accommodation Block



Unused Hostel Block

The hostel/media accommodation block was completed in June 2010 at a cost of Rs.12.07 crore (as per payment made till November 2010). The building was not handed over to SAI till November 2010 and as such, the accommodation was not used during the Games.

17.7 Dr. Shyama Prasad Mukherjee Swimming Pool Complex



SP Mukherjee Swimming Pool Complex

17.7.1 Introduction

Dr. Shyama Prasad Mukherjee Swimming Pool Complex (SPM), constructed in 1982 for Asian Games, with facilities of two outdoor and one indoor pools and seating, was planned to be upgraded and renovated for CWG 2010 with state of art facilities to meet the international standards and conventions for hosting world class aquatic event. The work involved demolition of the major portion of existing infrastructure, including free standing pillars, and reconstruction of these facilities.

The major work of construction of new insulated metal sheet roof, alongwith roof supporting structure, and its integration with the structure, was tendered as a lumpsum contract²⁴. This work was awarded to Ahluwalia Contracts (India) Limited (ACIL) at the tendered cost of Rs.229.73 crore in December 2007, against an estimated cost of Rs. 176 crores calculated in October 2007. The main components of the subsequently calculated justified cost were introduction of new items of work, change in CPOH²⁵ from 10 percent to 15 percent, escalation in material costs, and introducing new cost components e.g., additional cost due to compression of time, labour costs

²⁴ *In a lump sum contract, contractors are required to quote a lump sum amount for completing the work in accordance with the given designs, drawings, specification and functional requirements and shall have no claim for any payment on account of deviations and variations in quantity of any items or components of the work, unless they are authorized deviations from the parameters, drawings and specification contained in the tendered documents. Authorized variations are regulated by rates specified in contract for additions to or deductions from the lump sum amount. Item rate tenders, on the contrary, specify all possible items of work with accepted rates for regulating payments to contractor. Authorized deviations, extra and substituted items are regulated by general provision of contract*

²⁵ *Contractor's profit and overheads*

attributable to provisioning of labour huts off-site, labour transportation etc.

We noted that in deviation of the spirit of a lump sum contract, ACIL was allowed a number of concessions.

17.7.2 Undue concessions to ACIL.

The last date for submission of tenders which was notified as 16 November 2007, was extended four times upto 14 December 2007. The estimates put to tender were Rs. 176 crore, and the L1 bid of ACIL was Rs. 229.73 crore. The difference in the bid from the estimates was partly justified by revising the CPOH from 10 percent to 15 percent, permitted interestingly on the same date by DG (Works), CPWD as the much extended last date to bid i.e. 14 December 2007. The approval of the Ministry of Urban Development for revision of CPOH was received only in July 2008. In reply CPWD stated that the dates are coincidental. However, CPWD irregularly allowed enhanced COPH without the approval of Ministry.

22 extra items valuing Rs.28.10 crore had been sanctioned despite these being included in the lumpsum contract. These included the following

Additional payment of Rs.4.17 crore had been made for an item of work covered in the original contract as detailed in Case Study 17.3.

Case Study: 17.3

Extra payment of Rs.4.17 crore for items of work already covered in the scope of work of lumpsum contract.

Despite clear provisions for use of stainless steel plates, bolts, nuts etc. in the item of

galvanized strands for stainless steel connections in the drawings, technical specifications and notes below the item in bill of quantity, CPWD proposed an extra item of stainless steel plates and bolts on the ground that word “stainless steel” had not been mentioned in the nomenclature of the item of work. Extra payment of Rs.5 crore to ACIL for stainless steel plates and bolts was approved by the competent authority in February 2010. Payment of Rs.4.17 crore had been made to ACIL as of November 2010. After continued deliberations/ discussions and reporting by us, CPWD agreed (December 2010) that the item of stainless steel plates and bolts, etc. was part of the agreement item and nothing extra was payable and assured make recovery from ACIL.

- Additional payment of Rs.2.16 crore had been made by redefining substituted items as extra items.
- The quality of high cost items of stainless steel railing @ Rs.23,500 per meter was increased from 40 m to 1640 m.

17.7.3 Change of Roof

Agreement for construction of new insulated metal sheet roof alongwith supporting structure and its integration with existing structure, etc. included provision for 13060 sqm of galvalume profiled roof sheet as top layer. The eligibility criteria notified through press notice for pre qualification of contractors included the condition of satisfactory completion of at least one work of insulated metal sheet roof with roof area not less than 4000 sqm. The evaluation committee of senior officers approved five agencies after assessing their competence to complete the work. The high tendered rates of 36.04 per cent above the estimated cost for civil work was justified by CPWD on grounds of specialized piles job, steel profile sheet roof, indigenous construction using local material and the high degree of mechanisation, etc. The successful bidder was required to submit credentials of the roofing associate for approval of CPWD.

ACIL submitted details of Multicolor Steels India Pvt. Limited as their associate for roof work. The entire work was stipulated to be completed by 16 June 2009, but ACIL intimated that they were not able to find a suitable vendor for this work in October 2009, indicating loose control of CPWD on ACIL. It was noticed in October 2009 that Multicolor did not possess the technology or machinery to provide the exterior standing seam roof profile as shown in drawings and specifications.

Instead of executing the agreement item at the risk and cost of ACIL, CPWD decided to substitute the item with Kalzip aluminium roofing system, in a series of undue financial favours to ACIL, which also

defeated the basic purpose of lump sum contract. Case Study 17.4 refers.

In addition, 81 items of work valuing Rs. 14.86 crore were added subsequently as extra items of work as these were not envisaged at the tendering stage.

Case Study: 17.4

Failure of CPWD to enforce contractual remedies against contractor

Two contracts awarded by the CPWD for construction of new insulated metal sheet roof along with supporting structure etc. at Dr. S.P.M. Swimming Pool Complex and construction of weightlifting auditorium with two tier underground parking at JNS included similar item of work “providing and fixing of double skin insulated roofing system comprising of seam profiled permanently colour coated galvalume/ zinalune steel” @ Rs.7850 per sqm. and Rs.2349 per sqm. In both cases, it was the responsibility of the main contractor to engage technically competent and capable vendors for the roofing system.

However, the vendors engaged by contractors were found to be incompetent and incapable to provide the committed roofing system. Both the contractors did not execute the item of work and CPWD decided to provide Kalzip roofing system in both the venues. However, the same authorities in CPWD sanctioned variable rates of Rs.7316.44 per sqm. for weightlifting auditorium by treating the item as 'substituted item' and Rs.9168.35 per sqm. for Dr. S.P.M. Swimming Pool

Complex by treating the item as 'extra item'.

Instead of executing the agreement items in both the cases at the risk and cost of the contractor under provisions of the agreement, CPWD preferred extra payment of Rs.6.79 crore to the contractors by substituting the original item.

CPWD replied that in view of the technical responsibility of the entire building being with the main contractor, resorting to getting the roof work done independently at the risk and cost of the main contractor did not appear to be a viable solution. However, in both the cases the Kalzip roofing system was provided by manufacturers of the Kalzip roofing system/ their agent, and the main contractors had no role except pocketing unearned profits.

17.7.4 Defects in agree

- Scope of work provided contradictory provisions in the agreement whereby as per provisions in Volume I of the agreement, the service building was covered in the scope of work but as per provisions in Volume II, it was excluded from the scope of work. On being reported in audit, CPWD agreed not to treat the work as extra item.

17.7.5 Specifications not as per sporting requirements

Sporting requirements notified by the OC through venue brief had not been adhered to fully. There were deviations in dimensions of swimming pool, diving pool and warm up pool as detailed in Annexe 17.4.

17.7.6 Overpayment of Rs.0.39 crore.

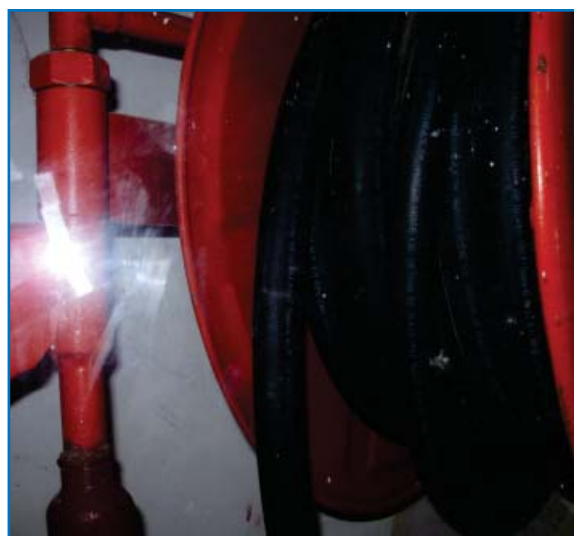
- As per the agreement, the beam detector was required to be provided for a range effective for 110 meters. CPWD accepted the contractor's view that all the beam detectors of approved makes were upto 100 meters range only. This item was substituted with beam detectors of 100 meter range.
- Against the provision for foreign make pool re-circulating pumps and booster pumps, local make equipments were provided.

However, payment was made considering the rates available in the billing schedule instead of variation rates. This resulted in overpayment of Rs. 0.39 crore. On being pointed out, CPWD assured adoption of variation rates.

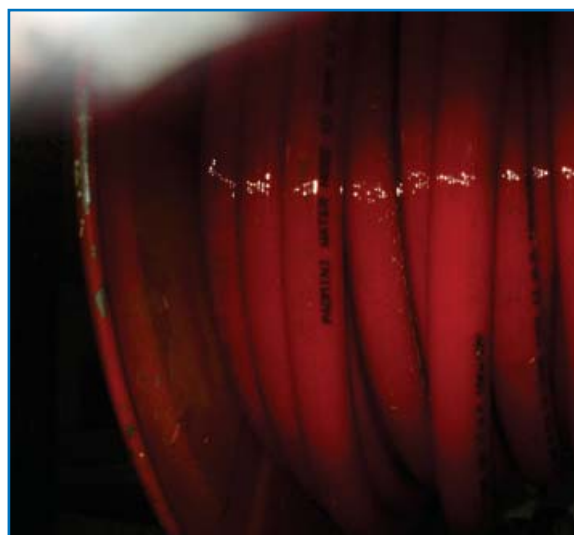
17.7.7 Excess procurement of sporting equipment

Against the requirement of 18 racing lanes, CPWD procured 29 racing lanes, incurring excess expenditure of Rs.0.22 crore for additional 11 racing lanes. Again, 20 of 32 starting blocks required for swimming pool were transferred by the OC to SPM Complex and CPWD also procured 36 starting blocks, incurring avoidable expenditure of Rs.0.34 crore.

CPWD in its reply stated that these procurements were made as per OC's guidelines for sports equipment. As such, procurement of excess equipment resulted in wasteful expenditure.

17.7.8 Supply of inferior hose pipes for firefighting system

Hose reel used before games



Hose reel replaced after games

ACIL provided Power Max make hose pipes for fire fighting system, instead of the contractual requirement of Padmini/Gate make hose pipe as per IS:12585. Instead of rejecting the entire lot of pipes, CPWD allowed part payment and reported the requirement of replacement of hose pipes through the completion certificate. The inferior quality hose pipes were replaced after closure of CWG 2010.

17.7.9 Execution of poor quality work



Poor quality of tiling work executed in the pool

During joint inspection of the venue on 25 August 2010 we noted floor tiles of competition pool, warm up pool and diving pool damaged/missing at many places. After having been pointed out in audit, CPWD reported replacement of these tiles through ACIL.

17.7.10 Execution of defective work



Digging work still in progress (Dec. 2010)

During physical inspection of the venue in December 2010(after CWG 2010), we noticed that the work of digging work/road of 6 feet depth and 4 feet width (approx.) from service building to stadium was still being carried out..

17.7.11 Lack of authenticity of completion of the work

The work of providing Integrated Building Management System was awarded at a cost of Rs.0.40 crore for completion by 7 January 2010. Initially CPWD indicated the work as 'work in progress' (December 2010) and subsequently (February 2011) indicated that the work was completed in September 2010 (February 2011).

17.7.12 Inadequate horticulture work

Against the estimated requirement of 10432 sqm of horticulture work, CPWD inflated the estimate to 15000 sqm on ad hoc basis. However, the actual quantity executed/developed was only 7810 sqm., including grassing work in 2367.48 sqm area.

17.8 Indira Gandhi Stadium Complex

17.8.1 Introduction

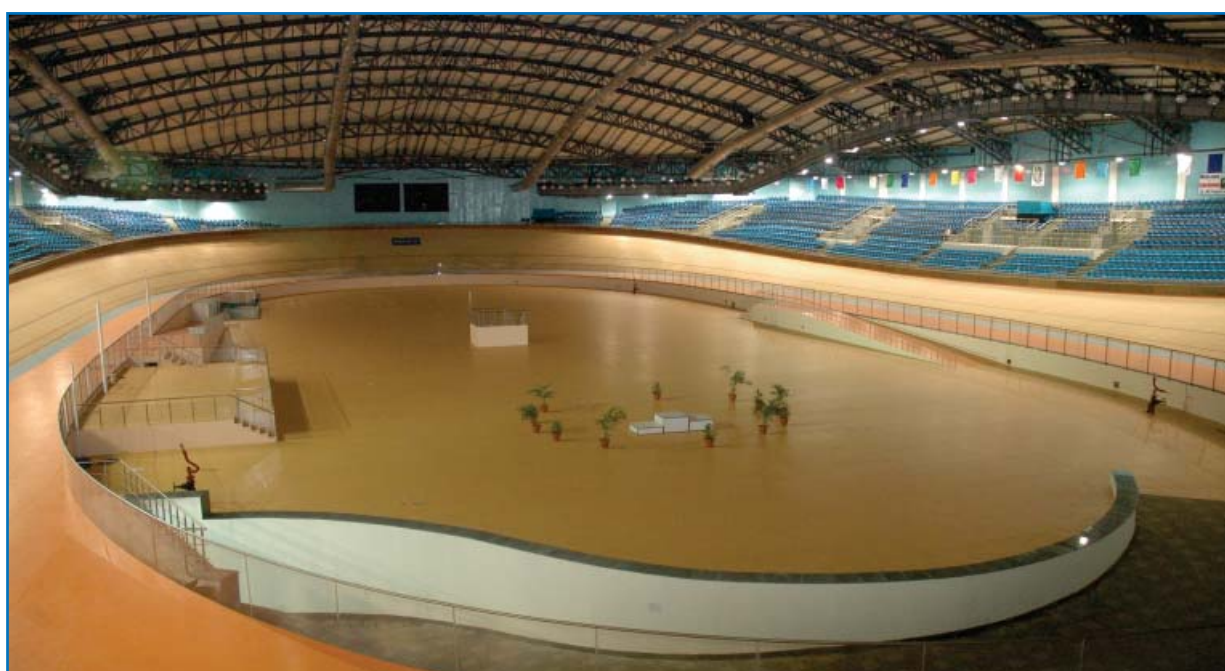
Table 17.7 shows the major works that were executed at the Indira Gandhi Stadium complex for CWG-2010:

Table 17.6 — Major works executed at IG Stadium

(Rs. in Crore)

Work	Consultant	Estimated Cost	Awarded Cost	Contractor
Construction of Indoor Cycling Velodrome	STUP	78.39	97.20	JMC Projects (India) Ltd
Design and Construction of permanent Timber Cycling Track	Dale Hughes (USA)	15.00	17.45	Comfort Net Traders (India) Ltd.
Construction of Wrestling Stadium	CES	65.33	79.20	Era Infra Engineering Ltd
Structural Retrofitting (Gymnastics Stadium)	CES	49.81	63.54	JMC Projects (India) Ltd
Roof truss (Gymnastics Stadium)	CES	33.45	36.80	Swadeshi Construction Co. Ltd.
Construction of warm-up halls (Gymnastics Stadium)	CES	14.16	17.96	Swadeshi Construction Co. Ltd.
HVAC (Gymnastics Stadium)	--	31.30	26.89	Voltas Limited
Construction of 150 bedded Hostel cum Media Centre	SPAN	12.06	15.56	Swadeshi Construction Co. Ltd.
Construction of Roads Storm Water Drains, Boundary wall	CES	25.40	32.02	Swadeshi Construction Co. Ltd.
Sub Station Equipment	CES	39.57	23.82	Ahluwalia Contractors (India) Ltd.

17.8.2 Indoor cycling velodrome



IGI Cycling Velodrome

The proposal was initially to renovate the existing open cycling velodrome but, after considering the options of a partially covered velodrome with demountable timber track between May 2007 and September 2008, a decision was finally taken by MYAS to construct a fully covered air conditioned velodrome with permanent timber track.

As brought out in our Study Report, of July 2009, this change in specification from an open stadium to a fully air-conditioned Indoor Velodrome was largely at the instance of the International Cycling Union (UCI).

This delay was also reflected in the finalisation of the return venue brief in February 2009, venue brief of which was submitted in November 2006, with

cascading changes in the succeeding milestones. The major works were of constructing the stadium structure and laying the timber cycling track.

17.8.2.1 Selection of JMC Projects (India) Ltd.

JMC Projects (India) Ltd. was awarded the contract of composite work for Indoor Cycling Velodrome. We found that it did not fulfil the prescribed eligibility conditions as listed below:

- The compliance with the condition that the agency should not have incurred any loss for more than two years in the last five years was circumvented by a change in the accounting period in the year 2004-05²⁶ (though it does not appear to have been done specifically for this project) as indicated, below

Accounting Year	2007-08	2006-07	2005-06 (Six Months)	2004-05 (18x Months)	2003-04
Profit after Taxes	30.67	15.90	1.32	(11.57)	(4.04)

- Clearly, an otherwise ineligible agency qualified due to the adjustment in the financial statements and performance.
- Inconsistent figures of liabilities were provided by JMC. In the first instance it indicated a liability of Rs. 1179.79 crore for 33 works in progress as on 30 June 2008, which was subsequently increased to 66 works of Rs 1734.36 crore as on 31 March 2008. Simultaneously, in the tender documents for the contract for structural retrofitting/repair and E&M for the gymnastics stadium in the same venue, the liability as on 31 March 2008

was indicated as Rs. 1378.12 crore for 35 works. Such disparity in the figures clearly establishes their unreliability.

JMC Projects (India) Ltd. emerged as the successful bidder based on non-transparent practices. Taking advantage of the adjusted accounting period and despite non-clarity on the quantum of liabilities, it not only won the instant contract but also the contract for structural retrofitting/ repair and E&M of the gymnastics stadium. Incidentally, the same contractor was found ineligible while bidding for works in the MDC stadium.

²⁶ Accepted by the ROC in June 2005

Separately, we found that for the award of work of construction of trap and skeet nos. 4, 5, 6 and underground tank at Dr. Karni Singh Shooting Range (KSSR)²⁷, six bidders, who responded, did not fulfil the specified criteria of executing three similar works of Rs. 3 crore each in the last five years. The condition was thereafter relaxed to execution of similar works of Rs. 1 crore per month, which enabled the shortlisting of JMC Projects (India) Ltd. and Swadeshi Construction Co. from among the 6 respondents. The work was finally awarded to JMC Projects (India) Ltd. for Rs. 4.75 crore, being the lower bidder of the two.. This agency also could not complete the work as per the stipulated time. In addition, we found that since CPWD no longer includes the clause pertaining to execution of works at the risk and cost of the original contractor in the event of unsatisfactory performance in its contracts, they have no recourse to recover Rs. 0.20 crore from the original contractor.

17.8.2.2 Change in the roof works

- CPWD identified Lloyd Insulations as the agency which would execute the roof work as a sub-agency of the main contractor. JMC indicated Rs. 2.99 crore as the cost of this work. We found that the work was finally executed by Bemo Roof System, since Llyod Insulations failed to execute the work. Till date, Rs. 4.48 crore has been paid for the work.

It is a clear indication that CPWD and its design consultant (STUP), could not assess the complexity of the work, and such

²⁷ This work was initially included in the scope of work of Era Infra Engineering Ltd., the main contractor for construction of KSSR. In August 2009, it was taken away from it, due to its failure to complete the work in time.

change in the agency mid-course would inevitably lead to extra costs.

17.8.2.3 Deviations in execution of PA system works

There were astronomical increases ranging from 100 to 1800 per cent in the quantities of cables, conduits and hardware items amounting to Rs. 1.51 crore stated to be consumed in execution of the work.

17.8.2.4 Award of work for Timber Track

We found that the competition for the specialised work of laying permanent timber track for the velodrome was limited to Indian furniture contractors in association with an international track design and construction expert. It appears particularly strange that considering the lack of domestic experience and complexity of the task, CPWD chose to limit the Indian partner to furniture contractors, rather than those associated either with construction or the sports industry. No attempt was made to float international tenders, despite the compelling need for association of an international expert. Further, the eligibility criteria regarding similar works and turnover were also diluted.

The contract was finally awarded to Comfort Net Traders (India) Pvt. Ltd. at a cost of Rs. 17.45 crore from among three bidders, an agency that had supplied chairs at various venues in association with Nussli. Comfort Net was also part of the consortia, who were awarded venue overlays contracts by the OC (commented upon in Chapter – 9)

We also found that extra work of Rs.0.50 crore of laying PVC flooring was also awarded to Comfort Net without tendering.

17.8.3 Wrestling Stadium



IG Wrestling Stadium

This stadium featured main competition arena, athletes warm up hall and front/back of house facilities²⁸, with a seating capacity of approximately 7500. The venue brief was prepared in November 2006, return brief in October 2007, but no final approval was reportedly received.

17.8.3.1 Selection of Era Infra Engineering Ltd.

In October 2007, the pre-qualification process was initiated and in February 2008,

out of the 9 respondents, 6²⁹ were pre-qualified. Subsequently, one³⁰ of the 6 pre-qualified agencies was not issued tender documents on the grounds of non submission of EMD. Finally, of the five remaining PQ agencies, only Era Infra Engineering Ltd. submitted the financial bid, which was accepted by the competent authority. The chronology of events is given in the figure 17.2.

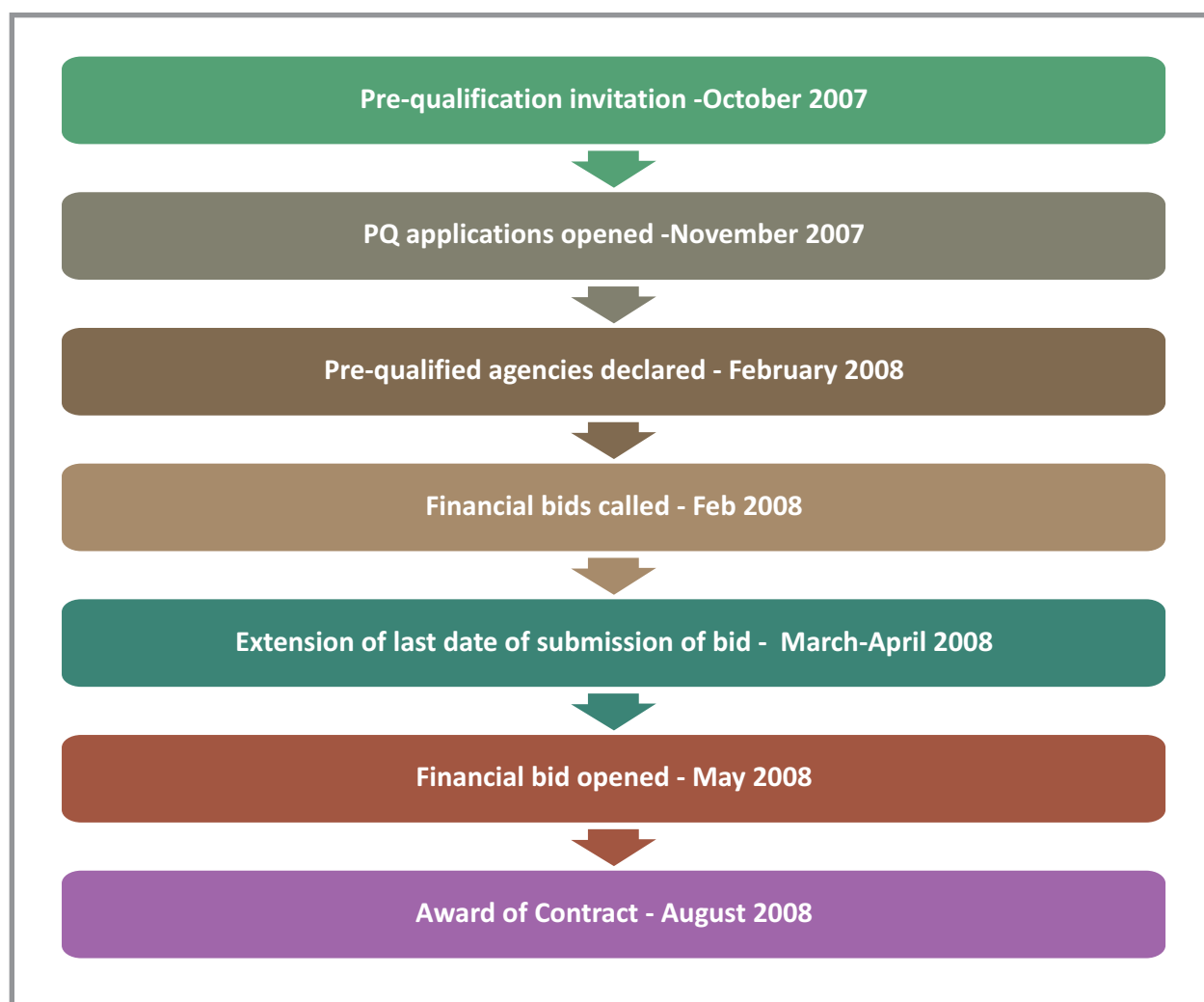
²⁸ **Front of House Facilities:** The facility relate to spectator areas, including transport zones, entries, seating and support areas.

Back of House Facilities: The facilities relate to areas required for accredited personnel, including support areas, transport zones, entries and seating. The BOH areas should generally be separated from spectator areas to assist the management of security and accreditation access.

²⁹ BG Shirke & Co., Era Infra Engineering Ltd., BE Billimoria & Co. Ltd, Ahluwalia Contractors(India) Ltd., JMC Projects (India) Ltd. and Unity Infra Projects Ltd.

³⁰ BG Shirke & Co (EMD not deposited)

Figure 17.2 - Chronology of events in award of contract to Era Infra Engineering Ltd.



We found the following deficiencies in the tendering and award process:

- There was an inexplicable delay of four months in declaring the pre-qualified bidders, belying all the urgency which was otherwise associated with the project.
- Strangely, only one of the five pre-qualified agencies, which had also deposited EMD and obtained tender documents, finally submitted a financial bid, which raises concerns on the competitiveness of the bidding process.
- The pre-qualification of Era Infra Engineering Ltd., the successful bidder,

was also deficient to the extent that there was no clear proof of execution of a steel fabrication work of 20m span.

- One of the applicants, RDS Projects, was disqualified by telephonic/e-mail verification from a Kerala client as to whether electrical and mechanical work had been executed by it. By contrast, we found no documented evidence that any efforts were made to verify whether Era Infra Engineering Ltd. had indeed executed a 20m span structure.

In its reply, CPWD stated that such verification was at the discretion of the concerned officer. However, as such, the

approach remained inconsistent to the extent pointed out by us.

- The bidding capacity of Rs. 1038 crore for Era Infra Engineering Ltd. calculated while pre-qualifying the agency did not take into account any liabilities towards work-in-progress. However, this bidding

capacity of Rs. 1038 crore was considerably higher than the cut-off of Rs 75 crore.

- The figure of financial turnover for the year 2006-07 was also not verified by the Chartered Accountant.

17.8.4 Gymnastics stadium



IGI Gymnastics Stadium

The Gymnastics stadium is a centrally air conditioned stadium with a seating capacity of 16000.

17.8.4.1 Selection of Swadeshi Construction Co

Several relaxations in the tendering process resulted directly in the selection of

Swadeshi Construction Co. as the successful bidder, as detailed below.

The eligibility criteria were relaxed to enable Swadeshi Construction Co. to qualify. The criteria as prescribed in the then applicable CPWD Manual 2003 and the relaxed conditions are given below

As per CPWD 2003 Manual	As per NIT
2 works of 50 per cent of the estimated cost (i.e. 2 works of Rs. 16.73 crore each)	2 works of Rs. 10 crore
1 work of 80 percent of estimated cost (Rs. 26.76 crore)	1 work of Rs. 15 crore

We found that of the two bidders³¹ that responded, Swadeshi Construction Co. did not fulfil the eligibility criteria prescribed in the manual.

The relaxation was justified on the ground of the work being of 'specialised nature'; we found no evidence of this being prescribed in the NIT. As per the CPWD Manual, the procedure for award of works of specialised nature requires that the tender papers should be issued only after ascertaining from the contractor their expertise and experience in the specialised fields concerned. In fact, while Parnika Commercial and Estates Pvt. Ltd suo moto provided evidence of its having experience of executing long span structures (the probable specialisation required), Swadeshi Construction Co had no such credentials.

Also, the figures of turnover submitted by Swadeshi Construction Co did not indicate separately the amounts attributable to construction works.

Further, though as per manual, pre-qualification procedure was to be followed (involving the calculation of bidding capacity of the tenderers) succeeded by an evaluation procedure, the NIT/tendering process adopted in the instant work as well as the work of construction of warm-up halls, where also Swadeshi Constructions was the successful bidder, disregarded both the evaluation procedure and the need to assess the bidding capacity.

17.8.5 Hostel/media centre; and roads, storm water drain and boundary wall

As per the EFC memo, initially a 100 bedded centrally air conditioned hostel was to be constructed, which was subsequently revised to a 150 hostel without central air conditioning in February 2009 at an estimated cost of Rs. 16.50 crore. The ground floor of the hostel was to be used as a media centre during the Games, but the hostel was not used during the Games.

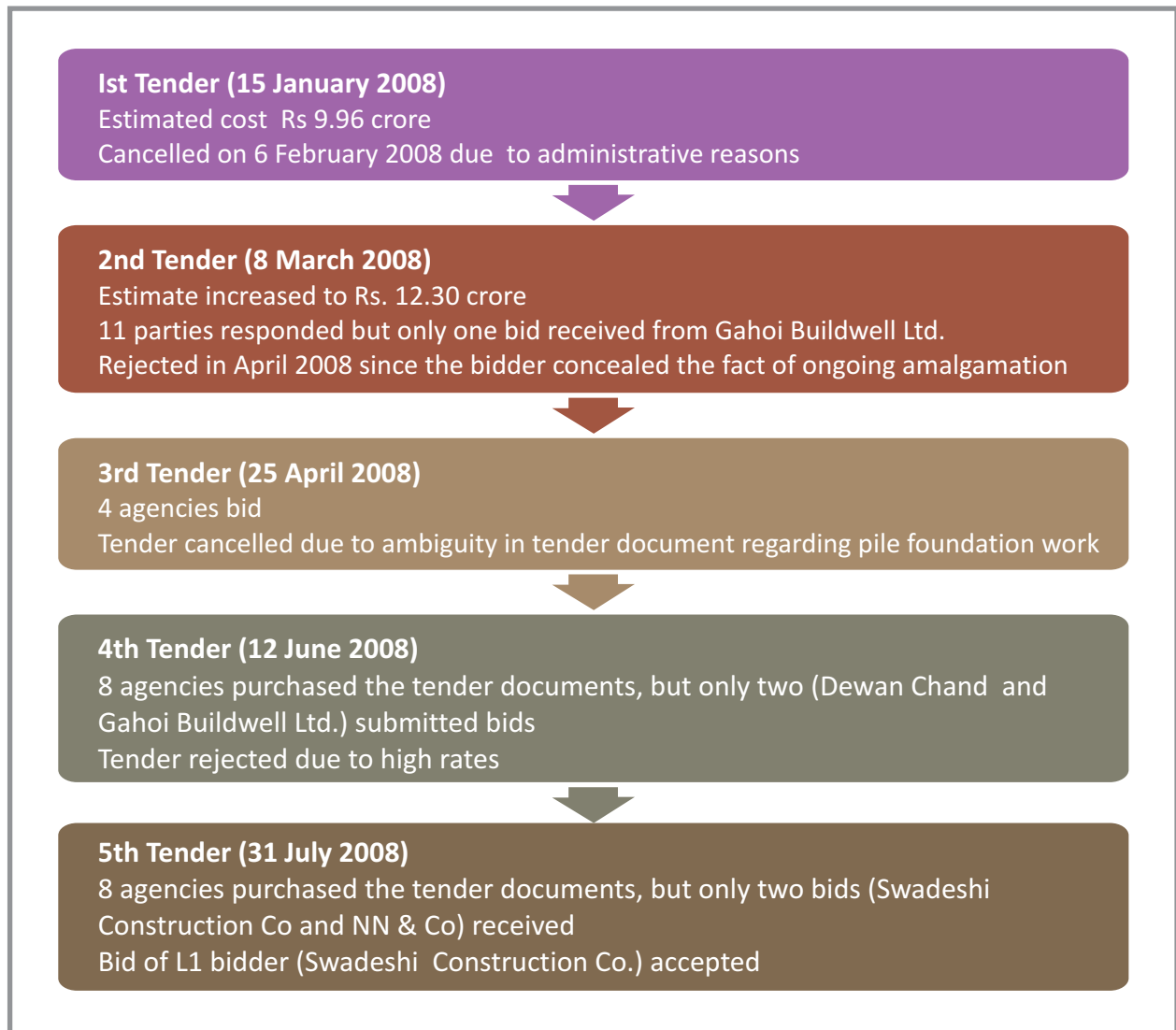
17.8.5.1 Selection of Swadeshi Construction Co.

Swadeshi Construction Co was awarded the work of both construction of hostel and construction of roads, storm water drains and boundary wall.

The tender for construction of hostel was tendered/retendered five times, between January 2008 to October 2008 when the contract was awarded to Swadeshi Construction Co. The tendering process is depicted in figure 17.3.

³¹ Parnika Commercial and Estates Pvt. Ltd. and Swadeshi Construction Co.

Figure 17.3 - Tendering process for award of work to Swadeshi Construction Co.



After a protracted bidding process, Swadeshi Construction Co. was awarded the contract.

We found the following deficiencies in the selection of Swadeshi Construction Co.:

- As per the NIT, the bidder had to submit evidence of works of similar nature. Swadeshi was selected on the experience of construction of Dilli Haat at Pitampura, New Delhi for Rs. 20.78 crore. We found that RCC work comprised only 13 percent i.e. Rs. 2.77 crore, of the cited work. Thus the condition of experience of similar works

which, in the instant case, were 'Building works with RCC framed structures' was not actually fulfilled; and

- The profit and loss account and balance sheet details were not attached with the bid, as required.
- We found that Swadeshi Construction was also ineligible for award of work for construction of roads, storm water drains and boundary wall, but for a series of relaxations given to it during the evaluation at the pre-qualification stage, as indicated below:

- The figures of turnover submitted by it did not separately indicate the amounts attributable to construction works, (though required); audited financial statements were also not submitted for independent verification;
- The turnover of 2007-08 was based on unaudited accounts. If the unaudited turnover of 2007-08 were to be excluded, Swadeshi Construction was not eligible on this parameter. In addition, the percentage of completion

of the two works in progress was not indicated in the performance report; and

- Except two, none of the seven works completed in the last seven years were certified by the competent authority.

17.8.6 Extra items of Rs. 2.48 crore

Swadeshi Constructions was also awarded extra items of works at market rates, without bidding, as summarised in the Table 17.8

Table 17.8 – List of extra items awarded at Market rates to Swadeshi Construction

(Rs. in crore)

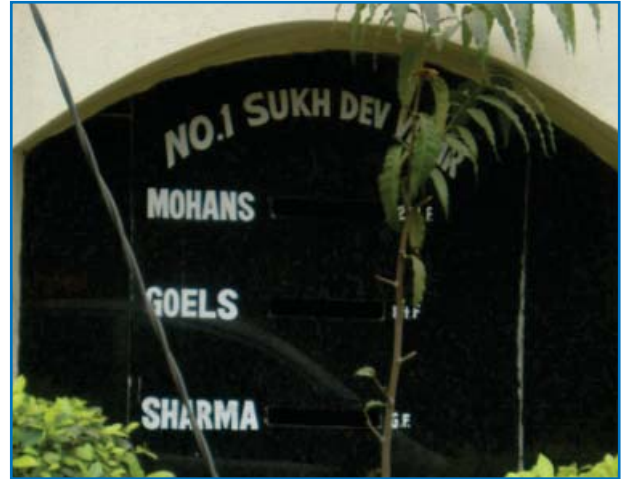
Work charged to	Nature of Work	Amount
Construction of Hostel/wrestling/ gymnastics stadium	Cabling/feeder pillars work for CCTV at the hostel, wrestling stadium and gymnastics stadium	0.77
Construction of Roads etc.	Temporary structure in wrestling stadium	1.71

Interestingly, the extra work of temporary structure for the wrestling stadium was awarded to Swadeshi Construction, instead of the main contractor for the wrestling stadium (Era Infra Engineering Ltd.)

In addition, an amount of Rs. 0.38 crore was paid to Swadeshi Constructions for removal of lime, moorum and building rubbish which was contractually to be done free of cost by the agency.

It is glaringly obvious that Swadeshi Construction Co. was a favoured agency. During the exit meeting, it was stated that it was an enterprising agency that delivered. However, its selection, bypassing prescribed tendering processes, can in no way be justified

Our verification of the correspondence address of Swadeshi Construction Co. (No. 1, Sukhdev Vihar) revealed that this was a residence, casting further doubt on the credibility and authenticity of Swadeshi Constructions Co.



Photographs of correspondence address of Swadeshi Construction Co.(No. 1 Sukh Dev Vihar)

17.9 Major Dhyan Chand Stadium



MDC National Stadium

17.9.1 Introduction

The “Upgradation and Remodelling” of MDC Stadium at the awarded cost of Rs. 209.31 crore included the following:

- Relaying of the two existing synthetic Fields of Play (FOPs);
- Conversion of the warm-up pitch from grassy to synthetic turf;
- Expansion of the spectator galleries; construction of a VIP gallery and facility buildings at FOP-1;
- Construction of a spectator gallery and sports ancillary facilities at FOP-2; and
- Construction of 2-tier basement parking and external/internal development.

The main work was awarded to Unity Infraprojects Ltd. for Rs. 147.82 crore, and 41 smaller works amounting to Rs. 61.49 crore were executed by various other agencies.

17.9.2 Dilution of bid criteria

In response to the RFQ issued in March 2007 for pre-qualification, seven³² firms responded, out of which two³³ were disqualified.

³² Ahluwalia Contracts (India) Ltd., Shapoorji Pallonji & Co. Ltd., L & T Ltd., Unity Infraprojects Ltd., B.G. Shirke Construction Technology Pvt. Ltd., JMC Projects (India) Ltd. and Nagarjuna Construction Co. Ltd.

³³ JMC Projects (India) Ltd. and Nagarjuna Construction Co. Ltd. Interestingly, these two disqualified firms were able to obtain other CWG works.

We found that the Project Manager diluted, without any recorded reasons, the pre-qualification criteria for eligible works in the NIT from that specified in the General Conditions Contract (GCC)-2005. As it stood, the GCC-2005 prescribed that for all works costing more than Rs 10 crore, experience of completion of at least two similar works equal to 60 percent of the estimated cost would make the contractor eligible. This was diluted to 'two similar works of only 50 percent of the estimated cost'. This dilution directly benefited Unity Infraprojects Ltd. and ACIL, which would not have been eligible had the standard criteria been retained.

17.9.3 Reliability of the bid amounts

In our opinion, transparent, fair and competitive bidding is the best determinant of the cost of a project. In the instant case we found several indicators that compel us to believe that the process was not fully reliable, and consequently the rates obtained through the bid may not be the reasonable cost of the work.

- Though five bidders had been pre-qualified, only three finally bid. The two who did not evince interest were L&T (with an average annual turnover³⁴ of Rs. 6941 crore) and Shapoorji Pallonji (with average annual turnover of Rs. 585 crore). In contrast, the three firms that bid had average annual turnover ranging only between Rs. 236-321 crore.
- Seen in the context of fluctuating estimated costs of the project at different stages i.e. Rs. 95 crore at RFQ

³⁴ Covering the period from 2001-02 to 2005-06

stage (when seven firms responded) reduced to Rs. 88.97 crore at RFP stage (when three firms responded), and the final award at Rs. 147.82 crore, the projection of estimates on the lower side may have discouraged the larger companies from participating.

- The justification of costs in response to the lowest quoted bid of Rs. 151.91 crore vis-à-vis an estimate of Rs. 88.97

crore was prepared by the Department on market rates. We found that these rates did not truly reflect the market, as is evident from the much lower rates obtained for components of the main work by Unity Infraprojects Ltd. from outsourced market agencies. Some illustrative cases are given in Table 17.9 below:

Table 17.9 – Illustrative cases of award of sub-contracts at lower rates

Sub-Head of Work (percentage of tendered value comprising of only those items which were easily comparable)	Amount at which work was awarded by Contractor to Sub-agencies (Rs. In crore)	Amount at which work was awarded to the Contractor by the Department (Rs. In crore)	Difference (Rs. In crore)
Aluminum Work (2.21%)	2.32	3.27	0.95
Finishing Works (1.17%)	1.27	1.72	0.46
Waterproofing Works (0.45%)	0.21	0.66	0.45
Internal Utility Services -Supply of SMC panel tanks (0.33%)	0.11	0.50	0.39
Stonework , Marble Work and Flooring (1.70%)	1.38	2.52	1.14
Part Miscellaneous Items (0.86%)	1.06	1.28	0.22
Woodwork (0.32%)	0.38	0.47	0.09
Part Miscellaneous Items (0.29%)	0.27	0.43	0.16
Roofing (2.57%)	2.64	3.80	1.16

Although the department replied that agreement conditions of work orders of sub contractors were fundamentally different in many work orders as they did not cover risk factors, defect, liability, provision of machinery free of cost, performance guarantee, security deposit, VAT applicable on work etc.; yet it did not furnish any

quantitative impact of these factors. Further, the department recalculated and indicated that the percentage of amount charged in excess by the main contractor ranged from 8.3 percent to 202.3 percent . Evidently, the awarded rates were far in excess of a reasonable margin.

ANNEXURE - A

Item / Description	Qty	Rate	Amount
Providing, fabricating, MS structural steel work made up of welded built up sections, angles, plates, connecting MS gussets plates welded / bolted with all necessary washers etc including frame work such as trusses, towers, arches etc including gusset plate and base plate holding down both, grouting, levelling and sand blasting of steel surfaces as per specification including painting.	800.00 Tons	₹ 1,70,000.00 per ton	₹ 1,36,00,000.00

(Rupees: One Crore Four Lakhs Only)

Photograph of sub-contract to outsourced market agency by the main contractor

- The rates obtained for electrical works awarded separately ranged from 4.88 to 43.74 percent below the estimated cost, whereas the electrical works which formed a part of the composite tender were awarded 32.43 to 106.70 percent above the estimated costs. Details are given in Annexe 17.5.
- As per the justification, the daily requirement of labour was indicated at 4793. However, from the monthly progress reports submitted by the contractor, the number of labour engaged daily ranged from 625 to 1400 and as per the fortnightly labour reports appended to the Running Account bills, these ranged from 200 to 1887; in

neither case anywhere near the projected figures.

Despite the additional costs factored in due to the reduced stipulated time period for completion, the project, which was scheduled to be completed in 18 months, took 37 months (without a formal completion certificate being issued till date).

Clearly, the rates obtained from the bid process were not reasonable and have to be viewed keeping in mind that the bid process does not appear to truly transparent, fair and competitive.

17.9.4 Selection of Elgin Electronics Ltd. for Supply, Installation, Testing and Commissioning (SITC) of PA systems

The bid for SITC of Public Announcement System was retendered twice, with change/dilution of bid criteria at each stage:

- In the first tender stage, the NIT, which was issued on 25 March 2008, contained condition of 'technical experience' of the firms being/ having association with an Original Equipment Manufacturer (OEM) and having experience of SITC of PA system of outdoor stadium. In response, four agencies submitted the tender documents, and three³⁵ were shortlisted. Elgin Electronics was rejected on technical grounds. The tender was cancelled due to complaints.
- At the 2nd tender stage, on 31 March 2009 i.e. after one year of the first tender, the technical eligibility conditions were replaced with financial conditions of having experience of two works of SITC of PA systems of the value of Rs. 2.55 crore (60 percent of estimated cost) or one of Rs. 3.40 crore (80 percent of estimated cost) . Six firms responded, and only one (Esco Audio-Visual (I) Pvt. Ltd) qualified. Again, Elgin Electronics was rejected. This tender was also cancelled due to reported monopoly; and
- At the 3rd Tender stage, on 25 April 2009, the condition was diluted to only experience of two works of Rs. 1 core or one of Rs. 2 crore. Seven firms

³⁵ Hi-tech Audio System Pvt. Ltd., Modern Radio House (I) Pvt. Ltd. and Power System

responded, and four³⁶ were found eligible. Elgin Electronic, being the L-1 bidder was selected and awarded the work on 14 July 2009 i.e. after 15 months of initiation of tendering process.

Hence, due to inexplicable delays and successive dilution of tender conditions, the work of SITC of PA System was awarded after a delay of one and half years, and a firm, which was ineligible at the first and second stage, emerged successful finally. Also, the fact that the contractor (Elgin Electronics) did not have a valid association with the OEM (JBL) may potentially affect future maintenance and usability of the PA system. Further, we found that an extra item of laying cables in excess of the contracted quantity ranging 506 – 651 percent was permitted, without obtaining any detailed schematic diagram indicating the location and the length of the cables installed which ultimately resulted in an additional expenditure of Rs. 1.06 crore. In addition to the difficulties in verifying the actual quantities installed without a detailed schematic diagram, the maintainability of this system could be affected. Details are given in Annexe.17.6.

17.9.5 Deficiencies in contract execution

We found a staggering increase in quantities of cables, ducts and pipes for the main composite contract, despite the fact that the associated items (electrical poles, lights, AHUs, cooling fans etc.) were reduced substantially in number. The details are summarised below

³⁶ Hi-tech Audio System Pvt. Ltd., Modern Radio House (I) Pvt. Ltd. and Elgin Electronics and Esco Audio-Visual(I) Pvt. Ltd

- the quantity of various types of cables and conduits for HVAC works, fire fighting works, fire alarm works and Electrical & Installation work increased by 32 per cent to a staggering 6000 per cent over the contracted quantities, leading to an additional financial burden of Rs. 1.10 crore;
- the quantity of various types of ducting for HVAC works increased between 59 to 152 per cent, at an additional cost Rs. 1.17 crore; and
- the quantity of various types of piping & other accessories for fire fighting works increased from 32 to 7450 per cent with additional cost implication of Rs. 0.78 crore.

17.9.6 Non levy of compensation

- Despite delayed completion/ slow progress of the project, no

compensation has been levied for slow progress of work amounting to Rs. 16.49 crore³⁷. Further, since proper record of the hindrances attributable to the contractor have not been maintained, it is difficult to determine the regularity of the provisional EOTs issued from time to time.

17.9.7 Construction of Spectator gallery and ancillary sports facilities at FOP-2

The return venue brief envisaged a temporary spectators' gallery and ancillary facilities at FOP-2. We did not find documentation of the circumstances, under which these permanent structures were constructed as additional works.

17.10 Kadarpur Shooting Range



Kadarpur Shooting Range

³⁷ Rs. 14.78 crore (main composite work) + Rs. 1.71 crore (Synthetic Hockey Pitch laying).



Kadarpur Shooting Range

The cost estimates of Rs.20.51 crore for construction of full bore 1000 yard shooting range prepared in November 2007 were revised to Rs.27.35 crore in March 2009.

17.10.1 Consultancy works for Kadarpur Shooting Range

The consultancy contract for architectural, structural, services planning and designing for construction of full bore shooting range and connected amenities at CRPF Group Centre, Kadarpur, Gurgaon, Haryana was

awarded to Suresh Goel & Associates at a cost of Rs. 0.52 crore. The stipulated date of start and completion were 24 October 2008 and 22 December 2008 respectively. We noted:

- The consultant did not submit the draft tender documents, detailed estimates, details of measurements and analysis of rates, final tender documents and detailed estimates for one of the four works reviewed by us viz. “construction of approach road from dining hall T-

junction to proposed CWG building” for which CPWD recovered Rs.0.02 crore.

- Failure of Consultant/CPWD to assess / estimate the realistic quantities of items of work resulted in extra avoidable payment of at least Rs. 0.15 crore.
- The work was reported to have been completed 25 March 2010 against scheduled completion by 22 December 2008, with a delay of 15 months, besides non-submission of essential documents reported above. CPWD withheld an amount of Rs.0.05 crore pending decision on extension of time, but failed to initiate action for levy and recovery of compensation.

17.10.2 Execution of works

The work was divided into the following broad packages viz.

- Construction of approach road from dining hall T-junction to proposed shooting range;
- Construction of roads, drains, box culverts, back stop walls, side walls and target gallery;
- Construction of facility block, spectators gallery and parking lots including internal electrical installation; and
- Construction of baffle wall providing and laying unfiltered water supply line and chain link fencing.

Deficiencies noticed in the execution of four packages are summarised below:

Table 17.10 – Deficiencies noticed in execution of works

Packages	Deficiencies
<p>Construction of approach road from dining hall T-junction to proposed shooting range</p> <p>(awarded to Narbir Singh at a cost of Rs.2.88 crore for completion in 120 days by 24 April 2009)</p>	<ul style="list-style-type: none"> ■ Sub-standard Granular sub base (GSB) brought by contractor was rejected on 15 April 2009. ■ Hindrance of 42 days was recorded for non-shifting of electrical cable in the hindrance register. We noted that CPWD itself was responsible for shifting of cable. Further the hindrance occurred on 18 April 2009 i.e., just 6 days before the stipulated date of completion of work. ■ The work was completed on 3 October 2009. ■ EOT upto 28 August 2009 was granted in December 2009. <p>CPWD replied that delays were due to non-shifting of electrical cable and non-availability of funds. However, the hindrance register recorded hindrance only for non-shifting of cables.</p>

Packages	Deficiencies
<p>Construction of roads, drains, box culverts, back stop walls, side walls and target gallery</p> <p>(awarded to Narbir Singh at a cost of Rs.11.21 crore for completion in 240 days by 17 November 2009)</p>	<ul style="list-style-type: none"> ■ Despite non-achievement of milestones and delay in completion of work CPWD released the entire balance of Rs.0.56 crore, withheld for non-achievement of milestones, instead of adjusting the same towards levy and recovery of compensation. ■ Material (34.040 T of 16mm steel bars) brought to the site by the contractor was found to be defective, and the contractor was directed to remove the entire steel from the work site. The contractor took over 25 days to cast the base slab of box culvert no. 2, only one CC had been laid, no qualified engineer was deployed at site by the contractor, and adequate efforts had not been made to complete the work in time. ■ Work was completed on 10 May 2010. ■ EOT upto 30 March 2010 was granted in June 2010. CPWD stated in its reply that the delays were due to decisions pending with OC and CRPF authorities and non availability of funds.
<p>Construction of facility block, spectators gallery and parking lots including internal electrical installation</p> <p>(awarded to Bansi Lal & Sons at a cost of Rs.3.77 crore for completion in 180 days by 2 December 2009)</p>	<ul style="list-style-type: none"> ■ The work was completed on 7 May 2010 after delay of five months from the scheduled date of completion. EOT upto 20 February 2010 was granted in May 2010.,
<p>Construction of baffle wall, providing and laying unfiltered water supply line & chainlink fencing</p> <p>(awarded to Narbir Singh at a cost of Rs.2.72 crore for completion in 90 days)</p>	<ul style="list-style-type: none"> ■ The work was completed on 10 May 2010 after a delay of 177 days i.e almost three times the period allowed for completion of work. EOT upto 22 March 2010 was granted in June 2010 <p>CPWD replied that the work was delayed due to non-availability of funds and side by side construction of main works.</p>

Note: The date of completion is the date of inspection by the SE (the authority competent to issue completion certificate) based on which the completion certificate was issued.

17.10.3 Non-completion of training facilities at Jharoda Kalan for police sportsperson

Ministry of Home Affairs sanctioned in August 2009 construction of 5 permanent barracks and providing and laying of synthetic athletic track surface at CRPF campus, Jharoda Kalan by CPWD at a cost of Rs. 7.77 crore. The infrastructural facilities were required for imparting intensive training facilities to 120 selected police

sportspersons for participation in CWG-2010 in the shooting, swimming, athletics, archery, gymnastics, weightlifting and wrestling disciplines. CPWD awarded two contracts in March 2010 for completion of work by July 2010, but the work had not been completed as of January 2011. Thus, the primary objective of imparting training facilities to police sportspersons for participation in CWG-2010 had been defeated.



Incomplete barracks



Construction site of Training Facilities at CRPF Campus, Jharoda Kalan

17.11 Dr. Karni Singh Shooting Range

17.11.1 Introduction

The CWG-2010 requirements included competition arena for 10m pistol and small bore rifle, 25m pistol, 50m pistol and small

bore rifle, range for the finals of the 10m, 25m and 50m competition, spectators areas, transport zones, entries, seating and support areas and Back of House facilities for accredited personnel. The facilities created at Dr. Karni Singh Shooting Range (KSSR) are summarised below:



10 M Range

- Competition arena for 10M pistol and small bore rifle
- 80 firing points
- Fully air conditioned with seating capacity of 500



15 M Range

- Competition arena for 25M pistol
- 60 firing points
- Seating capacity of 500



50 M Range

- Competition arena for 50M pistol and small bore rifle
- 80 firing points
- Seating capacity of 500



Final Range

- Range for holding finals of 10M, 25M and 50M competitions
- Seating capacity of 1000



Trap and Skeet ranges

- Six numbers composite Trap and Skeet Ranges
- Seating capacity of 2000

A new Armoury building for storage of Arms and Ammunition for the sport and Spectator's Plaza were also built.

17.11.2 Change of decision from renovation/up-gradation to reconstruction

Dr. Karni Singh Shooting Range (KSSR) constructed in 1982 for the Asian Games had facilities of 10 mtr, 25 mtr, 50mtr shooting ranges, Trap and Skeet, armoury building, flood lighting etc. with a seating capacity of 15,000. The construction cost of these facilities was Rs.7.41 crore and the life span of the structures was estimated at 80 years. These facilities were in regular use for shooting competitions and between 1995 and 2007, six international competitions and twenty-one national level competitions had been organized at KSSR.

In May 2007, on the advice of the OC, it was envisaged that the facilities could be upgraded and new ranges for pistol and rifle events, built at an estimated cost of Rs. 33 crore. In October 2007, at the direction of SAI, CPWD prepared estimates for three alternatives, giving different mixes of the reconstruction of existing ranges and creation of new ranges/facilities. In January 2008, MYAS finally approved reconstruction of existing ranges, and building new ranges for final events along with additional ranges for Trap and Skeet and back of house facilities at an estimated cost of Rs. 65 crore.

A time lag of seven months between May 2007 and January 2008 created an avoidable squeeze of time at the execution stage. Simultaneously, CES, the consultant engaged in June 2007, for design consultancy for augmenting the facilities at KSSR was contracted at Rs. 0.35 crore for the assignment and later, due to change in scope of work with the decision to construct new facilities, the consultant's fee increased

by Rs. 0.56 crore. We found that, CES was finally paid Rs. 0.81 crore, including Rs. 0.31 crore for the design consultancy assignment for augmentation work.

17.11.3 Non-recovery of extra expenditure of Rs.20.10 lakh incurred due to failure of the contractor to complete the work

The work of civil and electrical works were tendered at an estimated cost of Rs. 56.56 crore against which the L1 bidder, Era Infra Engineering Limited (EIEL) bid Rs 71.65 crore, which was justified by reworking the material costs at market rates and introducing cost components like additional cost due to compression of time, labour costs attributable to provisioning of labour huts off-site, labour transportation etc.

The dates of start and completion of works were October 2008 and August 2009 respectively. EIEL had submitted a construction programme for completion by the scheduled date. However, the work did not proceed as per this construction programme. Though a show cause notice under clause 3 of the Agreement was issued to the contractor in March 2009 for breach of contract, the progress continued to be slow. After expiry of the stipulated date of completion of work in August 2009, CPWD decided to execute the work of Trap and Skeet nos. 4, 5 and 6 and underground tank through JMC. Extra expenditure of Rs.0.20 crore incurred by award of work to JMC at rates higher than included in the contract with EIEL, but could not be recovered from EIEL, which had defaulted, because of the absence of the 'risk and cost' clause in the agreement.

We recommend that the amount may be adjusted against the Performance Guarantee provided by EIEL at the time final settlement of bill.

17.11.4 Award of work to ineligible contractor

Due to failure of EIEL to complete the work in time, CPWD decided in August 2009 to execute work of trap and skeet numbers 4,5 and 6 and underground tank through other agencies. Of the six offers received in response to the press notice, none, including JMC, qualified the eligibility criteria of having completed at least 3 works of Rs.3 crore and above during the last five years and completion of each such work within the stipulated date of completion. Despite the failure of JMC to qualify the criteria, CPWD awarded the works to JMC, after relaxing the condition to one similar work of one crore per month at an extra cost of Rs. 0.20 crore over the rates of original contractor. Even JMC failed to complete the work on time. JMC also executed works at IG Stadium, which has been separately commented upon in paragraph 17.9.2.1 of this Audit Report.

17.11.5 Irregular treatment of substituted items as extra items

Agreement items of work with partial modifications were required to be treated as substituted items, and the rates there for were required to be worked out after adjusting agreement rate of original item for the difference in market rate of original and substituted items. Case study 16.1 indicates two instance of such overpayments.

17.11.6 Defects in execution of work

Several deficiencies in quality of works executed were noted at different stages by the implementing agency. These deficiencies persisted even after the Games were concluded. An illustrative list of such defects are listed below

- leakage in roof sheeting over shooting area in 50 mtr ranges;
- non-settlement of paver blocks/CC pavers at numerous locations;
- non-functioning of aluminium doors and windows in some ranges;
- depressions in newly constructed roads;
- weep holes in target areas and final range (near RCC wall); and
- defects in electric substation work etc.

Rs.0.20 crore had been withheld in August 2010 from the contractor's bill. CPWD reported that most of the defects had been rectified, and the few pending road repairs would be done after the winter season.



Seepage in walls



Patched up in road surface



Weepholes in target area

Venues developed by Delhi Development Authority

Delhi Development Authority (DDA) developed competition/training venues at Siri Fort Sports Complex (SFSC), Yamuna Sports Complex (YSC) and Saket Sports Complex (SSC) at a total awarded cost of Rs. 561.50 crore.

There was an inexplicable delay of nearly a year in engagement of Peddle Thorp Architect Pty as design consultants for construction works of the indoor stadia at SFSC and YSC (excluding archery competition venue) between June 2006 (when the bids were opened) and final award of contract in May 2007. This resulted in cascading delays in execution of work due to time required for finalisation of designs and preparation of estimates for issuing RFP.

We found deficiencies in the selection and performance of Architect Bureau-GSA Group Consortium as design consultant for the archery competition venue, training venues and refurbishment work at SFSC, YSC and SSC. The award was based on a single financial bid. Further, there was no evidence of deputation of the representatives of the foreign partner (GSA-Group) to India, and there were numerous deficiencies in the performance of the design consultant.

We found significant deficiencies in the procurement of chairs (with justification rates being unreliable). Deficiencies were also noticed in the contracts for synthetic surface for table tennis court as well as maple wood flooring at one venue.



Siri Fort Badminton Court



Yamuna Sports Complex – Archery Venue

18.1 Introduction

Delhi Development Authority (DDA) developed competition/training venues at Siri Fort Sports Complex, Yamuna Sports

Complex and Saket Sports Complex at a total awarded cost of Rs. 561.50 crore. The venue wise major works, their tendered cost and the contractors' details are given in Table 18.1 below

Table 18.1 – Works at DDA Venues

Work	Consulstant	Estimate Cost	Tendered Cost	Contractor
Siri Fort Sports Complex (SFSC) including Saket Sports Complex (SSC)				
Construction of indoor stadium for squash and badminton	Peddle Thorp Melbourne Pty. Ltd.	118.09	154.40	B.E. Billimoria & Co. Ltd
Providing raft foundation for the indoor stadium for squash and badminton		19.64	24.17	Sportina Payce Infrastructure P Ltd.
Refurbishment of existing training facilities (including those at Saket Sports Complex)	Consortium of Architects Bureau and Group GSA Pty. Ltd., Australia	20.82	23.72	Sharma Constructions

Work	Consultant	Estimate Cost	Tendered Cost	Contractor
Yamuna Sports Complex (YSC)				
Construction of indoor stadium for table tennis	Peddle Thorp Melbourne Pty. Ltd.	122.84	162.94	B.E. Billimoria & Co. Ltd.
Providing cast in situ bored piles for pile foundation		14.26	16.47	ITD-ITD Cem (JV)
Construction of archery competition venue, training venues for archery, hockey, lawn bowls and refurbishment of existing training venues	Consortium of Architects Bureau and Group GSA Pty. Ltd., Australia	38.24	46.67	Brahmaputra Infrastructure Ltd.

Section - D
Venue Development

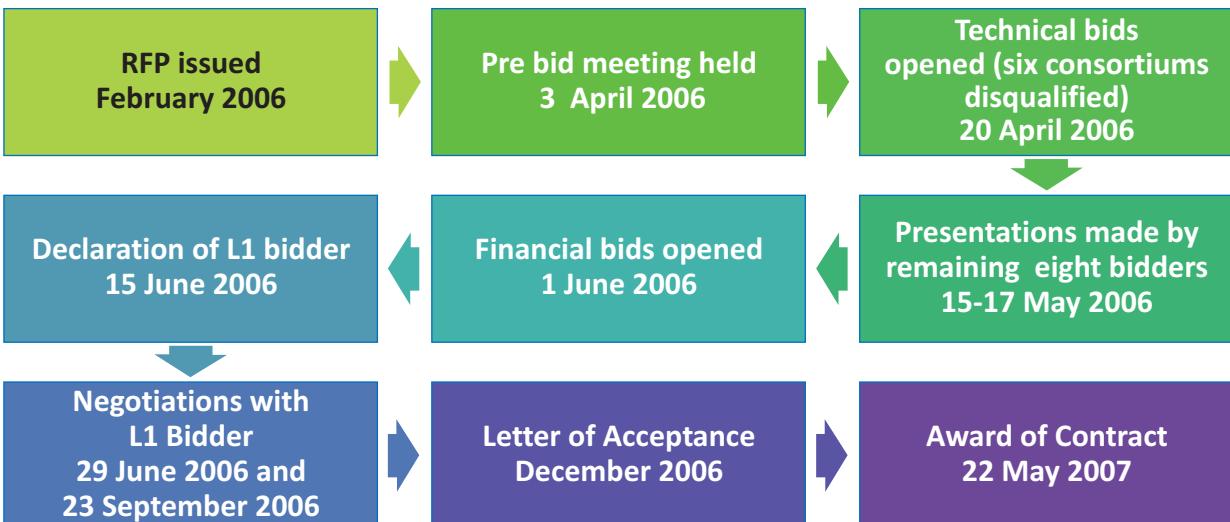
18.2 Selection of Consultant

18.2.1 Selection of Peddle Thorp Melbourne

In February 2006, a joint RFP was issued for engaging design consultants for the Games Venues (competition and training venues for squash and badminton at SFSC/ table tennis at YSC) and Games Village (practice area). 20 bids were received from 14 consortiums, of which, six were rejected at the stage of opening of the technical bids.

The remaining eight consortiums submitted bids, with two of them bidding for design consultancy work both at the Games Venues and the Games Village. Five financial bids for the design consultancy of the Games Venues were opened and Peddle Thorp Architect Pty Ltd. (subsequently engaged as Peddle Thorp Melbourne), the L1 bidder, was selected at a fee of Rs. 16.60 crore and the contract signed in May 2007. The chronology of events is depicted in figure 18.1 below

Table 18.1 — Selection of Peddle Thorp as Design Consultant



We found that there was an inexplicable delay of nearly a year from the date of declaration of L1 bidder in June 2006 and the final award of contract in May 2007. This resulted in cascading delays in execution of work due to the time required for finalisation of designs and preparation of estimates for issuing RFP.

The process of tendering for construction of these works was started in June 2007 (immediately after the engagement of the design consultant) with identification of three packages – one each for construction of new competition venues at SFSC and YSC, and the third for the refurbishment of existing training facilities at SFSC, YSC and SSC. Due to paucity of time, Peddle Thorp Melbourne (PTM) recommended splitting the works of construction of competition venues into foundation work and superstructure work. Subsequently, these were awarded to two different agencies. In our opinion, this unnatural segregation of foundation work from the superstructure work was primarily due to an inordinately long time taken in award of the design consultancy. It had the consequential effect of excluding the foundation work from third party quality assurance scrutiny, (for which RITES Ltd. was engaged) which got limited to the superstructure work only. No methodology statement was also made available by the contractor for the foundation works, thereby further compromising the quality assurance process.

Further, while responding to the RFP, the consortium led by Peddle Thorp Architect Pty Ltd, Australia included seven other members¹, of which, only one i.e. SMEC International Pty. Ltd. finally featured in the

Detailed Association Agreement, submitted to DDA post award of the contract, with Peddle Thorp Melbourne (representing Peddle Thorp Architect Pty Ltd.). This Detailed Association Agreement was also signed on 23 May 2007, a day after the award of contract. DDA did not question these changes.

18.2.2 Selection of Architect Bureau-Group GSA consortium

In July 2007, a separate RFP for engaging the design consultant for the Archery Stadium competition venue at YSC and refurbishment of existing training facilities at SFSC, YSC and SSC² was advertised on the DDA website. Two firms responded – Architect Bureau in consortium with Group GSA Pty. Ltd. Australia (AB) and Kapoor & Associates. The latter's bid was disqualified on 31 August 2007 after a presentation and the single financial bid of AB was opened on 19 September 2007 (against 1 September indicated at the time of technical evaluation). The work was awarded on 12 November 2007 at Rs. 6.25 crore and the agreement was signed on 15 November 2007.

We found that the MoU submitted by AB consortium was dated September 2001 and evidenced a strategic alliance between the two parties to identify projects and opportunities and work together, but was not specific to the project under

¹ Conell Mott Mac Donald, Australia; SMEC International Pty. Ltd; Marshall Day Acoustics Pty Ltd., Australia; Sustainable Bentt Environment Pty. Ltd. Australia; SGL Consulting Group of Australia; Clifton Coney Group Pty Ltd. and Lingamaneni Estates Pvt. Ltd, India

² Construction of archery competition venue; Training venues for archery, hockey and lawn bowls; and refurbishment of training venues for aquatic and rhythmic gymnastics at YSC

consideration. This was not challenged by DDA. Further, as per the agreement with DDA, 70 percent of the work was to be done by Group GSA, its representatives were to visit India 10 times and technical representative of GSA deputed to India for two months. Although DDA stated that the project was conceived, conceptual plan prepared and presented before the OC and the department predominantly by Group GSA, we found no evidence of deputation of Group GSA's representatives on record.

We also found deficiencies in the performance of AB, as detailed below

- AB delayed submission of drawings. 61 drawings for the archery competition venue at YSC. These were issued between April and May 2010 against the target date of March 2009, with delays ranging from one to 15 months.
- Though the requirement for providing toughened glass was indicated in the drawings for YSC, the same was not included in BOQ due to non finalisation of design and specifications by AB. The work had to be awarded as an extra item at Rs. 2.29 crore.
- The BOQ required providing and installation of Yonex court mat/Taraflex synthetic flooring of 9mm thickness which is not as per Yonex brand specifications. This item had to be subsequently executed as a separate item at a cost of Rs. 1.54 crore.
- AB was also required to get detailed soil investigation done for the archery venue at its cost, but this was done by DDA at a cost of Rs. 0.02 crore resulting in undue benefit to AB.

18.3 Selection of Contractors

The joint RFQ process for pre-qualification of agencies for construction of Games venues and practice area in the Games Village and the deficiencies in assignment of contract for practice area in the Games Village to Sportina Payce Infrastructure P Ltd. has been discussed in paragraph 20.6.4 of this report.

At the RFQ stage, three works were identified for games venues, which were subsequently split into six works on the recommendation of PTM. Out of the eight agencies³ that pre-qualified from this process, only four i.e BE Billimoria & Co. Ltd, Sportina Payce Infrastructure Ltd (instead of Sportina Payce Constructions Ltd.), ITD-ITDCem (JV) and Unity Brahmputra Consortium submitted bids. The others chose to keep out of the bidding process. Of the six works, four were awarded to the L1 bidders and two were retendered due to abnormally high rates and subsequently awarded on open tender basis, (though only two-three bids were received). The details of bidders and successful agencies are given in Annexe 18.1

In addition, 30 items with an estimated cost of Rs 9.60 crore were not included in the BOQ attached to the tender document for the work of construction of badminton and squash competition venues. Subsequently, 20 of these items had to be awarded as extra items at a cost of Rs. 11.02 crore, and 10 were not executed at all.

³ ITD-ITD Cem JV; BL Kashyap and Sons Ltd.; BG Shirke Construction Technology Pvt. Ltd., Gammon India Ltd.; Consortium of Unity-Brahmaputra; Shapoorji Pallonji & Co. Ltd.; BE Billimoria & Co. Ltd.; and Sportina Payce Construction(India) Pvt. Ltd-SPV .

In our view, the bidding process was not fully reliable and to that extent the prices obtained from it cannot be termed as the best prices determined by fair and open market competition. The following facts are indicative of the unreliability of the competitive bidding process

- only four of the eight prequalified bidders submitted bids. While three of them were awarded at least one contract each, the fourth (Brahmaputra Infrastructure Ltd., in its individual capacity) won a bid through open tender;
- one agency, Sportina Payce Infrastructure that bid was not strictly an eligible agency; and
- in the open tender, though the response was very limited, costs lower than the initially bid costs were obtained.

18.4 Execution of work

18.4.1 Unreliable justification of rates

In the following cases of procurement of chairs/synthetic surfaces, we found that the justification of rates was unreliable

- In the contract with Nussli-Comfort Net for providing and fixing 2,336 retractable chairs at a total cost of Rs. 4.63 crore, the justified rates of Rs. 17,566 per chair was prepared based on a market quotation of Nussli-Comfort Net itself. We found that the actual cost of these chairs as stated in the tax invoice was only Rs. 1,850 per chair with a cost implication of extra expenditure of Rs. 2.74 crore (for 1,746 chairs actually installed).
- Brahmaputra Infrastructure Ltd. installed 211 upholstered chairs at the archery venue in YSC at a cost of Rs

17,470 per chair for which justification was prepared at Rs.13,764 without obtaining market quotations; similarly justification of Rs. 7,184 per chair for 1,818 ordinary chairs procured at a cost of Rs. 9,890 per chair was also prepared without obtaining any market quotation; and

- As per OC's specifications of April 2009, only Taraflex and Nagase Kenko make of synthetic surfaces were to be laid in the table tennis court. Consequently, combined tendering for these was done for YSC and JMIU and the contract was awarded to Freewill Infrastructure Pvt. Ltd. at a tendered cost of Rs. 1.29 crore. We found that while the awarded rate per sqm was Rs. 2,943.25, the justified cost on the basis of actual cost of import by the agency worked out to Rs. 1,188.52 per sqm, indicating exorbitant margins of 148 per cent.

18.4.2 Installation of maple wood flooring in three venues

In April 2009, OC specified the brands for wooden flooring as Connor, Robbins, Haro, Prestige Sport System and Honer Sports Flooring. Though the work of installation of wooden flooring was already included in the scope of work of the three contracts for construction of venues, DDA chose to withdraw this item from the scope of work of two contracts and award it to Parquet Furnishers Pvt. Ltd as per specifications prescribed by OC, for cost benefit and uniformity through common tendering and at a much lower rate of Rs 3,462 per sqm. Strangely, it allowed the third contractor (Brahmaputra Infrastructure Ltd.) to continue with the work at a higher rate. The details are given in table 18.2.

Table 18.2 — Rate for Maple Wood Floor

Work and contractor	Rate as per existing Contract	Rate as per joint tendering after withdrawing
Table tennis venue in YSC (BE Billimoria & Co)	Rs. 5790 per sqm	Rs. 3462 per sqm
Refurbishment of existing facilities at SFSC and SSC (Sharma Constructions)	Rs. 7500 per sqm	Rs. 3462 per sqm
Construction of archery venue & refurbishment of existing facilities at YSC (Brahmaputra Infrastructure Ltd)	Rs. 6831 per sqm	Not re-awarded

The arbitrary decision to not withdraw the work from Brahmaputra Infrastructure Ltd. resulted in excess spending of Rs. 0.24 crore (for 722.55 sqm of work executed).

Further, during the installation of wooden flooring in the table tennis venue at YSC, an extra item of Rs 0.38 crore was permitted for fastening padded sleepers anchored to the floor below the wooden flooring because of bending of floating floor system. In our view this was a rectification, the cost of which should either be borne by Parquet Furniture Pvt. Ltd. or the original contractor that executed the civil work underlying the wooden flooring.

18.4.3 Installation of Mild Steel barricading at SFSC

In October 2008, at the behest of LG, Delhi, DDA decided to provide MS barricading in SFSC in order to keep the jogging track open to public. The work was included in the BOQ of the work for refurbishment of

existing facilities at SFSC/SSC awarded to Sharma Constructions in March 2009. It was observed that no drawings indicating the location of the MS barricading were prepared and due to objections from SFSC residents, of the 486 barricades supplied, only 236 could be installed. Clearly, poor planning led to wasteful expenditure of Rs. 0.49 crore

18.4.4 Underutilisation of Sewage Treatment Plant at SFSC

A Sewage Treatment Plant(STP) of 152 KLD capacity was created at a cost of Rs. 0.32 crore. However, we found that the plant could be utilised only at 30 percent of its capacity as the size of the pipes provided for taking the raw sewage into the plant were inadequate and most of the sewage was pumped out using additional pumps, by-passing the STP.

18.4.5 Installation of DG sets

Despite securing power supply from two independent feeders as prescribed by EKS (OC's Consultant), DDA procured two DG sets of 1250 KVA each and one of 725 KVA for Rs. 4.32 crore at YSC for the full power load of the stadia, rather than restricting it to the Games critical load of 1850 KVA.

18.4.6 Additional security deposit on specialised items

As per agreement, additional security deposit in the form of bank guarantee was to be retained at the rate of five percent of the cost of the specialised work. We found that no such bank guarantee had been retained on the plea that substantial payments were still to be made to the contractors.

It may be ensured that a bank guarantee of five percent of the cost of work is obtained before final settlement of bills.



Venues developed by other agencies

NDMC and PWD, GNCTD developed competition/training venues at Thyagaraj, Talkatora, Shivaji, and Chhatrasal Stadia and Government Model Ludlow Castle School. In addition, three other sets of competition/ training venues were developed by Delhi University and its affiliated colleges, Jamia Millia Islamia University (JMI) and All India Tennis Association (AITA).

None of the respondents to the NIT issued by NDMC for appointment of Architect Consultant for Shivaji and Talkatora Stadia were technically eligible. Despite ample time being available for retendering, NDMC appointed Raja Aederi Consultants Pvt. Ltd., one of the ineligible respondents.

The main contractor hired for Shivaji Stadium was a foreign company, China Railway Shisiju Group Corporation (CRSGC), when it is apparent from the conditions of the NIT, that such was not the intention. Shivaji Stadium could not be completed in time for the Games and the completed hockey pitch in the stadium has an East-West orientation, as against the required North-South orientation

Simplex Project Ltd. was engaged as the main contractor for the works at Talkatora Indoor Stadium on a single bid basis. Further, our analysis revealed that justified rates for a substantial portion of items was higher than the applicable CPWD DSR rates. Thus it is difficult to conclude that the best price was determined for the work in a competitive market. The quality of construction was also found deficient by CTE, CVC.

In the case of Thyagaraj Stadium, PWD, GNCTD adopted the percentage rate tendering, which should be resorted to only when major part of the estimated cost is based on the Delhi Schedule of Rates (which was not so in this case). We found several instances of inflation of costs in the detailed estimates. We also found several instances of adoption of higher cost items for estimation/execution from among multiple options, and also numerous instances of specifying a single brand or “equivalent”, thus favouring these brands, with consequential reduced competition and increased costs. We also found multiple forms of power back up (despite power supply from two independent feeders as stipulated in the venue brief) – a solar power generator unit (at a cost of Rs. 14.10 crore) and a dual fuel gas turbine with add on Vapour Absorption Machine (VAM) (at a cost of Rs. 22.41 crore). The expenditure on the turbine and the VAM is largely infructuous, as it would be highly expensive to generate power from this unit post-Games.

Percentage rate tendering was also adopted for the Chhatrasal stadium and Government Model Ludlow Castle School. We found irregularities in the appointment of the design consultant for the Chhatrasal Stadium. At Ludlow Castle, a limited tendering approach was irregularly followed, purportedly on account of shortage of time, although subsequent delays in award of the work belayed this sense of urgency.

JMI was selected as a training venue for Rugby 7s and table tennis. We found that the Rugby 7s field, developed at a cost of Rs. 2.11 crore, was being converted back into a cricket field, which defeats, at least partly, one of the stated objectives of CWG-2010 of creation of state of the art sporting infrastructure. Further, Rs. 2.58 crore of funds was diverted for creation of sporting facilities (basket ball, lawn tennis, volley ball, hockey/football etc.) other than the facilities for which JMI was designated as a CWG-2010 training venue. While we recognise that development of university premises for providing sports facilities is desirable, the diversion of funds sanctioned for a specific purpose is irregular.

Delhi University and its affiliated colleges were designated as the competition venues for Rugby 7s and training venues for netball, boxing, rugby 7s, athletics and women's wrestling. We found that there were substantial delays in the start of work, for want of approval of the revised estimates from MYAS. Further, the legacy plan for training venues at individual colleges, covering the optimum utilisation of developed infrastructure as also arrangements for their regular maintenance and upkeep, is still pending.

The R.K. Khanna Tennis Complex, under the All India Tennis Association, was designated as the competition venue for tennis. An estimated budget of Rs. 65.65 crore was allocated by MYAS for upgradation of the seating capacity of the tennis court, conversion of grass courts with temporary seating into synthetic courts with permanent seating and setting up lighting systems of the prescribed lux levels. We found that the project management consultant was irregularly selected on nomination basis. However, we found that AITA's concept of deleting the steel portion from the original contract (on account of volatility in steel prices in 2008) and procuring it directly from SAIL had its advantages, especially clubbed with the non-inclusion of any escalation/de-escalation clause in the contract.

19.1 Introduction

NDMC and PWD, GNCTD developed competition/training venues at Thyagaraj, Talkatora, Shivaji, and Chhatrasal Stadia and Government Model Ludlow Castle School. In addition, there were three other sets of competition/ training venues:

- Delhi University (DU) and its affiliated colleges;
- Jamia Millia Islamia University (JMI); and
- All India Tennis Association (AITA)

The venue wise major works, their tendered cost and the contractors' details are given in Table 19.1.

Table 19.1 — Works at other Venues

(In Rs. Crore)

Work	Consulstant	Estimate Cost	Tendered Cost	Contractor
Talkatora Indoor Stadium				
Construction of new sports facility Block with basement parking	M/s Raja Aederi Consultants Pvt. Ltd	28.18	52.98	M/s Simplex Projects Limited
Addition and alteration of existing stadium		10.60	19.19	M/s Simplex Projects Limited
Shivaji Outdoor Stadium				
Construction of two hockey pitches, stadium, new sports facility block with two level basement parking	M/s Raja Aederi Consultants Pvt. Ltd	80.85	160.27	M/s China Railway Shisiju Group Corporation
Thyagaraj Stadium				
Package 1	Peddle Thorp Arch. Melbourne in JV with Kapoor Associates	95.33	103.96	JMC Projects (I) Ltd
Package 2		89.01	108.80	JMC Projects (I) Ltd
Chhatrasal Stadium	Benjamin Benjamin & Vats	50.68	60.26	Era Infra Engg. Ltd.
Ludlow Castle	A.G. Krishna Menon	8.50	11.25	Arora Construction Co.(P) Ltd.
Delhi University (including affiliated colleges)	Engineers India Ltd.	235.59	251.82	Nagarjuna Construction Co. Ltd.
JMI University	RITES Ltd.	42.57	31.92	RITES Ltd.
All India Tennis Association	SG Lakhanpal and Associates	3.23	3.23	Skyline Engineering Contracts

19.2 Venues developed by New Delhi Municipal Corporation (NDMC)

19.2.1 Selection of Raja Aederi Consultants Pvt. Ltd as Architect consultant

In April 2006, two separate NITs were issued for appointment of Architect Consultant for improvement/upgradation of Talkatora Indoor Stadium (TIS) and Shivaji Stadium, with the key eligibility parameter of experience in providing services for sports venues of prescribed contracted value¹. Three bids² were received and the tenders opened on 23 May 2006. Based on technical bids, only two applicants were found eligible and the contract was awarded to Raja Aederi Consultants Pvt. Ltd., being the L1 bidder, for which LOI was issued on 3 July 2006 and contract signed in October 2006.

We found that none of the three bidders were technically eligible. While Arkittkurel Grids, was rejected for non submission of requisite documents, the technical bids submitted by Kothari & Associates and Raja Aederi Consultants (Pvt.) Ltd, were also deficient. Kothari & Associates submitted merely a list of completed works without any certificates. Raja Aederi Consultants Pvt. Ltd 's technical bid was also ineligible on the following points

- It had submitted the bid on the basis of an unregistered MoU (written on an ordinary paper) with Sterling Engineering Consultancy Services Pvt.

¹ Three completed similar works not less than Rs.15 crore or two similar works not less than Rs. 20 crore or one similar work not less Rs. 25 crore in the last 5 years

² Arkittkurel Grids, Kothari & Associates and Raja Aederi Consultants (Pvt.) Ltd.

Ltd. dated 18 May 2006, signed five days before the opening of the bid i.e. 23 May 2006. Interestingly, the original last date of submission of bids was 16 and 17 May 2006, which was extended on the request of the potential bidders;

- Raja Aederi Consultants (Pvt.) Ltd., as such, had no independent experience in providing architectural services for sports venues of the prescribed contracted value; and
- Sterling Engineering Consultancy Services Pvt. Ltd. provided an undated experience certificate issued by another architect Shashi Prabhu & Associates, instead of the client, stating that the former had rendered Structural and Design Engineering services for an indoor stadium project of National Sports Club of India.

Clearly, none of the applicants were technically eligible. Considering that the tender had been called in May 2006 when venue briefs were still to be received³, there was still scope for retendering and seeking an agency suitable for executing the services required, rather than choosing from a pool of ineligible bidders.

Further, the scope of work was increased from improvement/upgradation of the stadium to designing for major new construction at the stadium with an additional fee @ 3 percent of estimated cost or actual cost whichever is less with a maximum of Rs. 4.25 crore (in addition to Rs. one crore already awarded for the work relating to renovation and upgradation).

³ Venue brief was received for Talkatora Indoor Stadium in November 2006 and that of Shivaji Stadium in May 2007.

19.2.2 Shivaji Stadium

19.2.2.1 Selection of China Railway Shisiju Group Corporation (CRSGC) as contractor for Shivaji Stadium

In February 2008, NIT for the composite contract for improvement/upgradation works at Shivaji Stadium was issued. Six agencies⁴ submitted their bids and after opening the technical bids on 24 March 2008, all were technically qualified. On 10 April 2008, the financial bids were opened and CRSGC was declared the L1 bidder and the LOI issued on 19 May 2008.

We found that though the intent was not to engage a foreign company directly (not even through a JV), CRSGC, a foreign company, with no existing established base in India was engaged. Its bid should have been rejected at the technical evaluation stage itself. The reasons for the same are listed below:

- No global tender was issued; the NIT was only published in national news papers, loaded on NDMC website and circulated to a panel of 18 Indian contractors;
- The primary eligibility condition was experience of execution of construction of new multi-storied block of Central Government or State Government departments/ Municipal Boards / Autonomous Bodies / PSUs, indicating an Indian context. CRSGC produced similar experience of working in China instead of India; and

- CRSGC did not produce requisite registration certificates from competent authorities for local taxation and registered place of business in India. These were produced only post opening of the financial bid; and
- Generally, when foreign participation is envisaged, formation of JV with a local company or creation of a separate legal entity in India is insisted upon to ensure compliance with local law, familiarity with local conditions and facilitate settlement of legal disputes, if any. No such provisions were made in this NIT.

Clearly, the intent was not to hire a foreign company and it should have been declared ineligible in the first instance. Further, its inability to deliver in Indian conditions and its reliance on Simplex Project Ltd., a sub-contractor for material and labour, finally reflected in the project not being completed in time for the Games. However, we do not know the exact extent of sub-contracting of the composite work by CRSGC to Simplex Project Ltd.



Barricading in the names of main/sub-contractor at worksite

⁴ China Railway Shisiju Group Corporation; Ahulwalia Contracts (India) Ltd., JMC Projects (India) Ltd., Nagarjuna Construction Co. Ltd., YMC Buildmore Pvt. Ltd. and Unity Infraproject Ltd.

19.2.2.2 Avoidable expenditure on specialized items of Electrical works

Items such as air conditioning plant, lift, transformers, diesel generating sets, security system, firefighting equipments, etc. were included in a composite tender in the case of Shivaji Stadium, unlike the practice adopted in Talkatora Stadium.

Though a composite tender for Shivaji stadium and separate tenders for Talkatora Stadium were invited around the same time, rates for the latter were 11 to 45 per cent below that of the composite work of Shivaji stadium. Had a separate tendering approach been followed, estimated saving of Rs. 2.23 crore could have been achieved.

NDMC's reply that composite tender was floated in compliance with CPWD Manual⁵; ensure co-ordination among various agencies and in view of time constraint, is not acceptable since at Talkatora Indoor Stadium, the work was for more than Rs. 10 crore but a composite tender was not floated and the stadium was ready in time for CWG-2010 unlike Shivaji Stadium.

19.2.2.3 Avoidable extra cost on procurement/installation of DG sets

Despite the power requirement of the stadium being catered from two independent sources of power supply, two DG sets of 1000 KVA each accounting for 62 per cent of the load requirement of 3240 KVA were procured for Rs.2.19 crore. The Venue Brief did not prescribe backup DG sets to cater to the Games critical load for a training venue.

⁵ Para 15.3 of CPWD Manual 2007 prescribes composite tender for works costing more than Rs. 10 crore.

19.2.2.4 Orientation of pitch not as per International Hockey Federation norms

As per the Venue Brief submitted by EKS, two hockey pitches (main & warmup) complying with International Hockey Federation specifications, were to be provided for CWG hockey training, and pitches should have a North-South alignment (+/- 15 degrees).

The stadium had provision of two hockey pitches, but only one could be completed before the games and has a East-West orientation as against north-south orientation required, primarily due to space constraint. Clearly, there was disconnect between the venue brief, the conceptual plan and drawings on the ground. The final usability of this stadium for top level hockey events is open to doubt

Similarly, in MDC Hockey Stadium as well, the warm up pitch does not have the required north-south orientation and is primarily East-West, belaying claims of adherence with international sporting standards.

19.2.2.5 Non-completion of the training stadium in time for CWG-2010

The venue brief for the stadium was received in May 2007, the architect was engaged in October 2006 and the composite contract for the work was awarded in May 2008, with the scheduled completion as of November 2009. Of the major works only one hockey pitch could be prepared. The other pitch, two level basement parking, multi-storeyed facilities building and the stadium still remain incomplete.

We found that despite very close monitoring by the Empowered Committee of GNCTD, headed by the Chief Secretary, and repeated assurances by Chairman, NDMC, the facility could not be made available for CWG-2010. The main reason was the inability of NDMC to provide hindrance free site till March 2009 due to litigation with existing occupants of the restaurants and kiosks within the stadium complex. Despite, the decision to upgrade the stadium in July 2005, it is inexplicable why NDMC waited till the last minute to ensure vacation and availability of a hindrance free site.

The contractor as well failed to deliver within the scheduled time of 18 months i.e. by September 2010 even after handing over of the clear site in March 2009.

Responsibility for failure to deliver the venue in time needs to be fixed.

19.2.3 Talkatora Indoor Stadium (TIS)

19.2.3.1 Engagement of Simplex Projects Ltd as the main contractor

There were two major civil works to be undertaken at TIS. The tendering process for each is summarised below

Table 19.2 – Tendering process for award of works

Work	Tendering Process	Time line
Sport Facility Block	NIT issued;	August 2007
	Tender opened	September 2007
	Work Awarded	December 2007
Addition and Alterations	1st Call Tender opened rejected due to high rate	November 2007 December 2007 January 2008
	2nd Call Tender opened	January 2008 February 2008
	Work Awarded	April 2008



Talkatora Indoor Stadium - Boxing

We found that though the tender was advertised in the newspaper, NDMC website and circulated among the panel of contractors, in both contracts only one bidder, Simplex Projects Ltd. responded. While NDMC chose to retender the contract for additions/alterations, it decided to accept the single bid for the construction of the sports facility block. It is pertinent to note here that the period of execution of the contract was 18 months (sports facility block) and 12 months (addition/alteration work), and, therefore, there was scope for rebidding. Further, on analysis of justified rates of items constituting 44 percent of the justified cost, we found that these were 16 per cent higher than CPWD DSR rates applicable. Under the circumstances, it was desirable to re-bid and test the market once again.

In the absence of competitive bidding and difference in the justified costs and those worked out in audit on a test check basis, it is difficult to conclude that the best price was determined for the work in a competitive market.

19.2.3.2 Quality assurance for Talkatora Indoor Stadium and Shivaji Stadium

In November 2008, NDMC engaged SGS India Pvt. Ltd. as the Third Party Inspection/Quality Assurance (TPIQA) agency for ongoing construction/ up gradation works at Shivaji Stadium and Talkatora Indoor Stadium for a lumpsum fee of Rs. 1.06 crore. The following deficiencies in the quality of works and TPIQA services were noted

- TPIQA was engaged in November 2008, six months after the work had commenced in Talkatora Indoor Stadium

with 30 percent overall achievement of work which was unsupervised by the TPIQA;

- Though the TPIQA was required to conduct quality tests of input material, it only reviewed the testing facilities of the contractors and NDMC and the reports submitted by them. It did not review the test registers maintained by NDMC;
- NDMC also did not take effective action on the suggestions put forth by TPIQA in its periodical reports; and
- CTE, CVC also found several deficiencies in the quality of work executed. Both the cube test and core test of Talkatora Indoor Stadium failed; cement consumption was also reported as low in Talkatora Indoor Stadium. NDMC had sent clarifications regarding method of checking of cement quantity, but CTE had not given its final view as yet.

Overall, it can be seen that the quality of construction works, particularly in Talkatora Indoor Stadium, was compromised despite the engagement of SGS India Pvt. Ltd. as TPIQA. Strangely, NDMC gave an “excellent grading for technical proficiency” to SGS India Pvt. Ltd., even before the completion of work.

19.2.3.3 Extra expenditure on substituted chairs

The contracted rate for 3000 chairs was Rs. 2190 per chair, which was a part of the composite contract. These were substituted with tip up chairs. Till date, a payment of Rs. 1.53 crore has been made to the contractor for 2704 chairs @ Rs. 5000 and 446 chairs @ Rs. 4000 each. The cost of similar tip up

chairs in Siri Fort Stadium was Rs. 2081, resulting in extra expenditure of Rs.0.82 crore in TIS, which the department assured it would recover.

19.2.3.4 Irregular framing of rate analysis for deviated/substituted/extra items

While determining the market rate for the purpose of regulating the claim of the contractor (Simplex Projects Ltd) for deviated/substituted/ extra items, 10 percent over the cost of the material and labour was to be allowed to cover contractor's overhead and profit as per the contract.

In 21 of the 85 cases of claims of deviated/substituted/ extra items reviewed by us, we found the contractor's overheads and profit was taken as 15 percent instead of 10 percent applicable. Details are given in Annexe 19.1.This resulted in overpayment to the contractor of Rs.1.17 crore and corresponding extra liability of Rs.0.86 crore to NDMC.

In addition we found that in the claim for the substituted item of fixing structural glazed curtain wall system/space frame glazing system, while calculating the market

rate of the tendered item, the justification rate that was determined three years ago was adopted, instead of adjusting it to the current price index or obtaining fresh rates from the market. This resulted in an undue benefit to the contractor of Rs. 0.60 crore, based on tendered rates adjusted with price index.

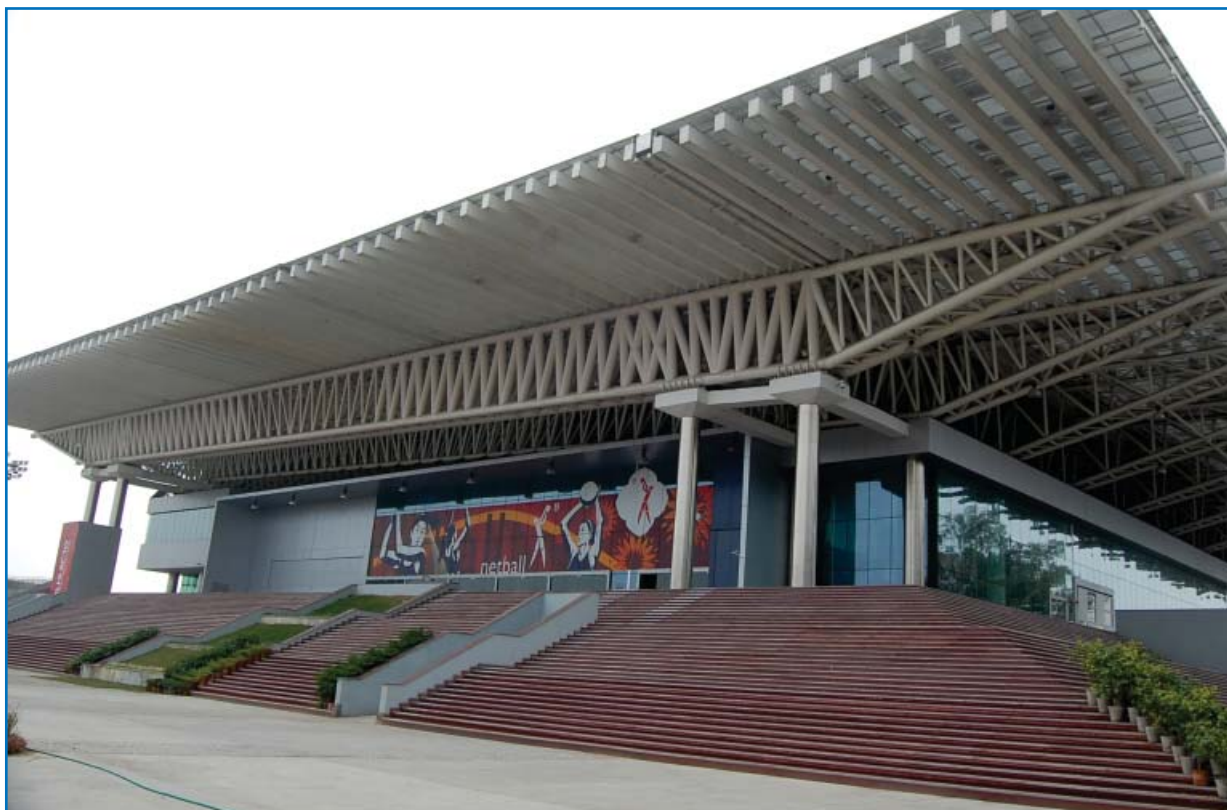
19.2.3.5 Avoidable expenditure on ready mix lean concrete for filling in pit of column

As an engineering practice, column pits are filled with earth excavated on site, which was also envisaged in the contract. Instead, in the instant case, the contractor was permitted to fill it with a much more expensive option of ready mix lean concrete resulting in avoidable extra cost of Rs. 1.39 crore. In addition, Rs. 0.16 crore were also paid to remove the excavated earth from site.

In its reply, NDMC stated that no space was available at the construction site to store the excavated earth. The picture below indicates the space available at the construction site.



Picture of the construction site at Talkatora Indoor stadium indicating space available for construction activity.



Thyagaraj Stadium

19.3 Venues constructed by PWD, GNCTD

19.3.1 Construction/ Upgradation of Thyagaraj Stadium

19.3.1.1 Overview

Construction/ upgradation of Thyagaraj Stadium involved:

- Construction of a multipurpose air-conditioned indoor stadium with a seating capacity of 5000, which could be used for various sports;
- Two warm up courts and one competition court for net ball; and
- Synthetic track of 400m x 8 lane for athletics (training venue).

19.3.1.2 Planning and Award

Peddle Thorp Melbourne (Australia), in joint venture with Kapoor & Associates, was appointed as the design consultant at a cost of Rs. 5.98 crore in December 2006. The preliminary estimated cost of the stadium of Rs. 297.45 crore was approved by the GNCTD Cabinet in September 2007, and detailed estimates for 23 works were approved by PWD, GNCTD for Rs. 250.86 crore from September 2007 to January 2010. Work amounting to Rs. 304.07 crore had been executed on the 23 works against which, payment of Rs. 281.60 crore had been made to the contractors till October 2010.

The main works for structures under packages I and II were awarded to JMC Projects (India) Ltd. at costs of Rs. 103.96 crore and Rs. 108.80 crore. The work of

package-I was completed in April 2009 at a total expenditure of Rs. 112.09 crore while under package-II, an amount of Rs. 96.87 crore had been paid till date.

19.3.1.3 Overpayments to the contractor (JMC Project)

We found:

- Inadmissible payment of Rs. 3.03 crore separately for plates, nuts and bolts in steel work (trusses), in addition to payment for actual length of pipe, which already included costs of plates, nuts and bolts;
- Avoidable payment of Rs. 2.51 crore for plates, nuts and bolts in other item of steel works (purlins) due to not specifying the mode of measurement for payment, as was done in case of steel work for trusses; and non adoption of uniform mode of measurement and payment; and
- Non-deduction of Rs. 0.33 crore on account of reduction in customs duty on

steel in the 2007-08 budget; the Department indicated the amount recoverable was only Rs. 0.29 crore.

19.3.1.4 Inflation of costs in detailed estimates

The CPWD Manual provides that percentage rate tenders should be resorted to only when the major part of the estimated cost put to tender is based on the Delhi Schedule of Rate (DSR), irrespective of the value of the tenders. However, PWD, GNCTD adopted a percentage rate tender, although more than 80 per cent of the cost for the two packages were for non-DSR items. Since the bidder is asked to quote a single percentage rate and does not have an option of quoting different percentages for different items, any error leading to an increase in the estimated cost of an item cannot be easily factored into consideration by the bidder. Consequently, an inflated cost estimate provides a higher baseline for potential bidders. We found the following instances of inflation of costs in the detailed estimates:

Table 19.3 – Instances of inflation of costs in the detailed estimates

(In Rs. Crore)

Item	Escalation in Cost Estimate
Adoption of incorrect exchange rate (Rs. 43/ US\$ instead of Rs. 40.28/ US\$) in computing cost of imported structural steel	1.41
Adoption of higher wastage rate of 10 per cent (instead of 5 per cent) for fabrication and commissioning of trusses	2.14
Inflated estimation for Kalzip roofing @ Rs. 5627.77/ sq.m. The contractor engaged another agency to execute the item @ Rs. 4393/ sqm. Even after including CPOH ⁶ of 10 per cent, the actual market price would be only Rs. 4832.30/ sqm.	0.87

⁶ Contractor's Profit and Overheads

19.3.1.5 Higher cost item for detailed estimates/ execution

We found the following instances of adoption of higher cost items for detailed

estimates and execution from among the options provided by the consultant in the preliminary estimates (which included lower cost items):

Table 19.4 – Instances of adoption of higher cost items

(In Rs. Crore)

Item	Escalation in Cost Estimate
Use of costlier acoustic false ceiling (Sonapanel brand) costing Rs. 4208.30 / sqm against the alternative costing Rs. 1650/ sqm	1.85
Use of more expensive nylon, fire retardant carpet (of "Milliken" make), rated as moderate duty, costing Rs. 5464.30/ sqm against the estimated cost of Rs. 1539.70/ sqm for heavy duty usage	0.70
Use of costlier toilet partitions (Merino Titan Series Cubical boxes) costing Rs. 19,556/ sqm against the estimated cost of particle board partitions of Rs. 792.60/ sqm and laminated glass partitions costing Rs. 18,300/ sqm.	1.00
Installation of composite panels of paper towel dispenser, hand dryer and waste paper bins (D-Line make) in toilets @ Rs. 2.42 lakh	0.37

19.3.1.6 Specifying a richer/ higher specification

We found that costlier acoustic wall panelling (using perforated ACP) was executed even outside the Field of Play (FOP) over the corridor and external concourse, instead of applying plaster and plastic paint (as done in the VIP area); this resulted in extra cost of Rs. 1.24 crore.

19.3.1.7 Procurement of Items by specifying a single Brand

We found that 31 items valuing Rs 24.28 crore (Annexe 19.2) were included in the detailed estimates by specifying either a single brand by name, or stating the requirement as brand "X" or equivalent. These items were included as per the recommendations of the consultant and rate of these items decided/ analysed on the basis of single quotations. No justification was recorded for specifying the brand. Some examples of rates of single brand used for preparation of estimates are as under:-

Table 19.5 — Examples of rates of single brand used for preparation of estimates

S.No.	Name of Item	Brand of Item	Rate of procurement (rs. per unit)
1.	Hall wall hung WC. pan, seat with cover,	Roca	21,067
2.	Concealed cistern	Geberit	8,254
3.	Duo fix mounting element	Geberit	6,213
4.	Single urinal basin with PVC 6 lts. auto flushing cistern	Roca	34,524
5.	Wash basin including Sensotronic sensor faucet	Roca, Duravit, Jaquar	27,540
6.	Paper towel dispenser , Hand dryer, Waste paper bin	D-line	2,41,813
7.	Blower/ hand dryer	GEM or equivalent	24,356
8.	Paper towel dispenser	D-line or equivalent	33,835
9.	Paper waste bin	D-line or equivalent	30,445

Further, payment of Rs. 18.22 crore was made on execution of 23 items of the same brand as specified in the BOQ and three items worth Rs. 3.50 crore were executed as equivalent brands. Five items specified with the brand name were not executed. Clearly, specific brands were favoured, resulting in reduced competition with consequential increases in project cost.

19.3.1.8 Multiple forms of power back-up

The venue brief for Thyagaraj stadium stipulated power supply from two independent feeders and power backup for critical supplies. Instead, PWD went in for two additional power generation units, purportedly on account of their green and environment friendly nature:

- A roof top solar power generating unit of 1 MW peak capacity was installed at a cost of Rs. 14.10 crore. Although excess power supplied by this solar unit would

receive Generation Based Incentive under the Jawaharlal Nehru National Solar Mission, resulting in a tariff of Rs. 17.91/ unit, Rs. 12.41/ unit represented an incentive given by the GoI;

- A 2.5 MW dual-fuel gas turbine was awarded at a cost of Rs.19.58 crore and an add-on Vapour Absorption Machine at a cost of Rs. 2.83 crore; in addition, not only were these works awarded on single tender basis to Turbomach India Pvt. Ltd., the expenditure on this turbine and VAM is largely infructuous as it would be highly expensive to generate power from this unit post-Games.

19.3.2 Construction of Chhatrasal Stadium

19.3.2.1 Overview

Chhatrasal stadium was to be upgraded as a training venue for athletics. The estimated cost of Rs. 83.00 crore was approved by the GNCTD Cabinet in August 2008, and detailed estimates of Rs. 55.87 crore were

approved by PWD in December 2008. Benjamin, Benjamin and Vats were appointed in March 2008 as the design consultant at a cost of Rs. 1.33 crore. The main work for the structure was awarded to Era Infra Engineering in January 2009 for Rs. 60.26 crore. Payment of Rs.48.78 crore had been made up to October 2010 to the contractor.



Chhatrasal Stadium

19.3.2.2 Appointment of consultant

We found irregularities in the appointment of Benjamin, Benjamin and Vats as the design consultant:

- The condition of relevant experience vis-a-vis sports venues in the NIT was removed at the Press Notice stage;
- Different weightages for criteria for technical evaluation were used for the Chhatrasal Stadium (as compared to the Thyagaraj Stadium) giving less weightage to experience of key personnel; if the

weightages had been adopted as for Thyagaraj Stadium, Benjamin, Benjamin and Vats would not have been technically qualified.

19.3.2.3 Use of percentage rate tender

As in the case of Thyagaraj Stadium, PWD used the percentage rate tender, even though 40 per cent of the tendered cost were for non-DSR items (which should have deterred resorting to percentage rate tendering).

19.3.3 Construction of Training Venue at Ludlow Castle

Government Model Ludlow Castle School No. 2 was selected as a training venue for wrestling. AG Krishna Menon was appointed as the design consultant at a cost of Rs. 0.60 crore in December 2007. Estimated cost of Rs. 20.33 crore was approved by the GNCTD Cabinet in November 2008, and detailed estimates of Rs. 9.34 crore approved by PWD in December 2008. The work was awarded to Arora Construction Company Private Ltd. at Rs. 11.25 crore.

In our Study Report of July 2009, we had highlighted the fact that GNCTD awarded design consultancy in December 2007 wrongly for Government Model Ludlow Castle School No. 1 (instead of School No. 2). This was rectified only in June 2008.

We found that for award of design consultancy, EOI was not followed and limited tenders were irregularly called, purportedly on account of shortage of time. However, although the consultant appointment committee had approved the proposal for appointment in August 2007, the work was awarded to AG Krishna Menon only in December 2007, belying the purported sense of urgency.

As in the case of other stadia, PWD resorted to percentage rate tendering for the main work, despite the fact that more than 35 per cent of the tendered cost was for non-DSR items. Further, the tendered amount of Rs. 11.25 crore was 32 per cent above the estimated cost of Rs. 8.50 crore. For this purpose, a justified cost of Rs. 10.50 crore was arrived at. We found undue inflation of the justified cost by Rs. 0.96 crore on account of miscellaneous charges (already included in CPOH) and higher justification rate of structural steel (compared to the same items for Chhatrasal stadium).



Training venue at Ludlow Castle School

19.4 Venues developed by Jamia Milia Islamia University (JMI)

19.4.1 Introduction

In June 2006, JMI was selected as one of the training venue for Rugby 7s and table tennis, and Rs. 42.57 crore were released by MYAS.

19.4.2 Reconversion of Rugby 7s field into cricket field

The Rugby 7s field was prepared by replacing the grass of the existing cricket field at JMI with Bermuda grass princess 77. Till August 2010, Rs. 2.11 crore had been paid for it.



Restoration work of cricket field in Rugby 7s training venue

As JMI does not provide sports facility or training in Rugby for their students, immediately after the Games, JMI requested (November 2010) RITES to start the work of development of cricket nets including cricket pitch alongwith the main cricket wickets, replacing the Rugby 7s field.

Reconversion of the Rugby 7s field into cricket field defeats, at least partly, one of the stated objectives of CWG-2010 of creation of state-of-the-art sporting infrastructure.

19.4.3 Deviation from the Approved Scope of Work

As per the EFC memo, JMI was to develop

- training venue for table tennis;
- training venue for Rugby 7s and
- necessary infrastructure for these venues.

However, in addition to these works, execution of twelve sub- works was undertaken by JMIU, which included providing and laying all season turf for basketball court, lawn tennis court and jogging track, renovation of volleyball court, hockey/ football field and providing furniture and furnishing items⁷. Funds to the tune of Rs. 2.58 crore were diverted to meet the expenses of these works, as indicated in the table given below.

⁷ The item of loose furniture and cafeteria furniture was deleted by the Ministry. Nevertheless, this item of work was executed by JMI.

(Rs. in crore)

S.No.	Name of Work	Upto date Expenditure	Total tendered expenditure
1.	Lawn tennis court and basketball court	0.47	0.62
2.	Jogging track	0.27	0.35
3.	Hockey/ football field & volleyball court including horticulture work	0.25	0.49
4.	Providing furniture and furnishing items	Bill has not been raised by the firm	1.12
		Total	2.58



Lawn tennis court



Hockey / Football Field



Basketball court



Volley ball court

Development of university premises for providing sports facilities is, no doubt desirable. However, in this case, the expenditure on these additional sports

facilities was incurred out of expenditure sanctioned for certain specific sports facilities to be used during CWG-2010, which is irregular.

19.4.4 Execution of Sub-standard Work

Our physical inspection of the table tennis hall revealed that the acoustic panels on one portion of the wall had completely come out, exposing the unfinished wall beneath it. The finish of fitting of other acoustic panels too was bad. The synthetic sports surface carpeting of wooden floor was uneven and bumpy at a few places.



Lawn tennis court

19.5 Venues developed by Delhi University



Netball & Boxing Training Venue

19.5.1 Introduction

The DU-CWG 2010 project of Delhi University involved:

- development of the main competition venue for Rugby 7s;
- Netball & boxing training venue at DU main venue;
- training venues for Rugby 7s (at seven colleges⁸) and for women's wrestling indoor hall at SRCC;

⁸ Daulat Ram, Khalsa, Ramjas, Kirorimal, St. Stephens, SRCC and Hindu.

- athletic track at DU polo ground; and
- other associated infrastructure works.

19.5.2 Delay of start of work of training venues

The work of training venues viz. athletics track, Rugby field with facility blocks in colleges and indoor wrestling, to be started in August 2008, was held up and started after January 2009 for want of approval of revised estimates by MoYAS. This resulted in delay in completion of work. We found that there was a delay of:

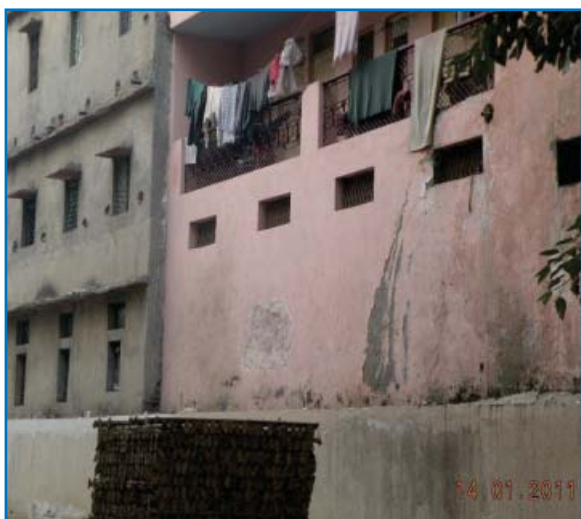
- five months in start of construction work of Ramjas College, Stephan College, Kirori Mal College, SRCC Wrestling Hall and Athletic Polo Ground;
- four months to eight months in completion of all training venues; and
- five months in handing over of training venues to OC/DU.

19.5.3 Work started without the approval of DUAC and MCD

- DUAC had not given final approval till completion of the CWG; and
- MCD had neither accepted the application nor given approval for construction of facility blocks in training venues.

19.5.4 Non utilization of rugby, athletic and wrestling training venues

The training venues for rugby (Ramjas and SRCC), indoor women wrestling training venue (SRCC), and athletic training venue (Polo Ground), constructed at an approximate cost of Rs.59.32 crore, were not used by the participants for training purpose. These venues were reportedly



SRCC - Boundary Wall

dropped by the OC, as Delhi Police had not given security clearance for these venues.

Our visit to SRCC training venues revealed the following position:



SRCC - Play Ground



SRCC Road towards Main entrance

Considering the condition of surroundings of these venues, especially the entry areas for both SRCC and Polo Ground, it is evident that there was a definite lapse and lack of foresight in selecting these venues for developing training facilities for the Games.

19.6 Venue development by All India Tennis Association (AITA)



Centre court after renovation

19.6.1 Introduction

In October 2009, an estimated budget of Rs. 65.65 crore was allocated by MYAS for the renovation and construction of R.K. Khanna stadium for Tennis to All India Tennis Association (AITA). It covered the following works:

- Revising specifications of the centre court with increased seating capacity of 5000 from the existing 4000;
- Conversion of grass court with temporary seating into synthetic court with permanent seating for 1000 spectators;
- Creation of six match courts and six practice courts, with similar surface as the centre court, and seating capacity for 1000 spectators from existing 16

synthetic courts, grass court and four mini tennis courts;

- Setting up lighting system of the prescribed lux levels for HDTV coverage (2200 lux in the centre court); and Upgradation of support facilities.

19.6.2 Selection of Project Management Consultant (PMC)

In September 2007, AITA appointed S.G Lakhapal and associates as the consultant for preparing estimates and supervision of works at 4.93 per cent of the project cost without inviting any bids.

AITA indicated that SG Lakhapal was chosen because of its long association with AITA in the past. The selection of the consultant on nomination basis, was irregular.

19.6.3 Selection of Civil, Plumbing and electrical contractors

In February 2008, out of six bidders⁹, three bidders¹⁰ qualified technically - out of which the bid of only Globe Civil Projects was unconditional. Instead of limiting itself to the only unconditional bidder, on 18 June 2008, AITA signed an agreement with Skyline Engg Contracts for Rs.15.17 crore. On 20 June 2008, a supplementary agreement was signed, whereby TMT steel was to be supplied by AITA, thereby reducing the contract value by Rs.2.12 crore and the negotiated contract amount was Rs.13.06 crore

There was an increase of Rs.3.54 crore in costs, and Rs. 2.88 crore was paid to contractor on account of lifts, UPVC windows and revision in the cost of façade.

In our opinion, instead of signing a supplementary agreement with contractor whereby TMT steel was to be supplied by AITA, it would have been desirable that this aspect had been thought of before inviting bids, which would have increased competition.

It was noted that the prices of steel were volatile during 2008, and the concept of deleting the steel portion from the original contract and AITA procuring it directly from SAIL had its advantages, especially clubbed with the non introduction of any escalation/de-escalation clause in the contract. According to AITA, direct procurement of steel led to cost savings of Rs. 0.83 crore.

⁹ NPCC, Dewan Chand, Chawla Techno Contructions, Globe Civil projects, Skyline Engg contracts, Jamil Ahmad and sons

¹⁰ Chawla techno constructions, Globe Civil Projects Pvt Ltd, Skyline Engg contracts (I) Pvt Ltd

19.6.4 Appointment of contractors for stadium chairs

In October 2009, out of three bidders¹¹, only two bidders were technically qualified and Indo Office Solutions¹² was technically rejected. Camatic Pty quoted Rs.4.28 crore for supplying stadium chairs, while Audience gave a financial bid of Rs.5.55 crore. AITA constituted a committee to visit Audience in Wiltshire, England to assess the capability of the company to supply and install chairs.

In January 2010, Camatic was awarded the work for Rs.3.44 crore, out of which Rs. 3.21 crore has been paid to contractor and Rs. 0.23 crore retained by AITA for defect liability period.

Camatic Pty did not submit EMD with their financial bids however AITA appointed them for supplying chairs. AITA indicated that Camatic had been supplying chairs for Wimbeldon, and was a reputed manufacturer. It was also stated that there were numerous valid grounds for rejecting Indo Office solutions. As regards Audience, a Committee of AITA which had gone to England, had questioned its ability to supply the chairs in time for the test event. Given the time available for the test event, AITA had little option but to award the contract to Camatic. However, the contract itself was awarded only in January 2010, whereas the technical and financial bids were opened in October 2009. Delay in analyzing and awarding the contract had the potential for adversely affecting the holding of the test event.

¹¹ Indo Office Solutions Pvt Ltd, Audience Systems Ltd and Camatic Pty Ltd.

¹² Indo Office Solutions, though technically rejected by AITA, was a significant player in supply of overlays managed by the OC



Quantum chairs installed in all courts

19.6.5 Conduct of Test Events and Tournaments

As per the International Tennis Federation (ITF) report, test events (Asian Junior Tennis Championships) before CWG-2010 were conducted successfully, between 24-30 May 2010, in the Stadium. ITF praised the competition venue for its Centre court, show court 1, VIP and media lounges,

lighting, sports equipments etc. and concluded that the test event for the CWG-2010 provided valuable practice for all the functional areas in operation at the event. It allowed the venue to operate in event conditions. After CWG 2010, five tournaments have been conducted at the stadium, demonstrating that it has use for legacy purposes.

Commonwealth Games Village

The Commonwealth Games Village, near the Akshardham Temple, had three major components – a residential complex for housing the athletes and officials, practice areas for athletes, and temporary structures (overlays) for the international zone, village operations and other areas.

We found that key issues related to the selection of site were not properly addressed. Except for strengthening of the Akshardham bund, there was no evidence of compliance with the mitigation/ abatement measures on the river Yamuna as stipulated by the Ministry of Environment and Forests while according conditional environmental clearance. DDA essentially attempted to abdicate responsibility for this issue. We could also not verify compliance with the orders of the Hon'ble Supreme Court stipulating monitoring of construction activities by a PM-appointed committee. Further, the temporary noise barriers erected on the NH-24 flyover were defective, but the associated test reports were, interestingly, received only on 29 October 2010.

We found serious irregularities in the award of the contract for construction of the residential complex in PPP mode to Emaar MGF Constructions Pvt. Ltd. There was a series of misrepresentations and accommodations at the RFQ and RFP stage that resulted in Emaar MGF Constructions Pvt. Ltd, which was not qualified in terms of the PQ criteria, emerging as an eligible (and successful) bidder through the consortium route. Emaar Properties PJSC, presented at the RFQ stage as the lead partner with the requisite experience, turnover and net worth, faded behind layers of subsidiaries/ associates, effectively making a mockery of the premise that it would bring the necessary experience and financial strength, directly to the consortium led special purpose company. Further, a short time period of just seven days was allowed after a significant addendum, introducing significant changes to the bid conditions. In response to the RFP, two bids were received from Emaar MGF Constructions Pvt. Ltd and DLF Ltd. While DLF's conditional bid was summarily rejected without any interaction or negotiation, DDA chose to engage in a series of correspondence with its financial consultants, legal advisors and Emaar MGF Constructions Pvt. Ltd to find solutions to address the deficiencies in its proposal. Finally, only Emaar MGF Constructions Pvt. Ltd was declared technically qualified, and was awarded the contract on the basis of a single financial bid, thus denying DDA the benefit of financial competition.

The execution of the residential complex project was also plagued by several irregularities and deficiencies. The FAR constructed by the project developer substantially

exceeded not only the sanctioned plan, but also the maximum permissible FAR under the Master Plan for Delhi – 2021. Emaar MGF also illegally constructed 17 additional dwelling units in the basement meant for parking. DDA allowed several financial concessions to Emaar MGF, including revision of milestones and delayed / non-levy of liquidated damages.

The Central Building Research Institute, Roorkee (CBRI) was appointed by DDA as the third party independent quality inspection agency for the residential complex only after most of the foundation work was executed. It pointed out serious lapses in construction work through thirteen reports between June 2008 and October 2010. These included deficient secondary reinforcement of beams and columns, lack of adequate concrete cover to reinforcing steel, improper beam-column joints, improper alignment of columns and tapered columns (which were plastered to cover up the deficiencies, contrary to CBRI's advice), and differences in the levels of grade slabs leading to seepage and leakages in the basements. CBRI concluded that on seeing the permeability of the concrete and the corrosion of reinforcing steel, it gave an impression that the service life of these towers could not be more than 20 years, without substantial expenditure on repair and retrofitting. DDA did not take adequate action on these reports, as the deficiencies continued to recur in CBRI's successive reports.

Against the stipulated deadline of 1 April 2010, the residential flats were handed over to DDA between June and August 2010 in incomplete condition. DDA pointed out additional defects in the flats at the time of taking over, which were only partly attended under emergent situation.

There were serious deficiencies with regard to the design consultancy for construction of the practice areas. A consortium led by Suresh Goyal and Associate was appointed as the design consultant on the technical strength of its international partner, who later backed out. DDA took no steps to ensure that the design consultant brought in comparable international expertise at their own cost as replacements. There were significant deficiencies in preparation of designs, drawings, bills of quantities and estimates and delays in achieving designated milestones, without adequate penal action by DDA.

The selection of Sportina Payce Infrastructure Ltd. as the main contractor for the practice areas was manipulated to ensure that Sportina Payce Construction (India) Pvt Ltd. pre-qualified and the successful bidder for the project was different from the pre-qualified consortium. DDA could not produce evidence of the association with the execution of the project of the projected lead member with relevant international experience, on whose strength the bid was pre-qualified. Subsequently, due to poor performance, the contract was terminated, and re-awarded.

The selection of GL Litmus Events Pvt. Ltd. as the contractor for delivering temporary structures (overlays) for the international zone and other areas was equally flawed. As in

the case of the contracts for the residential complex and the PPP areas, the successful bidder was entirely different from the pre-qualified entity, and the foreign entity with relevant expertise was not part of the successful bidding entity. Due to delayed award of the contract in April 2010, DDA could not implement effective quality measures. The contractor did not supply material as per specifications and its designs were rejected by the proof checker. Further, for a contract of Rs. 41.38 crore, the bulk of the material for which was to be imported, the value assessed at the Indian customs was only Rs. 5.32 crore.

Delhi Jal Board (DJB) constructed a 1 MGD Water Treatment Plant (WTP) for the Games Village, Akshardham Temple and surrounding areas at a cost of Rs. 35.20 crore. We found that the need for a separate 1 MGD was not clearly established and the plant was over-designed with expensive membrane filtration technology. Further, the tendering process was flawed and irregular, with undue and inexplicable delays. The bid evaluation was tailored to favour award of the work to a single bidder. The WTP is currently shut down and its requirement on a legacy basis is questionable.

DDA also purchased four 1250 KVA each generating sets with excessive and undue redundancy, which are now lying idle. Plans to shift two of these sets to DDA Headquarters (Vikas Sadan) appear unreasonable, as Vikas Sadan's current load is just 1230 KVA.

At DDA's behest, ITDC furnished 1101 flats at the Games Village and 960 upgraded LIG/HIG flats at Vasant Kunj. We could not ascertain legacy plans for the furniture and fixtures procured for these flats. ITDC indicated that these items were purchased on behalf of DDA, which necessarily had to take over the same.

20.1 Overview

The Commonwealth Games Village, developed by the DDA over an area of 59.28 hectare near the east bank of the River Yamuna (near Akshardham Temple), had three major components:

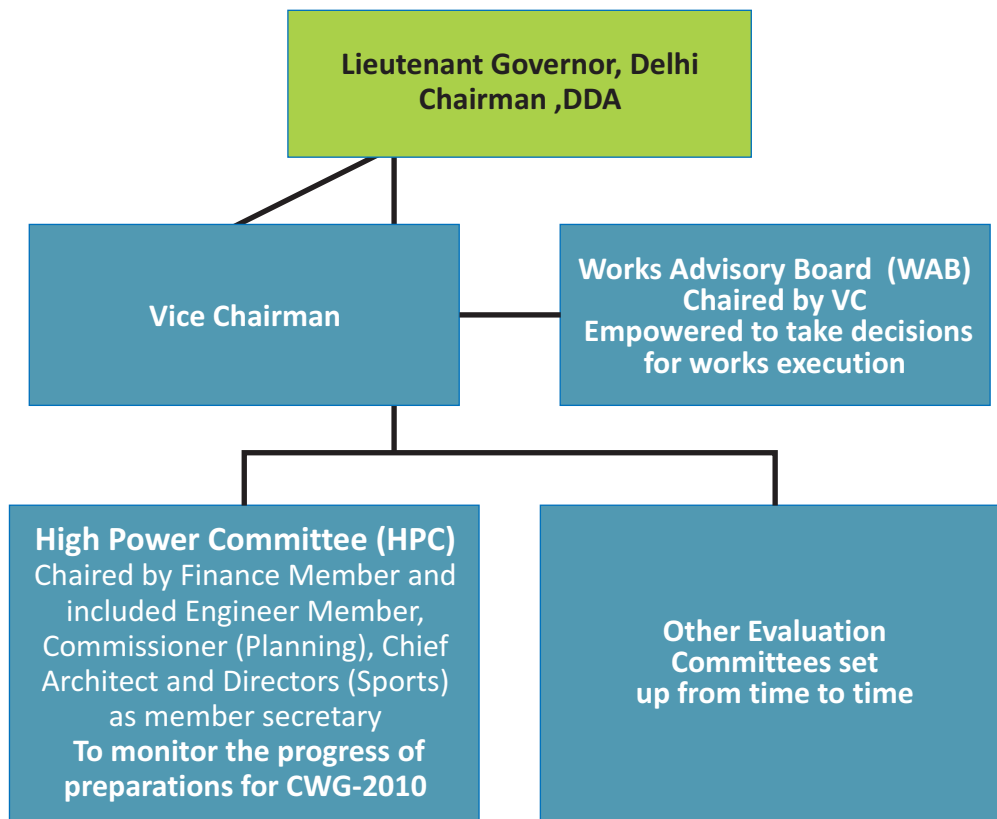
- A residential complex for housing the athletes and officials;
- Practice areas for weightlifting, wrestling, swimming, athletics and fitness centre;

- Temporary structures (overlays) for International Zone; village operations and support area; transport mall, dining hall, kitchen, polyclinic etc .

20.2 Organisation Structure

The organisational structure of DDA, including committees set up specifically for overseeing and making recommendations for CWG-2010 related projects is given in figure 20.1

Figure 20.1 – Organisational structure of DDA



As of January 2011, the total expenditure incurred on the Games Village was Rs. 245.58 crore¹ on practice areas and supporting infrastructure and Rs. 38.58 crore on overlays.



Residential Complex

¹ Excluding the expenditure on the residential complex built through Public Private Partnership.

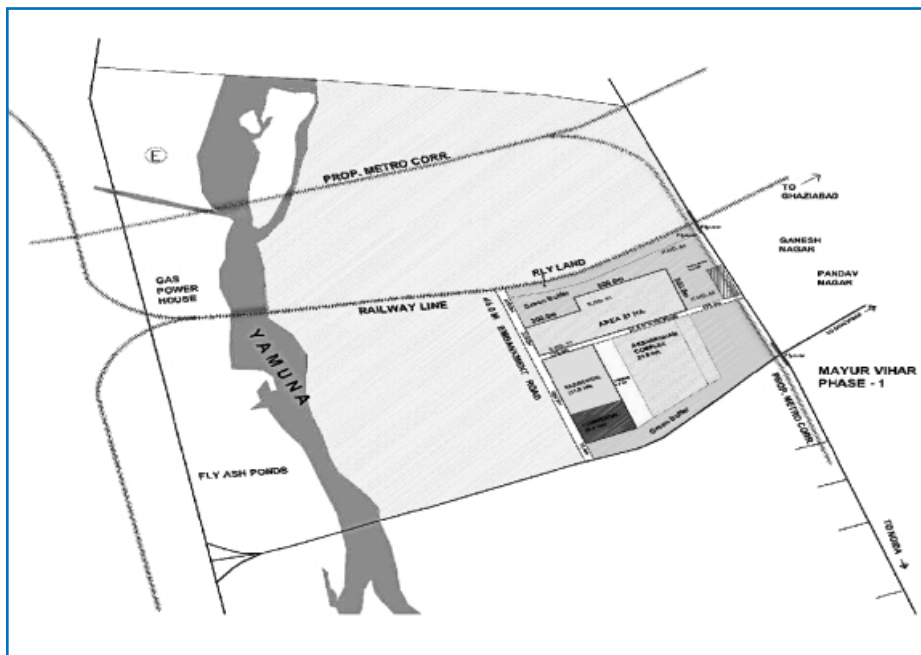


Swimming Pool (Practice area)

20.3 Selection of Site for Games Village

As per the bid document (May 2003), an Athletes Game Village was to be created on

a 100 acre² site, in a prime Delhi area. In August 2003, the site near NH-24³, next to Akshardham temple, for Games Village was presented to the CGF Evaluation commission before the Games were finally awarded to Delhi.



Map indicating location of Games Village

² Mentioned as 100 hectares, elsewhere in the bid document

³ Incidentally, in the bid document the location in the map was indicated on the western side of River Yamuna i.e. on the New Delhi side of the river.

There were two key issues in relation with the selection of the site:

- Environmental and other aspects, primarily focused on proximity to the River Yamuna; and
- Noise pollution from the nearby railway line and vehicular traffic on NH-24.

20.3.1 Environmental and Related Aspects

20.3.1.1 Conditional clearance by Ministry of Environment and Forests not complied with

Although the location of the Games Village was known since August 2003, DDA approached the Ministry of Environment and Forest (MoEF) for environmental clearance only in September 2006; reasons for this delay were not documented. In November 2006, MoEF, recognising that there were evident environmental concerns to be addressed adequately, directed that a study needed to be carried out to:

- Find out the magnitude of additional efflux in the river during high flow conditions in the stretch upstream of the Nizamuddin bridge and the bund between the national highway and the railway bridge upstream;
- Assess the possibility of abating the efflux by various measures;
- Estimate the extent of loss of recharge of groundwater; and
- Estimate the increment in traffic due to the proposed project.

In December 2006, MoEF cleared the project on the condition that **as far as possible, the works should not be of a permanent nature and unless the detailed**

studies suggested otherwise, the river bed would have to be restored to the river. In

January 2007, DDA reported that it intended to commission a study on "Hydraulic Model Studies for assessing the effect of Akshardham Bund on the flow conditions in the River Yamuna at Delhi" through the Central Water and Power Research Station, Pune (CWPRS); the study report was submitted to MoEF on 6 March 2007. MoEF finally cleared the project on 2 April 2007 after progressively relaxing the conditions as indicated below:

- On 29 March 2007, DDA was permitted to commence planning of construction works; however, construction of permanent nature could commence only after the mitigation/abatement measures against upstream flooding identified in the CWPRS report were completed; and
- On 2 April 2007, this was relaxed to permit commencement of construction works subject to completion of the mitigating/ abatement measures identified by CWPRS, Pune before completion of the buildings.

The main mitigative and abatement measures identified by CWPRS in its report were:

- Raising and strengthening the embankments along the river in Delhi to ensure safe discharge and check over-topping;
- Strengthening the existing embankments and guide bund to check flood discharge;
- One layer of stone crates on sloping portion as well as an apron over

geofabric filter to be laid to protect various bunds and bridges;

- Protection of the existing bridge piers and strengthening of guide bunds of other structures existing between the Indraprastha barrage and the Nizamuddin road bridge; and
- Arrangements to protect flooding area due to back flow of water on the upstream side of the Akshardham temple, on both sides of the river.

However, DDA took action only on one aspect viz. strengthening the Akshardham bund. Regarding the other measures, DDA stated that they had written to GNCTD and Northern Railway but could not provide any details of the action taken, essentially attempting to disclaim responsibility for this key aspect. Independently, we confirmed from the Irrigation and Flood Control Department, GNCTD that only one work⁴ had been awarded in July 2010, but was yet to be completed.

While according conditional clearance to the project, MoEF clearly stated that the flood mitigation and abatement measures emerging from the studies would need to be undertaken under the aegis of DDA, the project proponent. However, DDA completely abdicated its responsibility. We could also not verify compliance with the conditions stipulated by the MoEF.

20.3.1.2 Court Case on site

In 2007, a petition was filed in the Hon'ble Delhi High Court, contending that the ongoing construction would affect the

⁴ *raising and strengthening of right embankment of the river Yamuna between the Nizamuddin railway bridge and the Nizamuddin road bridge*

ecological integrity of the "river bed", besides causing irreversible damage to the "flood plain". The High Court directed the setting up of a separate Committee for ascertaining whether the site was located on the Yamuna riverbed or floodplain; this Committee was also required to examine and monitor the construction carried out by the DMRC on the site in the same manner as in the case of Games village.

This decision was reversed by the Hon'ble Supreme Court, which allowed DDA to proceed with construction. On the basis of an assurance of the Attorney General that an existing Committee appointed by the PM consisting of Lt. Governor of Delhi as Chairperson, Chief Minister of Delhi as Vice-chairperson, and other members representing various departments would, in association with Dr. R.K. Pachauri, monitor the entire activities, the Supreme Court overturned the High Court's order for constitution of a separate committee, and allowed the project to proceed.

We found that compliance with the assurance of the Attorney General on monitoring of construction activities by the said Committee, in association with Dr. RK Pachauri, (based on which the Supreme Court allowed the project to proceed) could not be verified. Despite enquiries from Cabinet Secretariat, DDA, GNCTD (UD Department) and the LG's Office, the status of monitoring, if any, by the committee could not be ascertained. On our enquiry in this regard from Dr. R K Pachauri, he stated that he had not had any association with the said committee, nor had he attended any meeting for this purpose.

20.3.2 Provisioning for noise barriers

To address the concern of the OC consultants EKS, and the President, CGF, regarding noise pollution at the Games Village site due to traffic on the railway line and NH-24, noise barriers were erected along the railway track and the flyover on NH-24 at a tendered cost of Rs. 4.75 crore.

20.3.2.1 Noise barrier erected along the railway track

The contract to erect noise barriers along the railway track was awarded to Lloyd Insulation (India) Ltd. in July 2010 for Rs. 1.75 crore.

As part of our July 2009 Study Report on preparedness for CWG 2010, DDA had clarified that it would be installing permanent noise barriers for which approval had already been received from the National Physical Laboratory, and the final designs were being discussed with the Railways. However, this was not done, and DDA chose to install temporary noise barriers along the railway track.

Further, DDA chose not to conduct a test of the material used for noise barrier from an independent third party quality assurance agency, and relied upon the test report of the manufacturers. Since we are not aware of the measures, if any, taken by the Railways during CWG-2010 to mitigate the noise of railway traffic alongside the Games, we could not verify the efficacy of the noise barriers constructed on the railway side.

20.3.2.2 Noise barriers erected along the flyover on NH-24

The contract to erect noise barriers along the flyover on NH-24 was awarded to Construction Catalyser Pvt. Ltd. in May 2010 for Rs. 3 crore. The contract specified the physical characteristics of the plexiglass noise barrier that was to be installed. We observed that the samples sent for testing to the third party laboratory (Shriram Institute for Industrial Research) failed to meet the desired criteria subsequently. Interestingly, although the samples were sent in June 2010, the report was received from the laboratory only on 29 October 2010, well after the conclusion of CWG-2010; this effectively eliminated all chances of taking corrective measures in a timely manner.



Noise barrier on NH-24

20.4 Appointment of Financial Consultant for the Games Village Project

In June 2006, DDA awarded a contract for Rs. 4.73 crore for financial consultancy for the Games Village Project to a consortium led by Pricewaterhouse Coopers Pvt. Ltd.(PWC) with James La Salle Property Consultants Pvt. (I) Ltd. (international expert).

The scope of work of the financial consultant included advice on development options for the Games village on a Public Private Partnership (PPP) mode or any other appropriate mode involving development through auction of plots for developing hotel/service apartment, and the possibility of private participation in development of Games Village /competition venues. Since the last two options were not pursued, a note was put up to the High Powered Committee (HPC) of DDA in September 2008 for foreclosure of the consultancy as per the agreement, for works no longer required to be undertaken by the financial consultant and restricting the consultancy fee on pro rata basis. In addition, it was also indicated that the key personnel promised by the consultant were either not deployed or replaced without prior permission of DDA, as required.

We found that the HPC, instead of restricting the payments to be made to the financial consultant, avoided taking a decision and noted that “a view has to be taken for reducing the scope of work as per the agreement and only those issues which are relevant for taking services of PWC should be worked out. Director CWG would work out the proposal in consultation with the SEs.” We could not ascertain the follow up action, if any, in this regard either by the designated officers or by the HPC. Ultimately the financial consultant was paid Rs. 4.02 crore, which included payment for services actually not rendered.

20.5 Residential Complex

20.5.1 Decision on construction of flats in PPP mode

In the bid document of May 2003, the cost of constructing the athletes village was estimated at USD 163.83 million (Rs.753.62 crore)⁵, of which USD 106 million (Rs. 487.60 crore) were expected to be recovered from sale of 2-3 bedroom apartments built to accommodate the participants.

In August 2003, the then LG, Delhi, Shri Vijai Kapoor strongly recommended designing the Games Village with legacy use as hostels for various colleges, which would address a major deficiency in the existing educational infrastructure of Delhi. However, in March 2005, the GoM, decided that the option of constructing hostels was not feasible, mainly due to post Games maintenance difficulties. In January 2006, after considering the three funding models i.e.

- private participation through auctioning plots for building hotels/service apartment/guest house;
- building Games village entirely through Government funding; and
- Public private participation (PPP) in development of hotels and residential apartments,

GoM decided to develop the Games Village through the PPP route.

20.5.2 Process of tender and award

In December 2006, the RFQ was issued and 15 agencies applied for pre-qualification,

⁵ Converted at 1USD = Rs.46

out of which 11 agencies⁶ were prequalified. These included leading names such as DLF Ltd., Shapoorji Pallonji & Company Ltd., L&T, Parsvanath, Ansal and Unitech, besides the winning Emaar MGF consortium.

The RFP was uploaded on the DDA website and the pre-qualified agencies were informed on 9 May 2007. The main conditions of the RFP were:

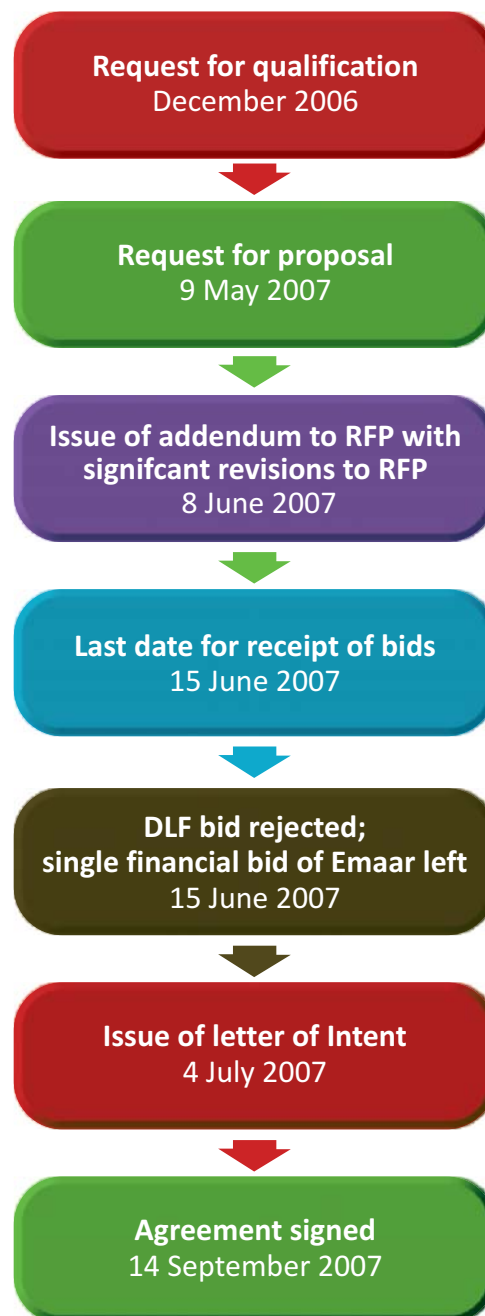
- developing residential apartments on a plot of 11 hectare;
- Floor Area Ratio⁷ (FAR) of 200 percent;
- 50 percent of the FAR achieved to be DDA's share;
- a Biddable upfront fee at a minimum of Rs. 300 crore; and
- Bank Guarantee of Rs. 500 crore.

Since no response was received by 1 June 2007, the bid conditions were revised through an addendum issued on 8 June 2007 and the last day for submission of bid was refixed as 15 June 2007. Only two responses were received. DLF's conditional bid was rejected, leaving a single financial bid from Emaar MGF Constructions Pvt. Ltd. for Rs 321 crore. The Lol was issued on 4 July 2007 and the contract signed on 14 September 2007. The sequence of events is pictorially depicted in figure 20.2.

⁶ Consortium of Emaar Properties PJSC, Dubai, DLF Ltd., Omax Ltd., Nagarjuna Construction Company Ltd., Shapoorji Pallonji & Company Ltd., Larsen and Toubro Ltd., Parsvanath Developers Ltd., Ansal Properties and Infrastructure Ltd., Consortium of CSC-HK-Soma Enterprises, Consortium of Namkwang-SPSL-PDI-CMCL, and Consortium of Unitech-IL&FS-PSDA-FCL

⁷ Floor Area ratio indicates the ratio of the size of the plot and the floor area of the construction.

Figure 20.2 — Sequence of tendering process for selection of Developer



20.5.3 Undue favour shown to Emaar MGF in pre-qualification (PQ) and technical qualification

As per the RFQ, existing incorporated entities could apply either individually or as a consortium. While an un-incorporated

consortium could apply on the basis of an MoU, which would also identify a lead partner holding not less than 26 per cent equity shareholding and voting rights, a separate incorporated entity was to be formed before bidding, on the same pattern of shareholding as indicated in the MoU.

The critical PQ requirements were:

- i. Experience of three years of residential facility/property development;
- ii. Minimum average annual turnover of Rs. 200 crore over the last three years; and
- iii. Net worth of Rs. 100 crore on the last day of the latest financial year.

In case of a consortium, the lead member was to fulfil conditions (i) and (ii); and all members holding more than or equal to 26 percent of shareholding had to fulfil condition (iii).

Incidentally, the Guidelines for PPP on Request for Qualifications of the Government of India do not stipulate the formation of an incorporated entity before award of the contract, but merely require the submission of a binding Joint Bidding Agreement by the consortium partners, undertaking to constitute a Special Purpose Vehicle for entering into the PPP concession agreement. The RFQ floated by DDA, however, required a separate incorporated entity to be formed (with the same shareholding pattern as indicated in the MoU submitted in response to the RFQ) before submission of bids.

We found a series of misrepresentations and accommodations at the RFQ and RFP stages that resulted in Emaar MGF Constructions Pvt. Ltd, an existing company at the RFQ stage but not qualified on any of the three conditions, to emerge as a successful bidder through the consortium route. Emaar Properties PJSC, presented at the RFQ stage as the lead partner with the requisite experience, turnover and net worth, faded behind layers of subsidiaries, effectively making a mockery of the premise that it would bring the necessary experience and financial strength, directly to the consortium led special purpose company.

An un-incorporated consortium with Emaar Properties PJSC, Dubai, Emaar MGF Land Pvt. Ltd., MGF Developments Ltd., and Discovery Estates Pvt. Ltd. applied at the RFQ stage on the basis of an MoU that projected Emaar Properties PJSC, Dubai as the lead member that would hold 26 percent shareholding in the Special Purpose Company (SPC) to be set up before making a bid at the RFP stage (the other members of the consortium holding 25 percent, 25 percent and 24 percent shareholding, respectively). This is pictorially depicted in figure 20.3 of the four consortium members, only the lead member fulfilled the pre-qualification criteria, and on its strength the consortium was shortlisted, along with 10 other agencies.

Figure 20.3 — RFQ stage (Shareholding as indicated in the MoU)



In response to the RFP, two bids were received i.e. from Emaar MGF Construction Pvt. Ltd., the SPC for the consortium led by Emaar Properties PJSC, Dubai and DLF Ltd; both the bids were conditional and to that extent deficient.

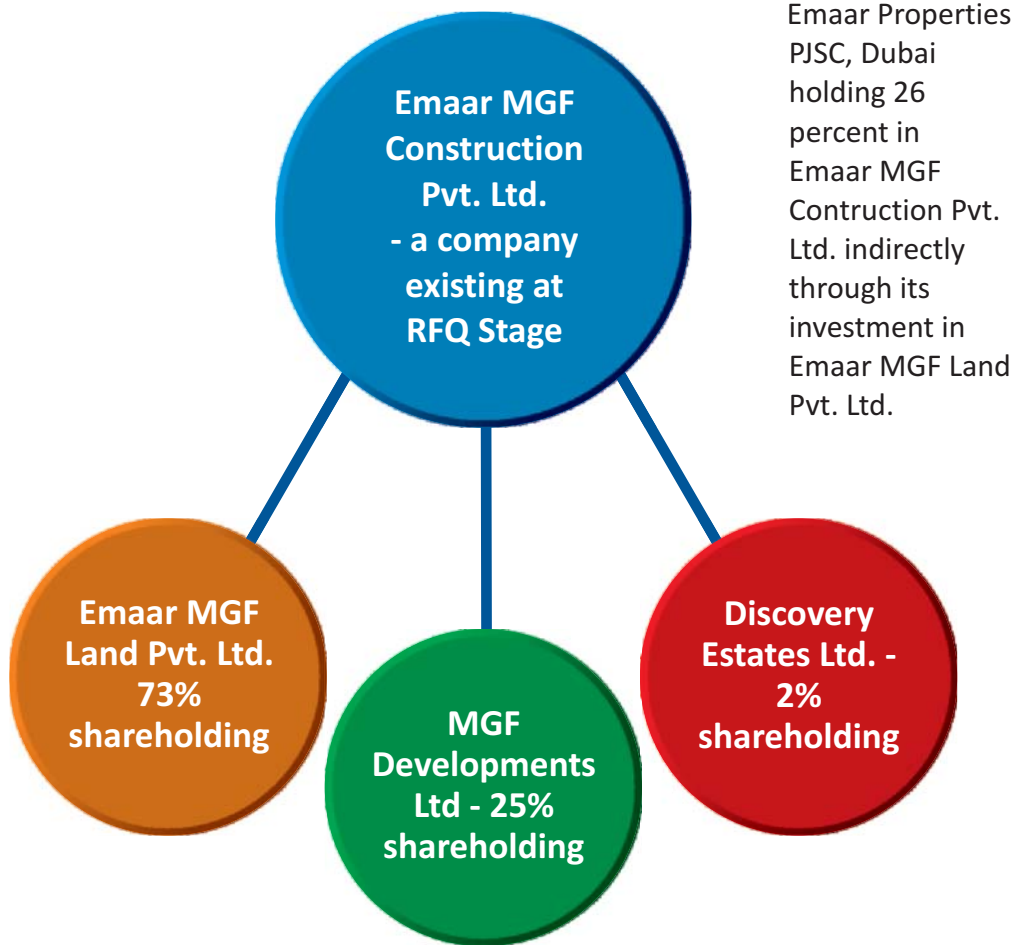
We found that DDA's Evaluation Committee for technical proposal⁸, which first considered the two technical proposal on 15 June 2007, summarily rejected the proposal of DLF Ltd., but chose to engage in a series of correspondence with its financial consultants/chief legal advisor/ legal agencies and Emaar MGF Construction Pvt. Ltd to find solutions to address the deficiencies in the technical proposal of Emaar MGF. Finally, on 28 June 2007, Emaar MGF Construction Pvt. Ltd. was declared technically qualified for opening the financial bid on the strength of an undertaking, rather than actual compliance with the terms of the RFP and RFQ.

Thus, by accepting the conditional proposal of Emaar MGF Construction Pvt. Ltd. while rejecting the bid of DLF Ltd, the technical evaluation committee effectively eliminated financial competition, with the approval of VC, DDA.

Emaar MGF Construction Pvt. Ltd. was a company existing at the RFQ stage; but ineligible on the three PQ criteria in its individual capacity. Further, Emaar Properties PJSC, Dubai did not directly hold 26 percent interest in this company; instead, 73 per cent was held by Emaar MGF Land Pvt. Ltd. (as depicted in figure 20.4) - again a company which could not qualify as the lead partner on the PQ criteria. It was indicated that Emaar Properties Dubai indirectly held 26 per cent share in the SPC through its shareholding in Emaar MGF Land Pvt. Ltd. This was not as per the PQ criteria which required a **direct investment** of at least 26 per cent by the lead partner.

⁸ Finance Member (in Chair), Engineer Member, Principal Commissioner, Commissioner (Planning), Commissioner (LD), Chief Architect, Chief Legal Advisor, Financial Advisor and Chief Engineer (SEZ).

Figure 20.4 – Shareholding pattern at RFP stage – Emaar Properties PJSC, Dubai – the lead member, did not hold 26 percent shareholding directly



Section - E
Commonwealth Games Village

The technical proposals were opened on 15 June 2007 and between 15 and 27 June 2007, there were a series of communications between the Evaluation Committee, financial consultant, chief legal advisor of DDA, two other legal agencies – Amarchand Mangaldas and Shri Gaurav Sarin - and Emaar MGF Constructions Pvt. Ltd. (but not directly with Emaar Properties PJSC, Dubai, the lead member) regarding the deficiencies with regard to:

- SPC being an existing company on the RFQ date;
- change in the shareholding pattern of the SPC as compared with that indicated in MoU; and
- absence of 26 percent direct shareholding of the lead member (Emaar Properties PJSC, Dubai) in the SPC.

The chronology of events between 15 and 28 June 2007 are given in Table 20.1.

Table 20.1 — Chronology of events between 15 and 28 June 2007

Date	Events/ Remarks
15 June 2007	<ul style="list-style-type: none"> ■ Two bids were received from DLF Ltd. and Emaar Consortium. ■ The Evaluation Committee, as per the minutes of the meeting, outrightly rejected the proposal of DLF Ltd., which was approved by the VC. However, we found no evidence of communication to DLF Ltd. at this stage. Emaar Consortium was asked to make a technical presentation. ■ Letter from a pre-qualified vendor, CMCL, regarding insufficient time after amendments to terms and conditions of RFP.
19 June 2007	<ul style="list-style-type: none"> ■ CE (SEZ), DDA asked Emaar Consortium for clarifications in respect of fulfilment of conditions of RFP clause. ■ Emaar MGF Construction Pvt. Ltd. submitted clarifications on deviation from the RFQ proposal and RFQ/ RFP clauses, regarding the existing company (Emaar MG Construction Pvt. Ltd) being presented as the Special Purpose Company.
20 June 2007	<ul style="list-style-type: none"> ■ DDA asked Emaar Consortium regarding variation in shareholding pattern from that depicted in the MoU submitted at the RFQ stage.
21 June 2007	<ul style="list-style-type: none"> ■ Emaar MGF Construction Pvt. Ltd. submitted a clarification regarding indirect shareholding of Emaar PJSC, Dubai in the SPC. ■ DDA asked its financial consultant, PWC, for its opinion on the letters from Emaar MGF Construction Pvt. Ltd.
22 June 2007	<ul style="list-style-type: none"> ■ Emaar MGF Construction Ltd. wrote to DDA, indicating that as per Press Note 2 (2005) of Ministry of Commerce and Industry, Foreign Direct Investment (FDI) in townships could take place only after award of the project.
23 June 2007	<ul style="list-style-type: none"> ■ DDA, through PWC, sought the opinion of Amarchand Mangaldas regarding 26 per cent direct equity of Emaar Properties PJSC, Dubai in the SPC, in view of Press Note 2 (2005). ■ Amarchand Mangaldas gave their opinions on Emaar MGF Construction Ltd.'s letters of 19, 20 and 21 June 2007, regarding a valid and binding undertaking from Emaar Properties PJSC for 26 per cent direct investment in the SPC.
25 June 2007	<ul style="list-style-type: none"> ■ CE (SEZ) submitted a note to the Chairman, HPC of DDA seeking extension of the deadlines, <i>“since the proposals from the two bidders for the project are still under scrutiny”</i>. We could, not, however, verify action taken, if any, on this note.

Date	Events/ Remarks
26 June 2007	<ul style="list-style-type: none"> <li data-bbox="598 315 1378 383">■ CE (SEZ) wrote to Chief Legal Advisor, DDA seeking his advice on the matter. <li data-bbox="598 409 1378 551">■ DDA wrote, through PWC, to Amarchand Mangaldas for their advice on the format of the undertaking from Emaar MGF Construction Pvt. Ltd. (and not from Emaar Properties PJSC, Dubai). <li data-bbox="598 577 1378 1317">■ Amarchand Mangaldas wrote two letters dated 26 June 2007 (with the same reference no. 4857) to DDA, indicating the format of an undertaking from Emaar MGF Construction Pvt. Ltd. that Emaar Properties PJSC, Dubai would invest in the SPC; this was different from their advice of 23 June 2007 regarding an undertaking from Emaar Properties PJSC, Dubai. One letter had three clauses, while the other letter had four clauses. The fourth clause suggested removal of the term “direct” before the term “shareholding”, in view of Emaar MGF Construction Pvt. Ltd.'s letter of 21 June 2007 confirming that Emaar Properties PJSC Ltd. would exercise 26 per cent voting rights in the SPC. It also indicated that although Emaar Properties PJSC may route the investment through one of its investing companies of the Emaar Group, the relevant investment company must clearly state that it was making the investment for the benefit of Emaar Properties PJSC, and this declaration would have to be filed with the Registrar of Companies. Incidentally, the signatures of the partner of Amarchand Mangaldas, Piyush Joshi, on the letters of 26 June 2007 differ from that of 23 June 2007. <li data-bbox="598 1344 1378 1447">■ DDA's Chief Legal Advisor sought the advice of Shri Gaurav Sarin, Standing Counsel on the undertaking, as well as on “direct investment” by Emaar Properties PJSC, Dubai. <li data-bbox="598 1473 1378 1608">■ Emaar MGF Construction Pvt. Ltd. submitted an undertaking that Emaar Properties PJSC shall directly own 26 per cent of the equity of Emaar MGF Construction Pvt. Ltd. within six months from the date of Lol.
27 June 2007	<ul style="list-style-type: none"> <li data-bbox="598 1639 1378 2056">■ Shri Gaurav Sarin wrote to DDA, indicating that permitting indirect shareholding of the lead member would amount to deviation from the requirements of the RFP documents. Further, Shri Sarin indicated that Emaar MGF Construction Pvt. Ltd had indicated the inability of the lead member (Emaar Properties PJSC, Dubai) to give the undertaking, but had expressed its willingness to give an undertaking (that Emaar Properties PJSC, Dubai would make the necessary investment). Shri Sarin indicated that the undertaking given by the bidding company should be forwarded by DDA to the lead member (Emaar Properties PJSC, Dubai) and their confirmation/ acceptance sought, such confirmation

Date	Events/ Remarks
	<p>amounting to ratification of the undertaking by the lead member. However, Emaar MGF Construction Pvt. Ltd. had already submitted its undertaking on 26 June 2007.</p> <ul style="list-style-type: none"> ■ The Evaluation Committee, as per the minutes of the meeting, decided to recommend Emaar MGF Construction Pvt. Ltd as technically qualified for opening of the financial bid, and the bid of DLF to be returned. VC's approval for the proposal was sought.
28 June 2007	<ul style="list-style-type: none"> ■ VC approved the proposal for technical qualification of Emaar MGF and disqualification of DLF. ■ Emaar MGF was informed of its being technically qualified, while DLF was informed of its being technically disqualified and its bid was returned.

The sequence of events clearly indicates that the Evaluation Committee gave a series of relaxations to Emaar MGF Constructions Pvt. Ltd. right from the RFQ stage till it finally emerged as the sole financial bidder for the project. In contrast, DLF's conditional bid was summarily rejected without any interaction or negotiation with the applicant.

Table 20.2 – Summary of deficiencies in bids of Emaar-MGF Constructions Pvt. Ltd. and DLF Ltd.

Emaar-MGF Constructions Pvt. Ltd.	DLF Ltd.
<ul style="list-style-type: none"> ■ The lead member (Emaar Properties PJSC, Dubai) did not hold the stipulated 26 per cent direct shareholding in the SPC (Emaar-MGF Constructions Pvt. Ltd).⁹ ■ The shareholding pattern of the SPC was different from that indicated in the MoU submitted at the RFQ stage. 	<p>DLF did not submit a technical proposal (for which it requested additional time till 6 July 2007), and only submitted a financial bid.</p> <p>DLF stipulated the following conditions with its bid:</p> <ul style="list-style-type: none"> ■ An assurance from DDA to obtain all requisite approvals within three months from the signing of the project development agreement. ■ Increase in bidders' share of residential apartments from 2/3rd to 80 per cent.¹⁰

⁹ Despite the undertaking for direct shareholding of Emaar Properties PJSC, Dubai within 6 months of LoI, this condition of direct shareholding was never fulfilled.

¹⁰ The pattern of bidders' share of residential apartments was subsequently changed by DDA through the May 2009 bailout package, where it agreed to buy 333 apartments @ Rs. 11000/ sq. feet from the developer's share.

Emaar-MGF Constructions Pvt. Ltd.	DLF Ltd.
<ul style="list-style-type: none"> The SPC (Emaar-MGF Constructions Pvt. Ltd) was an existing company at the RFQ stage, which was not in line with the RFQ criteria. 	<ul style="list-style-type: none"> Permission to deposit balance bid upfront amount (excluding the EMD) and the first instalment of performance security of Rs. 100 crore only after obtaining approvals from statutory authorities. Minimum technical specifications of the proposed project work should be at the discretion of DLF Ltd. Performance security to be correspondingly reduced on attainment of milestones. Allocation of at least a clear 28 months for project execution from obtaining of requisite approvals.

- The technical qualification of the Emaar-MGF bid was not in conformity with the terms of the RFQ and RFP. The repeated pleas of Emaar-MGF Construction Pvt. Ltd for various dispensations only serve to confirm such non-compliance at the time of bidding.
- Emaar-MGF's plea regarding the restrictions of Press Note 2 (2005) on FDI before project award is to be considered in the context of DDA's RFQ making an incorporated entity with the specified shareholding (as per the MoU) mandatory before bidding. Emaar-MGF's plea would be applicable for all consortia with foreign partnership. The possibility of other foreign consortia being discouraged from bidding due to this criterion cannot be ruled out.
- Even the undertaking for direct investment was given not by the lead member (Emaar Properties PJSC Ltd.) but by the SPC itself (Emaar MGF Construction Pvt. Ltd.), committing that Emaar Properties PJSC would, in future, have a 26 per cent shareholding in it;

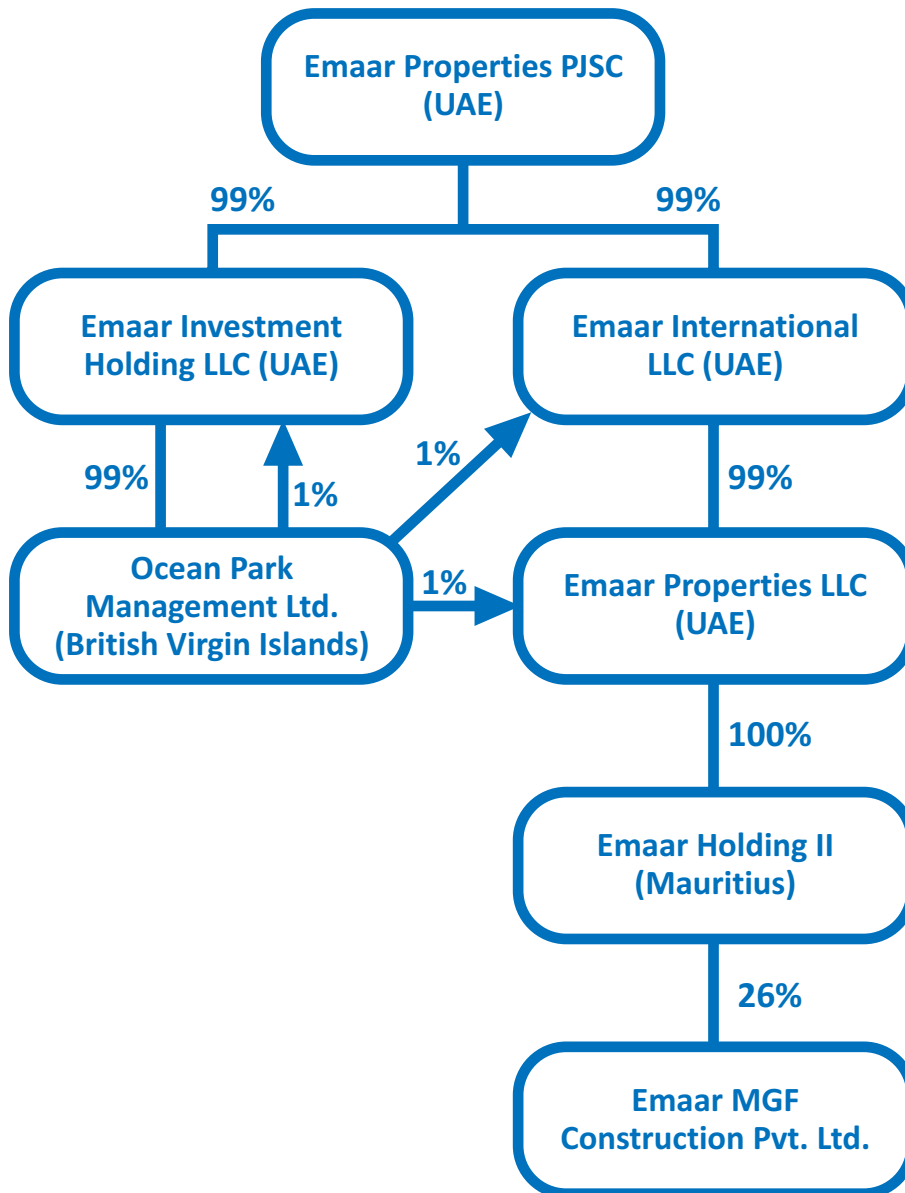
this does not prima facie appear to make sense to us. Further, we have no evidence to verify whether Shri Gaurav Sarin's advice that this undertaking should be sent to the lead member for confirmation/ ratification was carried out or not.

- The need for obtaining a multiplicity of legal opinions from different agencies (Amarchand Mangaldass, Shri Gaurav Sarin, and the Chief Legal Adviser) only suggest an intention to obtain "favourable" advice, facilitating technical qualification of Emaar MGF Construction Pvt. Ltd.
- The undertaking from Emaar MGF Construction Pvt. Ltd. had a provision, stipulating forfeiture of upfront amount and performance guarantee and cancellation of contract in the event of its non-fulfilment (which was also included in the agreement) was largely meaningless. Given the paucity of time and the immoveability of deadlines, such a provision was not realistically operable.

The undertaking by Emaar MGF Construction Pvt. Ltd was not complied with, and no penal action was initiated. Eventually, in April 2008, nine months after the issue of Lol and six months after the award of the work, it was clarified that **Emaar Properties PJSC, Dubai held 100**

percent shares, though indirectly, through various other subsidiaries in Emaar Holding II Mauritius, which in turn held 26 percent in the SPC. A pictorial depiction of the shareholding pattern of the SPC at execution stage is depicted in **figure 20.5.**

Figure 20.5 — 26 percent indirect shareholding of Emaar Properties PJSC as per clarification given in April 2008 (as intimated by DDA to us)



20.5.4 Short time allowed for bidding after addendum

The addendum to RFP issued on 8 June 2007, introduced significant changes to the bid conditions. The addendum was approved by VC, DDA who also recorded on file that LG, Delhi had been informed about the changes. The changes in the conditions brought in by the addendum are indicated below:

- DDA's share in the FAR reduced to one third from half;
- Bank Guarantee reduced from Rs 500 crore to Rs. 400 crore; and
- Penalty for delays in achieving milestones reduced from Rs. 15-50 lakh per day to Rs. 15-20 lakh per day, along with relaxation in quantum of work and time for the 1st and 2nd Milestone.
- The time allowed to bid was only 7 days. DDA stated it considered the number of days allowed enough for adjusting bids to these amendments. However, we found that two agencies indicated that the time allowed for bidding was insufficient
- The consortium of Namkwang-SPSL-PDI-CMCL lodged a complaint with DDA indicating that due to insufficient time, the consortium, despite being keenly interested, was unable to bid; and
- DLF Ltd, while submitting the financial proposal on the due date, requested for an extension of time for 21 days to submit its technical proposal.

It appears that the short period permitted for submitting bids acted as a deterrent to

competition. Strangely, of the 11 shortlisted parties, many of whom are established construction companies, only two responded on the last date of submission of bid. Moreover, the responsibility for obtaining statutory approvals was cast on the bidder, while DLF had sought assurance from DDA in this regard.

A PPP arrangement is predicated upon appropriate allocation of risks between the public and private parties. While, under normal circumstances, obtaining of statutory approvals could reasonably be termed as the responsibility of the private party, in this case, the critical issue relating to approvals was approval for the site itself, which is not in the hands of the developer. In our opinion, the clause mandating the responsibility of the developer for all approvals was unduly restrictive. Only those developers, who were confident of fullest efforts by DDA/ Gol to ensure necessary approvals for the site (consequently minimizing financial risks to the developer), would have been active and enthusiastic about submitting bids for the project.

Finally, only one financial bid was opened and accepted, effectively denying DDA the benefit of competitive tension that would have ensured that it secured the maximum upfront amount.

20.5.5 The bailout package

In December 2008/February 2009, Emaar MGF requested DDA for financial assistance, on account of slow down in the real estate sector and its inability to raise resources. In May 2009, DDA extended a bailout package worth Rs 766.89 crore in the form of procurement of 333 apartments at the rate of Rs. 11000 / per sq ft plinth area on the ground that the project was of national prestige and was to be completed in time.

We had commented on the extra avoidable expenditure of Rs 89.94 crore on the bailout package in para 9.1 of the Report of the Comptroller and Auditor General of India, Union Government (Civil) Autonomous Bodies No. 23 of 2009-10.

In our view, the need to extend a bailout package arose primarily, as neither the financial arrangement nor the terms and conditions of the contract took into consideration the overriding and inflexible need to ensure completion of the project prior to the CWG-2010. The progress of work on the ground had already been allowed to drift with the project achieving only the 2nd Milestone by December 2008, instead of the targeted 3rd Milestone. The rigidity of the timeline necessarily lent an opportunity to the project developer to force DDA's hand to agree to a bailout package, when faced with a situation of a fast approaching deadline. On the other hand, if the real estate sector had done better than anticipated, additional benefits would have accrued to the developer, while the downside would necessarily have to be borne by DDA/ Government.

20.5.6 FAR violation

We found that Emaar-MGF constructed FAR in excess of the sanctioned plan as well as the maximum permissible limits under the Master Plan of Delhi as indicated in the table 20.2 below:

Table 20.3 – FAR at different stages

Parameter	FAR achievable/achieved
As per agreement	201280 sqm
As per sanctioned plan	205140 sqm
Maximum permissible under the Master Plan for Delhi-2021	220005 sqm
Completion plan	231000 sqm

We also found that Emaar MGF failed to notify DDA, as per the building by-laws, of the completion of work upto plinth level to enable DDA to confirm that it was in accordance with the sanctioned plan.

All construction in excess of the FAR permissible under the Master Plan of Delhi is unauthorised.

In case the FAR as constructed in excess of the sanctioned plan, but within the Master Plan limits, is regularised by following due process, DDA should secure its one third share in it and the proportionate increase in upfront money as contracted, as it should do for FAR achieved in excess of the agreement as well (action on which was still pending as of January 2011). However, the FAR constructed by the Developer is in excess of that permitted under the MPD -2021, valued at Rs. 130.17 crore @ Rs 11000 /sqft and it amounts to an undue benefit to the Developer, unless DDA decides to impound or demolish it.

20.5.7 Illegal construction

In addition to the FAR violation, Emaar MGF illegally constructed 17 dwelling units in the basement meant for parking and not included in the FAR. We found that the developer started building these units after the submission of the completion plan in June 2010. DDA noticed this ongoing illegal construction in July 2010, but could not enforce its notice to Emaar MGF to cease/demolish such construction. Currently, the Appellate Tribunal for MCD has ordered DDA to take appropriate action according to law, after disposal of the application for regularisation.

20.5.8 Other post award concessions allowed to the developer

We found that DDA allowed several financial concessions to the developer during the execution of the project.

20.5.8.1 Revision of milestones:

The developer could achieve only the 6th and 7th Milestone (of the total 9 milestones) as per the original schedule. Liquidated Damages were leviable for delays in achieving of 1st to 5th Milestone and thereafter for the 8th and 9th Milestones. However, the HPC extended the dates for the 1st to 4th Milestone, but the developer could still not achieve the revised 4th and the unrevised 5th Milestone.

We found that Rs. 81.85 crore liquidated damages refundable on the achievement of the 6th Milestone, were not recovered from the developer resulting in an undue benefit of Rs. 7.36 crore¹¹ toward interest costs.

¹¹ Calculated at the rate of 10 percent per annum; the rate at which mobilisation advance is given under CPWD manual

Further, non-achievement of 8th and 9th milestone attracted a non-refundable liquidated damages of Rs.106.9 crore, of which DDA recovered Rs 90 crore in October 2010, by invoking the Bank Guarantee of Rs. 183 crore at the direction of Ministry of Urban Development, Gol. DDA, in its reply, has assured that it would recover interest on the liquidated damages for delays in achieving 2nd, 4th and 5th milestone and the claim for remaining liquidated damages of Rs. 16.90 crore for non achievement of 8th and 9th milestones had been raised.

20.5.8.2 Refund of bank guarantee

Bank Guarantee of Rs. 100 crore was released in October 2009 after delayed achievement of 4th Milestone, without deducting any Liquidated Damages as envisaged under the agreement.

20.5.8.3 Non - recovery of infrastructure charges

DDA failed to recover infrastructure charges from the developer in respect of its share of the cost of the Water Treatment Plant and Sewage Treatment Plant created by DJB and demanded from DDA; this is detailed in paragraph 21.4.

20.5.8.4 Expenditure on installation of signages

The contract with the developer included installation of signages to be decided by the monitoring committee in consultation with the OC. However, we found that a separate contract for installing signages in the residential complex was also given by DDA to Meroform India Pvt. Ltd. for Rs. 0.11 crore without any corresponding recovery from the developer.

20.5.9 Quality of construction

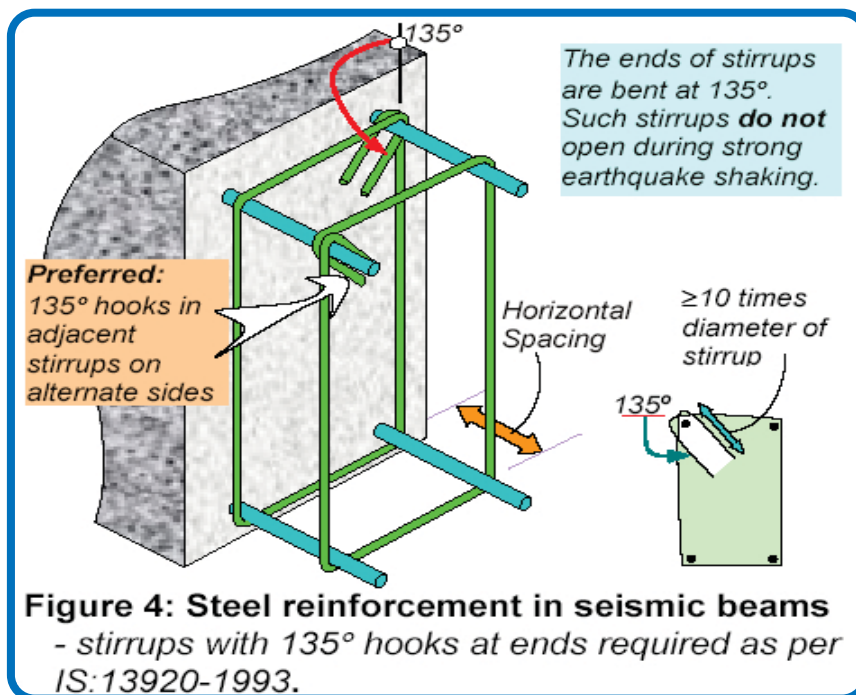
Emaar MGF awarded most of the construction work for the residential complex to Ahluwalia Contracts (India) Ltd. Central Building Research Institute, Roorkee (CBRI) was appointed as the Third Party Independent Quality Inspection Agency only in May 2008, eight months after the start of work, by which time most of the foundation work had been executed. As such CBRI was unable to assure the quality of the foundation laid. In our opinion, this is a serious lacuna considering the site location and the height of the structure.

CBRI submitted thirteen Reports between June 2008 and October 2010 based on its inspection of the construction in which it reported serious lapses in construction work. Some of the major deficiencies reported by CBRI are summarised below. All photographs in this section are from CBRI's reports, except where indicated otherwise.

20.5.9.1 Deficiencies in ductile detailing of secondary reinforcement (providing appropriate hooks for the stirrups and lateral ties)

Ductile detailing is an arrangement of secondary reinforcing steel in the beams and columns in the forms of stirrups and lateral ties respectively. Proper spacing of these items and bending of their hooks is mandatory, so that the main reinforcing bars will remain intact, and immediate damage to the structure is avoided in the event of earthquake.

Deficiencies in ductile detailing were reported in CBRI's Report Nos. 1 and 2. Despite some corrective action taken in the initial stages, the deficiencies persisted as reported in CBRI's Report Nos. 4 and 10. Some pictures of the execution of ductile detailing by Emaar MGF are shown below:



Diagrammatic representation of ductile detailing

The hooks may be bent as under and length of hook shall be measured from centre of the main bar to the tip of hook (as shown in figure). The ties in the column shall be provided as detailed herein.



Inadequate hook length and absence of 135° angle reported in CBRI Report No. 2



Concreting was in progress without bending reported in CBRI Report No. 4

20.5.9.2 Lack of Cover to Reinforcing Steel

Protection is provided to the reinforcing steel by properly covering the bars with concrete so that the reinforcing steel will not come in contact with oxygen, moisture, chlorides, and acidic environment, which may promote its corrosion.

Despite CBRI's repeated insistence to provide adequate cover to the reinforcing steel (as mentioned in Report Nos. 3, 9, and

10), no action was taken and negligence on the part of the contractor continued.

Chipping of the cover concrete, and cutting of secondary reinforcement was also observed by CBRI in the towers (Reference CBRI Report Nos. 9, 10, and 11). The reinforcement was totally exposed to the open environment due to chipping of cover.

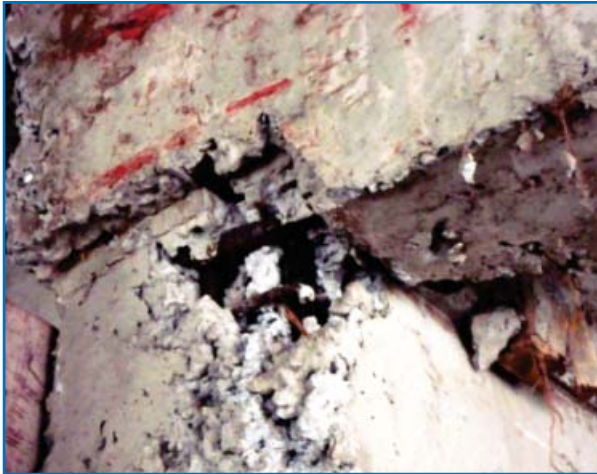
Photographs given below indicate the damage to the construction on these counts.



All in one (Exposed Steel, Hole in Beam Column Junction, Insertion of Jute Bag) Tower 15 as reported in CBRI Report No. 9



All in one (honey combing, seepage, corrosion, and jute bag) in Tower 7 as reported in CBRI Report No. 9



Exposure of Reinforcement Column cap
(Report No. 9 - Tower 20, 4th floor)



Reinforcement is seen in beam bottom
(Report No. 9-Tower 23 - 6th Floor)



Chipping of beam (Report No. 9-Tower 1)



Chipping and cutting of
reinforcing steel – Report No. 11

20.5.9.3 Improper Beam-Column Joints

The joint between the beam and column is a very important aspect from the structural engineering point of view. The column and the beam can be strong and be able to carry more load, but if the joint between these structural elements is weak, it may endanger the safety of the structure both in normal and seismic conditions.

CBRI had pointed on several occasions (Reference Report Nos. 2, 3, 4, 6, 9 and 12) improper detailing of these joints. However, DDA did not take any serious note of CBRI's findings and did not take action against the contractor. CBRI also indicated (Reference Report 6) that improper detailing of joints might be dangerous in the event of an earthquake. Some pictures of the execution of improper detailing are shown as overleaf:



Main bars of the beams located outside the vertical bars of the column - Report No. 3



Half the width of the beam is outside the column - Report No. 3



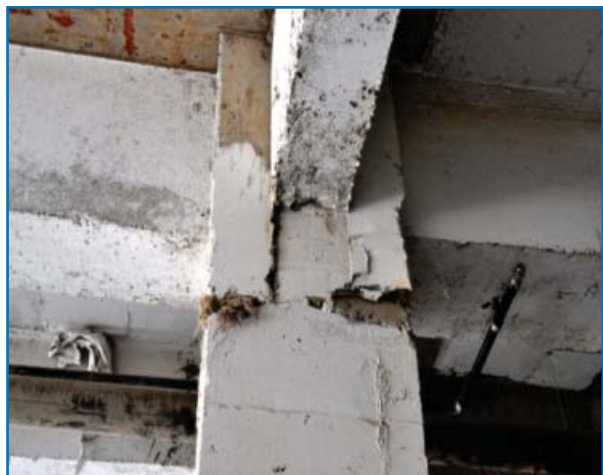
Chidiya Ghar in Beam-Column Joint (- Report No. 9 -Tower-5)



Exposed bars in the joint (- Report No. 9-Tower-6)



Plastic Bag in Beam and Shear Wall Joint (- Report No. 9-Tower-15)



Absence of monolithic construction, presence of gunny bags (Basement) - Report No. 12

20.5.9.4 Improper Alignment of Columns

Perfect vertical alignment of columns is most important in multi-storied buildings. Any misalignment produces geometrical eccentricity in the columns and, in turn, produces additional moments (additional loads) on the columns.

CBRI pointed out (Report No. 3) that many columns in the basement floors of Towers 3, 4 and 5 were out of plumb and some of them were tapered (the width decreased from 300 to 230 mm). This situation poses a serious problem in the event of an earthquake as the construction site is located in Seismic Zone-IV, that too on alluvial soil. CBRI reported the matter to

Emaar MGF, Ahluwalia Contracts (India) Limited and DDA with a request to ensure that no cosmetic treatment (plastering) be made, as it would be difficult to identify these columns at a later stage, when it was decided to repair and retrofit these columns. Nevertheless, all these columns had been plastered to cover up the deficiencies. CBRI Reports strongly recommended structural repair and retrofitting of these columns.

CBRI again pointed out (Report No. 9) that some of the columns had been raised by adopting jacketing and by using micro-concrete (cosmetic treatment). No action was taken by DDA on this finding also.



Tapered Column in the Basement of Tower-3 (Report No. 3)



Bent up Column in the Basement of Tower-3 (Report No. 3)



Tapered and Bent up Column in the Basement of Tower-3 (Report No. 3)



Column Out of Plumb in the Basement of Tower-3 (Report No. 3)



Plastering of defective column in Tower-5 (Report No. 3)



Another column in Tower-5 after cosmetic treatment (Report No. 3)



Tower -10: Tapered column (LB) Report No. 9



Two in one: Tilt of the column and lack of cover for the reinforcing steel (Tower-34, Upper Basement) Report No. 9

20.5.9.5 Water-Proofing Treatment in Retaining Walls and Grade Slab

Waterproofing is important in the construction of RC structures, as it helps to prevent the ingress of moisture into the concrete (which would promote the corrosion of reinforcing steel and deterioration of concrete, hence reducing its service life).

CBRI (Report No. 2) suggested norms for water-proofing treatment, but indicated in their 10th report that the contractor did not follow their recommendations.

20.5.9.6 Difference in the Levels of Grade Slabs

According to CBRI Report No. 10, there was a clear difference in the levels of grade slabs of the tower area and the non-tower area. No concreting and no waterproofing treatment had been undertaken to cover the vertical surface of the soil. The area was later filled up (in buried under soil). CBRI had already pointed out (November 2009- Report No. 10) that water might percolate in the basement area, as the water table rises in the rainy season. Subsequently, CBRI reported (July 2010, Report No. 12) that the basements were flooded with rainwater and there were seepages and leakage from the joints. The leakage and seepage was noticed even in January 2011 by us in a joint inspection (the photographic evidence collected by us is given below).



Photograph of the basement taken by audit in January 2011

Incidentally DDA did not obtain provisional certificates from CBRI for major milestones, as envisaged under the contract.

20.5.9.7 Shortened life of Towers

CBRI, in its report of July 2009, concluded that “On seeing the permeability of the concrete and the corrosion of reinforcing steel, it gives an impression that the service life of these towers can not be more than 20 years. These towers demand a lot more expenditure for the repair and retrofitting beyond this period”. Clearly, the safety, serviceability and durability of the residential complex was jeopardized due to negligence of both the contractor/developer and failure on the part of DDA to initiate action on the serious lapses pointed out by CBRI.

DDA replied (February 2011) that quality control was a continuous process and that observations in one report were attended and action taken reports were submitted in the subsequent reports; the process had

been duly followed. The reply is not tenable, as CBRI was continually pointing out deficiencies (as summarised above) in its subsequent reports, which indicated that no serious efforts were made.

20.5.10 Unfinished Games Village

Emaar MGF was to hand over the completed project (including landscaping work) on 1 April 2010, in a ready to use/liveable condition, with no pending construction unfinished work, construction equipment debris, construction material etc on the site. The project could not be completed even at the time of CWG-2010¹² and the towers were handed over to DDA between June and August 2010 for furnishing of the flats by ITDC and OC. These flats were not completed/finished and numerous defects were noticed by DDA. These deficiencies are in addition to the various structural issues pointed out by CBRI in its report. The main defects noticed by DDA summarised below:

¹² DDA has informed us that the date of completion has now been noted as 13 December 2010

- Undulating basement floor and absence of flooring (which was hidden under debris);
- Heavy leakage of ground water in all the lift pits (73 in number) indicating that no water treatment had been done in the lift pits;
- Defective water proofing of terrace, resulting in seepage in apartments;
- Improper slope of floor in bathrooms;
- Shafts not covered, leading to collection of water in basements;
- Supply of single phase power in some apartments;
- Improper coverage of expansion joints;
- Gunny bags embedded in concrete surfaces in the basement;
- Chokages in the drain pipes; and
- Landscaping not completed and no arrangement of water for the landscaped area.

Some of these deficiencies were attended to, in an emergent situation, by DDA and agencies of GNCTD (we are unable to determine the amount spent by these agencies on this activity separately). Major construction defects remained unattended during CWG-2010. Till date we do not have any record to indicate that these defects were subsequently rectified by the developer, nor do we have any evidence that monetary adjustments have been made.

Due to the unfinished condition of the residential complex, the OC made alternate arrangements for the accommodation of the delegations of 41 countries that were entitled to stay at the Games Village during

its soft opening during the period 16 to 29 September 2010, at a cost of Rs.0.84 crore.

An additional expenditure of Rs. 4.16 crore was also incurred for shifting the polyclinic, dope control centre and resident centre from its originally identified location in the lower ground floor to a temporary structure (overlay) due to likelihood of flooding; sewerage and drainage problem; circuitous approach and low height of ramp which hindered entrance of ambulances.

20.6 Non-residential Permanent Structure – Practice Area

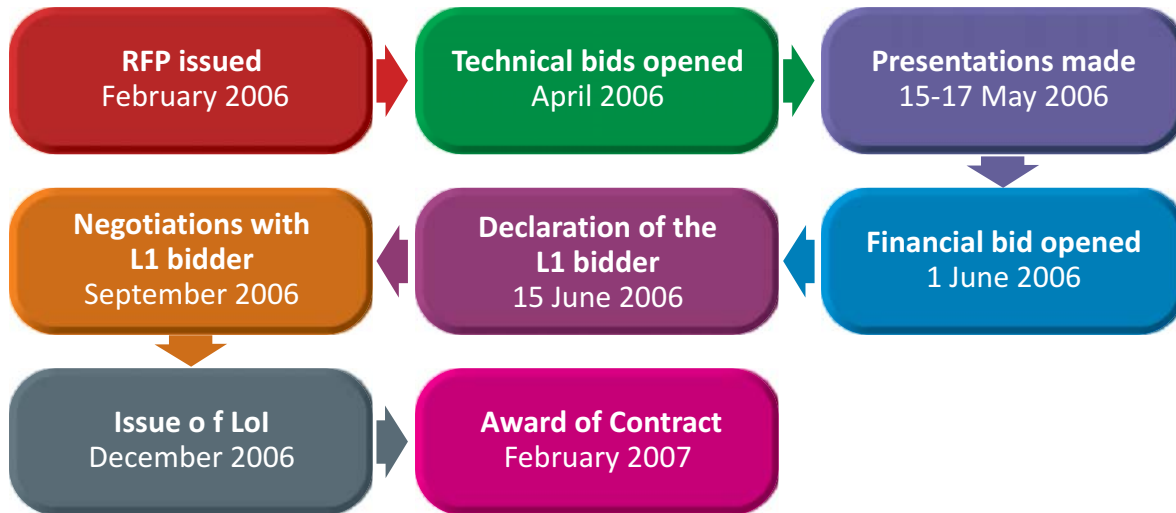
20.6.1 Introduction

The Games Village was to have sports practice and training facilities for weight lifting, wrestling, swimming, and athletics, as well as a fitness centre. These works were undertaken at a cost of Rs. 284.45 crore. The main consultant for these works was Suresh Goyal & Associates in consortium with Decathlon SA and Shri Daryl Jackson(SGA); the developers were Sportina Payce Infrastructure Pvt. Ltd. and SAM India Pvt. Ltd.

20.6.2 Selection of Suresh Goyal and Associates as Design Consultant

In February 2006, an RFP for engaging a consultant for designing the Games Village. Of the 12 bids received, 5 were shortlisted based on presentations and the contract was awarded to the agency that scored highest on the basis of a techno-commercial evaluation in February 2007. The chronology of events depicted in Figure 20.6.

Figure 20.6 — Chronology of events resulting in selection of Design Consultants



We found that despite SGA being declared the L1 bidder in June 2006, the issue of letter of intent was delayed by six months. During this time, the HPC entered into a rate negotiation with the L1 bidder; (the L1 bidder had quoted Rs 17.25 crore which was reduced to Rs. 15.65 crore) and thereafter took another three months to issue the Lol. Such inexplicable delays post tendering are not only detrimental to timelines, but also indicate lack of transparency.

Further, SGA's high score on technical evaluation was primarily due to the inclusion of Decathlon SA (with experience of Athens Olympics) as the master planner and sports architecture specialist, in its consortium and Rs. 6.10 crore of the consultants' fee was justified on the grounds of its engaging international expertise.

Subsequently, Decathlon SA was not associated with the execution of the contract, thus vitiating the very premise on which SGA was selected. In November 2007, Decathlon SA informed DDA that

despite being a member of the consortium, it had not been associated with the project due to an unresolved dispute with Suresh Goel & Associates on the scope of work and associated fees. Subsequently, as late as May 2008, Suresh Goel & Associates informed DDA that the contract deliverables till date had been submitted without the association of Decathlon SA and sought an ex-post facto approval of replacement of Decathlon's staff with certain staff which it had already engaged. This was contrary to the agreed terms, which required any replacement of the staff only with prior consent of DDA.

Further, in February 2008, HPC directed retaining 25 percent of the fee of SGA, but subsequently released the retained amount as well between May 2008 and October 2008, on the plea that work was suffering and also considering the overall work done by the design consultant.

Clearly, SGA was engaged as the design consultant on the premise that it would bring in international expertise, and accordingly its fees were also justified. However, no such benefits accrued to DDA due to the dispute with Decathlon SA, the master planner and sport architecture specialists with the requisite international experience. DDA was not even aware that SGA brought in relevant international expertise (comparable to Decathlon) at its own cost, and irregularly accorded ex post facto sanction for replacement of Decathlon's staff with Suresh Goel Associates' own staff and thereafter even released full payment.

20.6.3 Performance of Design Consultant

20.6.3.1 Deficiencies in preparation of designs, drawings, bill of quantities and estimates

The design consultant was responsible for preparation of designs, drawings, bill of quantities and estimates. Based on a test check of records, we found that several deviations of work/ extra items had to be undertaken due to deficiencies attributable to the design consultant e.g.

- Defective estimates (7 cases of Rs. 8.97 crore);
- Mismatch in original and working drawings and BOQs (one case of Rs. 0.43 crore);
- Estimates not prepared as per site requirement (5 cases of Rs. 5.41 crore);
- Slab of the underground reservoir not designed as per vehicular load (one case of Rs. 0.52 crore); and

- Deviation due to change of specification and scope of work (one case – Rs. 1.05 crore)

20.6.3.2 Reduction in scope of work

Design of the roof cover of swimming pool and overlay, which was included in the scope of work SGA was assigned to other agencies¹³, but the fee paid to SGA was not reduced.

20.6.3.3 Delays in achieving of milestones

As per the RFP, the design consultant was to achieve 4 milestones; liquidated damages were to be levied for any delays. We found that none of the milestones were achieved but DDA instead of levying liquidated damages as per contracted terms, withheld a lumpsum amount of Rs. 0.25 crore. DDA could not provide the date of actual achievement of milestones to us; however, based on the release of stage wise release of payments, we estimate that maximum penalty as per contract i.e. Rs 0.78 crore is inevitably leviable (including Rs. 0.25 crore already deducted).

20.6.4 Selection of Sportina Payce Infrastructure Pvt. Ltd. as Developer

In June 2007, the RFQ for pre-qualification of agencies for construction of athletic track, swimming pool, fitness centre and training hall at the Games Village and three other projects related to venue development¹⁴ was issued. Of the 18

¹³ Roof of the swimming pool was designed by McCoy Architectural Systems Private Ltd; overlays design was prepared by GL Litmus Event Pvt. Ltd.

¹⁴ Construction of new competition venues for squash and badminton (SFSC); Construction of new competition venues for Table Tennis (YSC); and refurbishment of existing facilities at SFSC, YSC and SSC.

applicants, eight¹⁵ were pre-qualified on 13 September 2007 by the evaluation committee¹⁶ these included leading players such as Gammon India Ltd and Shapoorji Pallonji. On 10 January 2008, bids were invited from PQ bidders, and only two agencies bought the tender documents (Sportina Payce Infrastructure (Pvt.) Ltd. and BE Billimoria & Co. Ltd.). The tenders were

opened on 19 February 2008 and the contract awarded to Sportina Payce Infrastructure Pvt. Ltd. on 17 April 2008, the L1 bidder at a negotiated amount of Rs. 63.10 crore with the approval of the Works Advisory Board¹⁷ and concurrence of LG, Delhi. figure 20.7 represents the chronology of events.

Figure 20.7 — Chronology of events leading to selection of Sportina Payce (Pvt.) Ltd.



The entire tendering process took 10 months, of which 3 months were spent in examining the eligibility of the applicants. However, we found that Sportina Payce Construction (India) Pvt. Ltd. (the SPV representing the consortium led by Payce Consolidated Ltd., Australia; Pynter Dixon Construction Pty. Ltd., Australia; Sportina Exim Pvt. Ltd., India and Robertson + Marks Architect Pty. Ltd, Australia), submitted an **un-notarised MoU** evidencing the consortium, contrary to the RFQ requirement. Interestingly, though **all four**

member of the consortium were purportedly incorporated bodies, only two signed with the companies' common seal. Despite a scrutiny process of three months, this agency was declared pre-qualified by the Evaluation Committee. Further, though the company pre-qualified was Sportina Payce Construciton (India) Pvt. Ltd, the tender documents were bought by Sportina Payce Infrastructure Pvt. Ltd., a different legal entity, registered only on 16 January 2008, but applied for the tender document on 15 January 2008;

¹⁵ ITD-ITD Cem JV; BL Kashyap and Sons Ltd.; BG Shirke Contruaction Technology Pvt. Ltd., Gammon India Ltd.; Consortium of Unity-Brahmaputra; Shapoorji Pallonji & Co. Ltd.; BE Billimoria & Co. Ltd.; and Sportina Payce Construction(India) Pvt. Ltd-SPV.

¹⁶ Finance Member, Engineer Member, Principal Commissioner, Commissioner (Plg), Chief Engineer (SEZ), Commissioner (LD), Chief Architect, Chief Legal Advisor and Financial Advisor (H)

¹⁷ Vice Chairman- DDA, Finance Member, Engineer Member, Chief Engineer(SEZ) and Chief Accounts Officer

The shareholding composition of the PQ agency, as projected in the MoU, was

- Payce Consolidated Ltd., Australia – 72 per cent;
- Pynter Dixon Construction Pty. Ltd., Australia – 2 per cent;
- Sportina Exim Pvt. Ltd.- 25 per cent; and
- India and Robertson + Marks Architect Pty. Ltd, Australia – 1 per cent.

In contrast Sportina Payce Infrastructure Pvt. Ltd. (the successful bidder) was promoted by

- Smt Sheetal Hiren Sheth w/o Hiren Himat Lal Sheth and
- Shri Hiren Himat Lal Sheth s/o Himat Lal Deepchand Sheth.who were also the shareholders of Sportina Exim Pvt. Ltd. Though the Articles of Association of the company stated that the shareholding would be adjusted as per MoU, and 2 directors would be from Payce Consolidated Ltd. Australia; we found the evidence of this adjustment only in the return filed with Registrar of Companies after the Annual General Meeting held on 30 September 2009.

Further, we found that as per RFQ condition, any consortium member holding more than or equal to 26 per cent of the equity shareholding or voting rights, was required to have net worth equal to 40 percent of the estimated project cost. Sportina Exim Pvt. Ltd. did not meet this criteria, and circumvented it by showing a shareholding of 25 percent at the MoU stage. However, it increased its holding to 26 percent shareholding in Sportina Payce Infrastructure (P) Ltd., the company which was finally awarded the contract.

It is amply evident that the MoU was manipulated to ensure that Sportina Payce Construction (India) Pvt Ltd. pre-qualified.

Ultimately the successful bidder was an entity, different from the pre-qualified agency, without any confirmed association with Payce Consolidated Ltd., Australia – the projected lead member with experience of design and construction of mixed use development in Australia, on the basis of which the consortium was pre-qualified. DDA could also not produce any evidence of the association of Payce Consolidated Ltd in the execution stage as per MoU.

Subsequently, in October 2009, after a payment of Rs. 17.79 crore had been made, the contract was terminated on the grounds of mismanagement, lack of resources, lack of will and vision, engineering skill and management expertise – thus confirming the agencies' ineligibility in the first instance. Liquidated damages of Rs 5.75 crore were levied on the contractor, but had not yet been recovered.

The balance work of Rs 45.31 crore was re-awarded after tendering to Sam (India) Built Pvt. Ltd. for Rs. 29.59 crore (including an additional work of Rs. 1.18 crore) and to Shiv Naresh Sports Pvt. Ltd. for Rs. 8.93 crore.

20.6.5 Quality of works executed

The quality assurance work was undertaken primarily through the Quality Assurance Cell (QAC) of DDA. However, we noticed that

- The swimming pool constructed in the Games Village was not certified by any

internationally or nationally recognised agency;

- Out of 42 deficiencies pointed out by QAC pertaining to the swimming pool, training hall, fitness centre and athletic track, 22 remain pending as of date; and
- Though the Chief Engineer, CWG had expressed concerns about the quality of the kerbstones laid in the Games Village; we found no evidence on record of the corrective measure taken thereafter.

20.6.6 Procurement of Bio-toilets

Toilets were required outside the boundary walls of the Games village and venues for use of security personnel.

On 7 September 2010, LG, Delhi directed that bio-toilets may be procured for Games Village and DDA owned venues. Thereafter, after a flurry of activity, orders for supply of 10 bio-toilets at the rate of Rs. 4.75 lakh each were placed on two agencies (each to supply five bio-toilets) on 18 September 2010. These bio-toilets were to be kept inside the Games Village and venues (for legacy and maintenance), and hired mobile toilets were to be provided outside the boundary walls. Eventually, 6 bio-toilets (costing Rs 0.29 crore) were installed outside the boundary wall of the Games Village and Sri Fort Sports Complex, supposedly for security guards, in addition to the mobile toilets hired from MCD. The decision to buy bio-toilets at exorbitant prices at the last minute, duplicate facilities hired by MCD, is inexplicable. The legacy value of these bio-toilets is not clear.



Bio-toilet

20.7 Temporary structures/overlays

Overlays in the Games Village primarily comprised temporary accommodation created for housing the international zone, dining hall, polyclinic, transport mall etc.

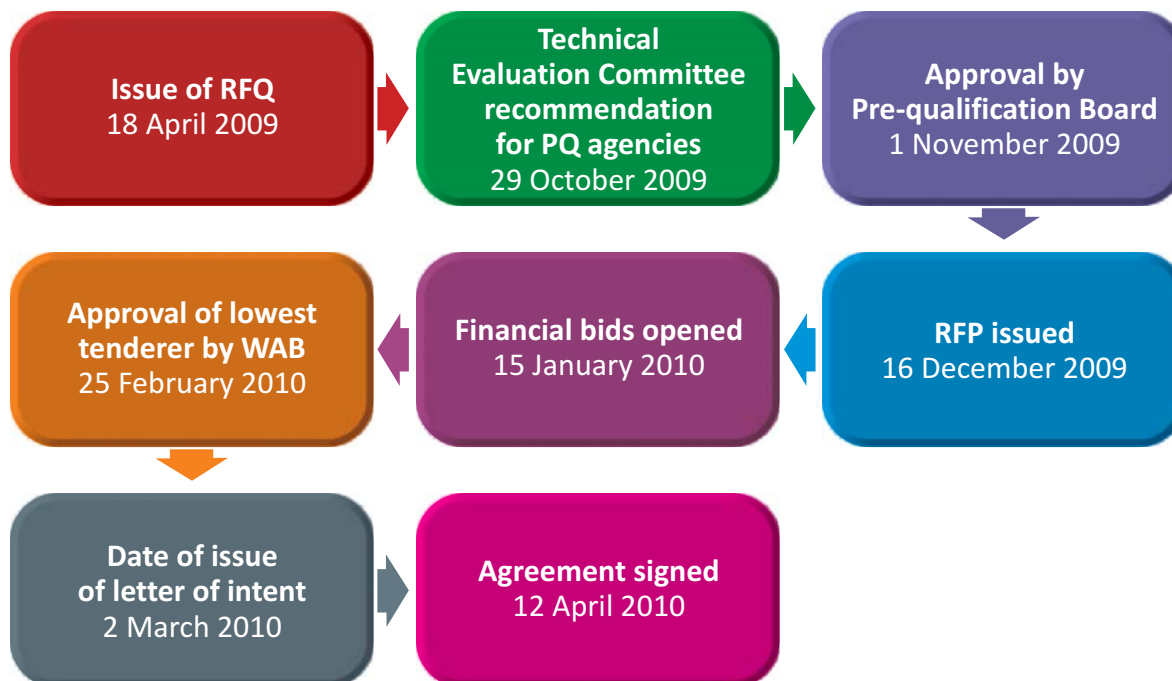
20.7.1 Selection of GL Litmus Events Pvt. Ltd.

In April 2009, an RFQ for designing, building, maintaining and rental contract for temporary accommodation using tensile fabric roofing with white colour PVC polyester fabric was issued, to which 12 responses were received. On 29 October 2009, the Technical Evaluation Committee recommended four agencies¹⁸ for short-listing to the Pre-qualification board, which approved only three agencies¹⁹ for pre-qualification. Financial bids were invited from these agencies in December 2009, the bids opened on 15 January 2010 and on 25 February 2010, WAB approved award of contract to the L-1, consortium led by GL Events Services SA (France). The contract was finally signed on 12 April 2010, a year after the issue of RFQ. Figure 20.8 depicts the chronology of events.

¹⁸ JV of ESG Group Ltd. & Arena Events Services Group Ltd. (both England based companies); Consortium of GL Events Services SA (France) and Meroform India Pvt. Ltd.; Consortium of Expro Events (a unit of Lalloji & Sons), Losberger GmbH and Parekh Associates; and Consortium of Deepali Designs and Exhibits Pvt. Ltd. (Indian), Zhuhai Liri Tent Technology Co. Ltd. (China) and Kingsman Fairtech International Pvt. Ltd. (Indian)

¹⁹ The consortium led by Deepali Designs and Exhibits Pvt. Ltd. was rejected on the grounds that Deepali, the lead member, which exclusively did not fulfil the pre-qualification criteria exclusively.

Figure 20.8 – Chronology of events leading to selection of GL Litmus Events



As can be seen from the above, the entire process took a year with six months inexplicably spent only at the pre-qualification stage.

As was the case with all other major contracts awarded by DDA for CWG-2010 and discussed in this chapter this selected consortium did not have the composition (and concomitantly the requisite experience), as was projected in the MoU presented at the PQ stage.

The consortium led by GL Events and Services SA (France) indicated the following shareholding in the joint venture company (GL Events-Litmus Pvt. Ltd.) to be set up subsequently:

- GL Events and Services SA (France) – 70 percent; and
- Meroform India Pvt. Ltd. – 30 percent.

We found that eventually the agreement was signed with GL Litmus Events Pvt. Ltd. with the following shareholding:

- Shri Binu Nanu-70 percent; and
- Meroform India Pvt. Ltd. – 30 percent.

GL Events and Services SA (France), on the experience of which the consortium had been shortlisted was no longer a shareholder of the contracted bidder.

DDA replied that before signing the agreement in April 2010, GL Litmus Events Pvt. Ltd. approved the resolution to transfer 70 percent of its shares held by Shri Binu Nanu to GL Events and Services SA (France). However, no evidence of actual transfer of shares before signing of the contract was produced to us.

20.7.2 Non-verification of designs, quality and quantity

Due to the delay in award of the contract and subsequent compression of delivery time, DDA could not effectively implement the quality control measures envisaged. The contractor did not supply the material as per specifications, and its designs were rejected by IIT Delhi (the proof checker) as these were not as per design requirements in the Indian context. Moreover, we found no detailed record, certifying that the contractor had provided adequate number of structures of the contracted technical specifications.

The Letter of intent was issued on 2 March 2010, by which time the contractor reported that all the material for structures had already been procured. As per the contract, the designs had to be proof checked and approved within 20 days of Lol date, i.e. by 22 March 2010. However, the designs were sent to the proof checker (IIT Delhi) on 19 March 2010. These were rejected by it on 10 June 2010 after protracted correspondence and meetings with the representatives of the contractor, primarily on the ground that the design did not meet the requirement in the Indian context mainly on the criteria of wind speed. It also indicated that the aluminium beams proposed in the design were not as per contracted specifications (2mm thickness against 4 mm).

Further, on the pleas of paucity of time, inspection at bidder's workshop prior to dispatch of material, was also waived off by DDA.

Eventually, the structures were put up, but we found no detailed record certifying that

these were of the detailed technical specifications mentioned in the agreement. We found that for a contract of Rs.41.38 crores, the bulk of material for which was to be imported, the value assessed at the Indian customs was only Rs. 5.32 crore. Moreover, since customs duty exemption for CWG-2010 had not been notified, at time of bidding the contractor bid was inclusive of prevailing duties. While it took the benefit of Rs. 1.43 crore as duty foregone, the benefit of the same was not passed on to DDA. The additional bank guarantee of Rs. 1.27 crore to be obtained at the stage of release of payment after shop drawing approval was not obtained (and incidentally the payment was released without the drawings being approved). Further, the bank guarantee of Rs. 6.62 crore obtained while releasing payment against procurement of material and its inspection at bidder's workshop; was also released in July 2010 despite rejection of designs.

20.8 Other infrastructural facilities

20.8.1 Construction of 1 MGD Water Treatment Plant by DJB

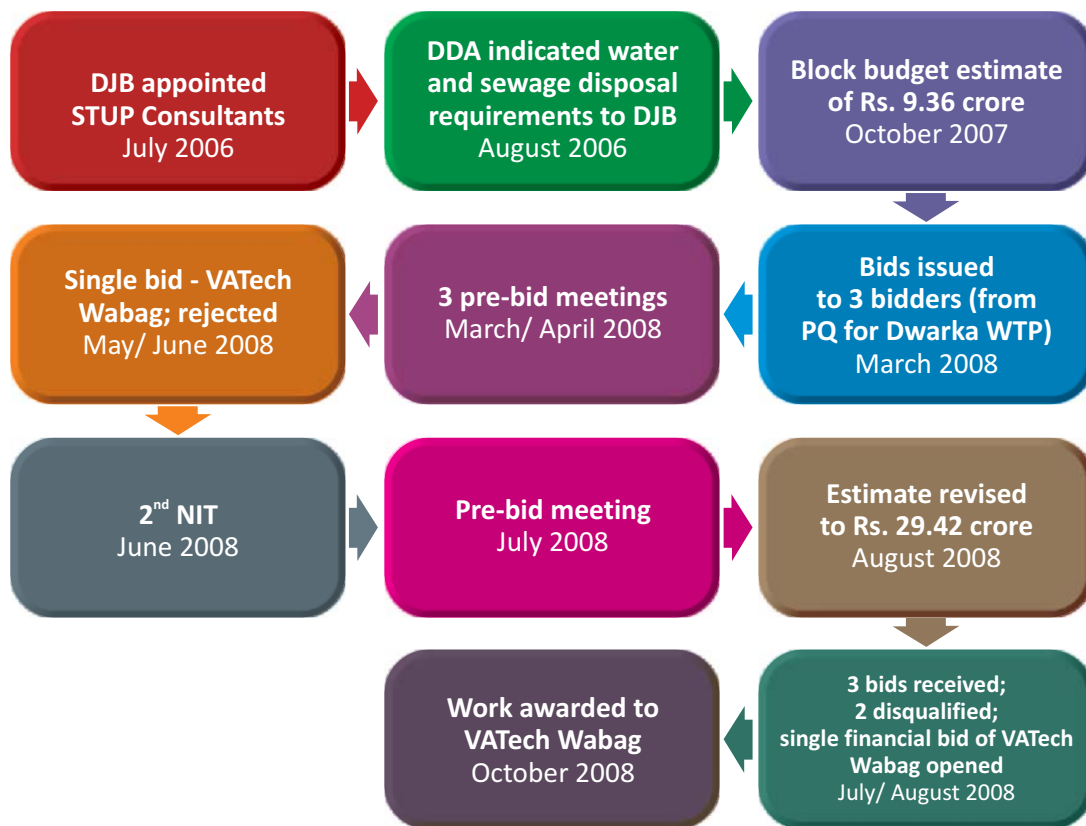
In August 2006, DDA indicated its requirements of water and sewage disposal of 1 MGD and 0.80 MGD respectively for the Games Village, Akshardham Temple and surrounding areas to the Delhi Jal Board (DJB), and asked them to make necessary arrangements. Incidentally, DJB had already decided to set up a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

A contract for setting up a 1 MGD Water Treatment Plant (WTP), with membrane filtration technology was awarded by DJB to

VA Tech Wabag in October 2008 at a cost of Rs. 28.20 crore, with an additional Rs. 7 crore for 1 year of Defect Liability Period (Rs. 1.56 crore) and 3 years of operation

and maintenance (Rs. 5.44 crore). The WTP was scheduled for completion by January 2010. Figure 20.9 depicts the chronology of events

Figure 20.9 — Chronology of events for award of work for construction of WTP



In our view, the WTP was overdesigned for the following reasons:

- **The need for a separate 1 MGD WTP was not clear** - DDA indicated its water and sewage disposal requirements for the Games Village, Akshardham Temple in August 2006 and asked DJB to make necessary arrangements; it did not specifically indicate the need for a separate 1 MGD WTP. We could not find evidence of a formal request from DDA for construction of a separate WTP. Incidentally, DJB had already engaged STUP Consultants in July 2006 itself for a separate 1 MGD water treatment plant.

DJB's reply that the plant was constructed to create an independent source of water free from dependence on external sources "as the Sonia Vihar WTP is dependent on Uttar Pradesh for its supplies" is unconvincing.

- **Over-designed plant with expensive membrane filtration technology** - The water quality requirement was specified as conforming to WHO standards. However, the technology for the WTP was subsequently changed in 2008-09 to membrane filtration technology, on the purported grounds of a "green project with zero discharge". We got the

source water²⁰ tested in January 2011 for 14 parameters indicated in the NIT of June 2008, and found that all parameters (except for total hardness) were met. Such hardness could have been easily treated with the lime and lime-soda softening process, in accordance with the Ministry of Urban Development's Manual on Water Supply and Treatment (which is based on WHO standards). DJB's argument that higher treatments were necessary to bring the water to WHO standards, particularly of turbidity below 0.5 NTU, is not tenable. WHO standards have left the level of turbidity undefined, since it is material only for effective disinfection of water; otherwise, water with turbidity of 5 NTU or less is usually acceptable to consumers²¹. Further confirmation of the plant's overdesign is derived from the fact that the proof of experience accepted in respect of VA Tech Wabag (the single and winning bidder) was that of a fully automated “**Treated Refinery Effluent Recycle Plant**”, and not a mere Water Treatment Plant.

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

- **Undue and inexplicable delays** - The entire process took an unduly long 26 months from July 2006 (appointment of consultants) to October 2008 (award of work). In particular, between August 2006 and March 2008, there was practically no progress, except the approval of a block estimate in

December 2007. Interestingly, there were two rounds of tendering, with only a single qualified bidder (VA Tech Wabag).

- **Injudicious evaluation of bidders** – In the second round of bidding, DJB took an unduly harsh stand in disqualifying one bidder (Triveni Engineering and Industries) and an unduly lenient stand in holding VA Tech Wabag eligible. Triveni submitted experience of three project; all three projects were rejected - one was rejected for not being commissioned in the last seven years, the second was rejected for not submitting certificate in support of experience of successfully commissioning a EPC/DB/DBO contract, and the third was rejected as the capacity of the plant was 3.24 MLD (which fell short of the required 4.5 MLD). VA Tech Wabag submitted experience of only one project - an IOCL project commissioned in October 2006. Going by the same strict standards, this plant did not meet the NIT criterion of being in operation for at least one year after the Defect Liability Period as on 30 May 2008. DJB's records failed to contain any details of the DLP (which would normally be 1 year)²²; consequently, such experience would be invalid.
- **Increase in estimate just before bid receipt** – The estimate for the WTP was increased from Rs. 9.36 crore (as per the December 2007 block estimate) to Rs. 29.42 crore on 26 August 2008, just

²⁰ Ranney Well P4

²¹ In any case, our water tests showed the turbidity less than 1 NTU.

²² In the exit conference, DJB attempted to re-interpret the clause to mean operation and maintenance for one year, after completion of a Peak Guarantee Test (and not DLP); this is not borne out by the wording of the NIT.

three days before opening of the single financial bid of VA Tech Wabag on 29 August 2008. VA Tech Wabag's bid was for Rs. 45.42 crore. DJB arrived at a suggestive (justified) cost of Rs. 32.59 crore, and the price was negotiated down to Rs. 35.20 crore (which was within 10 per cent of the justified cost).

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

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

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

20.8.2 Construction of a 1 MGD Sewage Treatment Plant by DJB

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

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

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

Thereafter, the STP remains grossly under-utilised (less than 17 per cent of its capacity). Without adequate utilisation, the required quantity of Mixed Liquor Suspended Solid (MLSS) bacteria (needed

for proper treatment of sewage) was not sufficiently maintained, defeating the purpose of installing a MBR STP. During the exit conference, DJB indicated that they were bringing sewage from elsewhere and injecting into the STP for this purpose.

DJB raised a demand of Rs. 32.70 crore²³ on DDA which included Rs. 10.58 crore in respect of the residential complex of the Games Village. However, DDA Paid Rs. 24.75 crore to DJB between February 2008 and March 2010, and raised a demand for Rs. 10.58 crore on Emaar MGF only in July 2010: this yet to be recovered.

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

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

The work was irregularly awarded on nomination basis without inviting tenders and without recorded justification of the exceptional circumstances for such award. Further, DJB's contention of urgency is untenable, since GNCTD had decided in February 2008 itself to provide security at these sites.

20.8.4 Procurement of Diesel Generator sets

The OC consultant, EKS, recommended two benchmark solutions for power supply for the Games Village viz. either two high voltage main feeders from of different

zones sub stations or one high voltage main feeder and generators. Despite having power supply from two separate feeders i.e. BSES and BYPL, DDA procured four 1250 KVA Diesel Generator (DG) sets for Rs 6.96 crore as a source of back-up power supply for the training venue and street lighting/ high mast lighting; and dining and operational zone. EmaarMGF separately made arrangements for back-up power supply for the residential area. In addition, Rs. 0.62 lakhs were also spent on procurement of battery driven UPS.

We found that the procurement of DG sets/UPS was redundant considering the two independent power supply sources tapped. Even if such back up had to be arranged, it would have been more economical to do so on hire. Further, we found that these DG sets were lying idle post games. On enquiry, DDA informed that it plans to shift two of these DG sets to DDA's headquarters at Vikas Sadan - one as the back up to the main supply and the other as a stand by for the back up. The solutions seem hastily put together since the load of Vikas Sadan is only 1230 KVA and deployment of two DG sets totalling 2500 KVA appears unreasonable, to say the least.

20.9 Alternate Accommodation at Vasant Kunj

In November 2008, in consultation with GM, ITDC, DDA decided to upgrade 1904 flats already under construction (10-15 percent complete) and 805 LIG flats (97 percent complete) to the level of three star hotels by March 2010. In April 2009, specifications for the upgrade were finalised and Indian Tourism Development

²³ Rs. 4.75 crore in September 2007 and Rs. 27.95 crore in November 2009

Corporation Ltd. (ITDC) was engaged on nomination basis for furnishing the flats.

20.9.1 Incomplete upgradation of flats

We found that of the 2709 flats, only 805 LIG and 182 HIG flats could be upgraded and handed over to ITDC for furnishing.

The remaining flats were only 28 to 50 percent complete till November 2010. This was despite an attempt in July 2010 to fast track the completion of 576 flats by issuing work orders at a premium of 10 percent over justified cost, as approved by LG, Delhi.

20.9.2 Furnishing of Flats by ITDC

DDA entrusted ITDC, a PSU, the work of supply and installation of furniture and fixtures. This covered furnishing of

- 1101 flats at the Games Village, bifurcated into two schemes (Towers 1-17 and 18-34);
- 1285 LIG, 416 MIG and 1008 HIG flats at Vasant Kunj (of which only 805 LIG and 182 HIG flats could be handed over by DDA).

ITDC was to be reimbursed the full cost of supply/ work orders plus 10 per cent departmental charges. In turn, as of November 2010, ITDC awarded work orders for supply of furniture and fixtures for Rs. 49.41 crore. However, it made payments of Rs. 27.89 crore against the advance payment of Rs. 46 crore (inclusive of departmental charges) to ITDC.

We found certain deficiencies in the award and execution of work orders by ITDC:

- The rates quoted by the same supplier for the same items under the two

schemes for the Games Village flats differed in respect of 9 items. ITDC failed to negotiate appropriate reductions, with potential savings of upto Rs. 1.08 crore.

- ITDC had not initiated compensation claims for Rs. 1.52 crore from suppliers for delayed/ short supplies.
- Furniture worth Rs. 3.19 crore and Rs. 10.31 crore had not yet been installed at the Games Village and Vasant Kunj flats respectively. ITDC stated that since DDA failed to construct the flats in time at Vasant Kunj and handed over far fewer flats than envisaged, it was compelled to store the furniture supplied in semi-constructed flats as well as a hangar created for this purpose.
- The stock of linen items at Vasant Kunj was found to be short by Rs. 0.77 crore at the time of audit.

Importantly, we could not ascertain legacy plans for the furniture and fixtures procured for these flats. ITDC indicated that these items were purchased on behalf of DDA, which necessarily had to take over the same.

20.9.3 Extra expenditure on alternate accommodation in hotels

Originally it was envisaged that these flats were to be used by tourists. Thereafter it was decided that International and National Technical Officers were to be accommodated in these flats. However, we found that OC incurred an expenditure of Rs. 4.66 crore (approximately) on accommodating these officers in hotels.

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. Streetscaping programmes are an important component of efforts to redevelop urban areas and can include changes to the road cross section, traffic management, sidewalk conditions, landscaping, street furniture, building fronts, improving signages etc.

In 2004, GNCTD decided to implement streetscaping and beautification of roads for “aesthetics” before CWG-2010. However, in our view, the street-scaping and beautification project was ill-conceived and ill-planned, without a broad overarching vision and perspective of how this would impact urban design and development. The project was not part of Delhi's City Development Plan under the GoI's flagship JNNURM programme for urban development and renewal. 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, GNCTD did not deem it necessary to obtain clearance from DUAC for implementation of the streetscaping/ beautification project. Also, considering that traffic management is a key component of streetscaping projects, we also did not find 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. Streetscaping and beautification at exorbitant average awarded costs of Rs. 4.8 crore/ km (compared to NHAI's estimated cost of Rs. 9.5 crore / km for constructing a four-lane national highway or Indian Railways' estimated cost of about Rs. 4.1 crore/km for constructing railway track) awarded and executed in an ad hoc and arbitrary manner confirm waste of public funds totalling Rs. 101.02 crore.

The project was largely a consultant-driven project, with the selection of consultants being arbitrary and non-transparent and at an exorbitant average cost of Rs. 12.5 lakh/km. Further, GNCTD did not provide any common design guidelines, with corresponding target budgetary estimates per km of work. The consultants were given free hand to draw up designs and estimates for the packages allotted to them. This resulted in adoption of richer specifications in an arbitrary and inconsistent manner in different packages (with an avoidable cost of Rs. 51.33 crore), with the cost of surfacing the pavement for pedestrian walking ranging from Rs. 717 to Rs. 2679 per sq. meter. We also found adoption of higher rates/ short recovery totalling Rs. 8.27 crore, and other deficiencies in contract management with an avoidable cost of Rs. 8.14 crore.

Third Party Quality Control through the Heads of the Civil Engineering Departments of the Delhi College of Engineering and IIT Roorkee failed to provide adequate assurance on the specifications and materials used in the works, despite expenditure of Rs. 1.47 crore.

21.1 What is Streetscaping?¹

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 realm (public spaces where people interact), which help define a community's aesthetic quality, identity, economic activity, health, social cohesion and opportunity, not just its mobility.

Streetscaping programmes are an important component of efforts to redevelop urban areas and can 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.

Streetscaping can help create more diverse transportation systems and more accessible communities by improving non-motorised travel conditions, creating more urban environments and integrating special design features such as pedestrian improvements, cycling improvements, traffic calming, High Occupancy Vehicles (buses etc.) priority strategies and road space re-allocation.

21.2 Planning for streetscaping/ beautification in Delhi

21.2.1 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

¹ Adopted from Victoria Transport Policy Institute's Online TDM Encyclopedia "Streetscape Improvements – Enhancing Urban Roadway Design" – 18 January 2011.

CWG-2010. The project remained more or less in a dormant stage till May 2008, when GNCTD initiated the process of selection of consultants.

Gol's flagship programme for upgradation of civic infrastructure – the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched in 2005, under which each mission city was to submit a City Development Plan (CDP) with a long term horizon of 20-25 years to facilitate identification of projects. Delhi's City Development Plan for JNNURM, which was approved in October 2006, did not indicate "streetscaping and beautification" as an identified project. Further, we did not find any projects for streetscaping/ beautification approved under JNNURM in respect of other cities. The only JNNURM projects remotely linked to this aspect were focused on restoration and redevelopment of heritage areas.

We did not find 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 deem it necessary to obtain clearance from DUAC for implementation of the streetscaping/ beautification project. Also, considering that traffic management is a key component of streetscaping projects, we also did not find 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.

In our view, the street-scaping and beautification project was ill-conceived and ill-planned, without a broad overarching vision and perspective of how this would impact urban design and development. The project's implementation at exorbitant average awarded costs of Rs. 4.8 crore/ km in an ad hoc and arbitrary manner, as discussed subsequently, confirm the waste of public funds.

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 packages². 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, thus, creating a situation of urgency in execution of the works.

In our opinion, the project was a consultant-driven project. The department did not provide any common design guidelines, with corresponding target budgetary estimates per km of work. The consultants were given a free hand 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) though this was clearly an unachievable target. As expected, the works were not fully completed before CWG-2010.

21.3 Selection of Consultant

21.3.1 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 in Table No. 21.1.

² There were 9 packages for the consultants. However, these were re-grouped into 16 packages for award of work.

Table 21.1 — Chronology of events leading to selection of streetscaping consultants

Date	Events / Activities
02 May 2008	<p>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 Oasis Designs.</p> <p>Bids cancelled since only Oasis Designs attended the meeting with EIC.</p>
31 May 2008	<p>EoI again floated, 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.</p>
07 October 2008	<p>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 consultants³, stipulating allotment of maximum two packages to one consultant.</p> <p>Four consultants (Parekh Associates, Oasis Designs, Pradeep Sachdeva Design Associates and Sikka Associates) participated in the bid. No bid 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 Rs. 8.26 lakh and Rs. 15.00 lakh per km.</p>
12 November 2008 – 11 December 2008	<p>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.</p> <p>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.</p>
	<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.

³ Now including Parekh Associates

In all, Pradeep Associates and Sikka Associates received four and three packages respectively, while Parekh Associates and Oasis Designs received one package each⁴. We found 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 Rs. 10.39 lakh and Rs. 12.50 lakh per km. In all, the consultants were engaged for the streetscaping works at a cost of Rs. 9.20 crore (averaging Rs. 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 inexplicably delayed up to December 2008, creating a situation of urgency in execution of the works. On the ground of urgency, consultants were selected on direct negotiation. The extra cost on engagement of consultants at variable rates, excess payment on account of less execution of work and non-levy of LD was Rs. 1.65 crore.

In our view, the consultant selection 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.

⁴ There were 9 packages for the consultants. However, these were re-grouped into 16 packages for award of work.

21.4 Cost estimation for works

Out of the total estimated cost of Rs. 209.14 crore for the eight packages (PWD portion), 49 per cent (Rs. 101.71 crore) of the cost was on items with costs based on the Delhi Schedule of Rates (DSR) and remaining 51 per cent (Rs. 107.43 crore) on items with costs on Market Rates (MR)/Analysis of Rates. We 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 guideline 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.

In our view, it was the prime responsibility of the departmental engineers to assess the actual rates and specifications required for the items so as to ensure economy, efficiency and effectiveness in execution. Further, since all the zones were under the technical control of EIC, comparison across the zones should have been administratively ensured.

The retired Directors of CPWD appointed as Advisor to the PWD observed that the

consultants had not gone into the engineering details and suggested various designs. They suggested dispensing with various unnecessary/unwarranted works during implementation of the Projects. These were not accepted, and the projects were implemented as suggested by the Consultants.

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

The streetscaping works were finally awarded at per km costs ranging from Rs. 3.63 crore to Rs. 9.75 crore with an average cost of Rs. 5.32 crore. By contrast, NHAI adopts an estimated cost of Rs. 9.50 crore/ km for construction of a four-lane highway, and Indian Railways' estimated cost of construction of a railway track is around Rs. 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 Rs. 717 for paving with normal paver blocks, Rs. 1450 with vitrified tiles and Rs. 2679 with polished granite.

21.4.1 Adoption of Richer Specifications/ Higher Rates/ Short Recovery



We found 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. The result of the above mismanagement was loss of Rs. 59.60 crore to the Government as summarised below:

Table 21.2 – Adoption of Richer Specifications

S.No.	Item of work	Audit Finding	Financial Impact (Rs. in Crore)
1.	Use of granite and vitrified tiles for footpath	 <p style="text-align: center;">Granite Paving</p>	27.37

S.No.	Item of work	Audit Finding	Financial Impact (Rs. in Crore)
		<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. We ascertained that the basic cost of granite in the market was around Rs. 1022/ square metre, against which the estimates adopted Rs. 1500/ Rs. 1765 per square metre. We also noticed that against 5 per cent wastage admissible as per DSR for all granite work, the consultants considered the wastage at 15 per cent.</p>  <p style="text-align: center;">Vitrified paving tiles</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. We also noticed that the finished rate of Pavit brand tile (16 mm) taking into account the market cost, wastage, overheads and other factors was Rs. 965.24 per square metre, whereas he estimates adopted Rs. 1854.16 per square metre.</p>	

S.No.	Item of work	Audit Finding	Financial Impact (Rs. in Crore)
2.	Cement Concrete paver block	 <p style="text-align: center;">Cement concrete paver</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. We noticed that the consultants proposed for fixing factory made CC paver blocks of richer specifications and 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 nine⁵ packages.</p> <p>We noticed that the estimates provided for fixing the CC kerb stones of richer specifications deviated from the specifications as per MoRTH.</p>	4.36
4	Non Motorised Vehicle lane	 <p style="text-align: center;">NMV lane with obstruction</p>	1.76

⁵ YSC, Africa Avenue etc, Dr Karni Singh, CWG Village, Mall Road, Kisan Ghat etc, Bhairon Marg and two packages of MCD.

S.No.	Item of work	Audit Finding	Financial Impact (Rs. in Crore)
		The Non Motorised Vehicle (NMV) lanes were executed at a total cost of Rs. 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. We also noticed that while four ⁶ 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.	
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 ⁷ other estimates provided it for 40 mm thickness over the carriageway. We also noticed that such work was executed on Mall Road as an extra item at higher rates.	3.40
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 ⁸ 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

⁶ Dr Karni Singh Shooting Range/ Bhairon Marg to ITO Fly Over/ Ashram Crossing to Bhairon Marg/roads around various games venues

⁷ K. Ghat, B. Marg Ashram Crossing, Mall Road and Dr Karni Singh Shooting Range

⁸ CWG Village/Mall road/IG Stadium/Dr Karni Singh Shooting Range

In response to our observations, PWD stated that each package had a separate consultant with his own vision of streetscaping, and hence specifications were different across the packages. 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. We disagree with this, since GNCTD had decided (July 2008) to use coloured paver blocks on footpaths of the streetscaping works and EIC had also directed the CEs to avoid extravagant provisions in the streetscaping works. Hence the CEs should not have allowed surfacing the footpath

with granite stone adopting higher rate leading to escalation in project cost.

As regards discrepancies in specification of cement concrete paver blocks, PWD stated 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. We, however, 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.

Table 21.3 — Adoption of Higher Rates/ Short Recovery

S.No.	Item of work	Audit Observation	Financial Impact (Rs. 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 ⁹ projects adopted higher rates.	0.25
2.	Granular Sub Base and Wet Mix Macadam	In five ¹⁰ packages, we 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	We found that the rates for the tack coat on bituminous surface/sub base were provided at higher rates in six ¹¹ estimates compared to the lower rate adopted in Mall Road.	0.54
4.	Reinforced Cement Concrete Hume Pipes	We noticed that the rates of hume pipes were higher in three ¹² estimates compared to the rates adopted in the estimate in Mall Road.	0.93

⁹ Ashram to Bhairon Marg, Bhairon Marg to ITO, Mall Road, CWG Village and Dr Karni Singh Shooting Range

¹⁰ IG Stadium-3 packages, M B Road and Africa Avenue.

¹¹ IG Stadium-3 packages, Yamuna Sports Complex (YSC), CWG Village and MB road

¹² IG Stadium, Dr Karni Singh Shooting Range and Yamuna Sports Complex

S.No.	Item of work	Audit Observation	Financial Impact (Rs. in Crore)
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	We found that the analysis was incorrectly derived in six ¹³ estimates and fixed at higher rates due to calculation error.	0.54
8.	Short recovery for retrieved materials	The cost of the useful materials retrieved out of the dismantlement works was to be deducted from the dues of the contractors. This was either not done, or done at a lower rate in five ¹⁴ estimates.	3.19
9.	Geo textile fabric	Three ¹⁵ 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 that the inaccuracies in the estimated rates cannot affect the rates quoted by the contractors. As such, no loss can be attributed. We disagree with this assertion of the department since in a percentage rate tender, the bidder can quote only a single figure (% 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. We are of the view that any discrepancy in the base rate of an item in a percentage rate tender cannot be easily

¹³ IG Stadium (three packages), M B Road, various games venues and YSC

¹⁴ CWG Village, YSC, Mall Road, Dr Karni Singh Shooting range and Africa Avenue

¹⁵ Mall road, CWG Village and MB Road

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 CEs to follow common rates across all the packages for identical items, especially since multiple external consultants had been engaged for providing the design.

21.5 Tendering process

21.5.1 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.

Of the estimates for Rs. 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 rates. Despite the above position, which did not favour the call of percentage rate tenders, the CEs chose to adopt percentage rate tenders.

21.5.2 Irregularity in award and evaluation of tender

We found 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 Rs. 1.19 crore compared to the initial valid offer of Swadeshi Construction.

PWD stated that Swadeshi Construction had quoted three different rates for civil, electrical and horticulture components. Considering these rates, he was not L1 and

hence his tender was rejected. This was factually not correct since, as per the NIT clauses, the lowest of the three different quoted rates was binding for all the components. The EE, SE and CE accordingly, considered him the L1 bidder and conducted negotiations. Therefore, subsequent rejection of the bid by the WAB was unjustified.

21.5.3 Modification in codified 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 those were technically sanctioned by the CE. The EEs did not follow electronic-tendering despite specific instructions by government.

21.5.4 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 Rs. 41.82 crore and Rs. 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 (Annexe-21.1).

We found that the justified costs were not supported with evidence of the correctness of the rates. Therefore, we 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 five¹⁶ 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 by them. In our opinion, the tenders were accepted at high cost.

PWD stated that the justified rates were arrived at based on market rates, as per the provisions of CPWD Manual.

We disagree, as we did not find documentation in support of the market rates/analysis of rates. For this reason, as mentioned above, we 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.

21.6 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 Rs. 332.45 crore (Shown in Table 21.4) for completion by September 2010.

¹⁶ Kisan Ghat, Ashram to Bhairon Marg, Mall Road, Dr Karni Singh Shooting range and Africa Avenue

Table 21.4 — Award of Streetscaping Work

S.No.	Name of the Contractor	Packages awarded	Awarded Cost (Rs. in Crore)
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

Payment of Rs. 208.02 crore had been made to the contractors for the various packages till date. The department had reported (December 2010) to have completed all the streetscaping works. We noticed 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.





In financial terms, the payments so far made to the contractors were between 34 and 97 per cent (averaging 63 per cent) of the agreement values. In none of the streetscaping works were the final measurements/payments recorded, although the works were reportedly physically complete.


We found that despite non execution of the works as per the milestones and non completion of the works by the stipulated date, LD of upto Rs. 25.96 crore was not realised.

21.7 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 Rs. 8.14 crore beyond the cost of the projects as discussed in Table 21.5.

Table 21.5 — Instances of Poor Contract Management

S.No.	Brief of the audit Observation	Financial Impact (Rs. in Crore)
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>We 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 style="display: flex; justify-content: space-around;"> <div data-bbox="296 676 715 981">  <p data-bbox="363 987 647 1016">Red Sand Stone Bollard</p> </div> <div data-bbox="730 676 1149 981">  <p data-bbox="740 987 1139 1016">Precast Cement Concrete Bollard</p> </div> </div> <p>In most of the landscaping works, precast CC cylindrical bollards were used in NMV 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 style="display: flex; justify-content: space-around;"> <div data-bbox="296 1245 715 1559">  <p data-bbox="363 1565 608 1594">Granite Stone Block</p> </div> <div data-bbox="730 1245 1149 1559">  <p data-bbox="826 1565 1054 1594">Haryana Quartzite</p> </div> </div> <p>We found that during execution of footpath of Mall Road, Haryana Quartzite stone was replaced with granite stone/slab.</p>	1.45
4.	<p>The scope of the work of Mall Road did not provide for execution of DBM in the entire stretch of the road. The contractor, Satya Prakash & Brothers Private Limited, however, executed DBM in the entire stretch.</p> <p>We 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.</p>	1.23

S.No.	Brief of the audit Observation	Financial Impact (Rs. in Crore)
5.	<p>As per conditions of the contracts, the contractors were to remove the malba at their cost and risk.</p> <p>We found that despite the above specific provisions, the agreements provided an item in the BoQ for removal of malba, enabling extra payment to the contractors.</p> <p>We also noticed 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 Rs. 280.32 per MT of malba against Rs. 73.42 per MT as per the agreement rate for Satya Prakash & Brothers.</p>	3.49
6.	 <p style="text-align: center;">Scarified Mehrauli Badarpur Road</p> <p>Mehrauli Badarpur Road, a State Highway, was scraped for construction of a footpath, reducing the width of the road. This had reduced the traffic carrying capacity of the road.</p>	
Total		8.14

21.8 Unwarranted engaging of 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 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.

We found 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 only 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 us to conclude 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 Rs. 1.47 crore (Dr. S S Jain: Rs. 0.48 crore and Dr. S K Singh: Rs.0.99 crore) on TPQC wasteful.

21.9 Horticulture Works

21.9.1 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. We 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 percent. The adoption of variable rates for same items without considering the minimum possible rate/DSR rate led to extra cost of Rs. 1.08 crore as shown in the table in Annexe 21.2.

Further, the retired Director (Horticulture) acting as Consultant to EIC for horticulture works mentioned that the consultants had suggested landscaping planting with expensive plants like *Cycus revolute*, *Ficus panda* and *Furcaria* without considering climatic conditions, and their adaptability and suitability for Delhi roads/ venues. Also Phoenix (Khajoor), a desert plant, and Palm, a coastal plant, had been suggested for Delhi roads. His suggestions for dispensing with these plants were, however, ignored. The overall estimated financial impact of these plants was Rs. 1.10 crore in seven packages covered in audit.

21.10 Unwarranted Costly Electrical Furnishing

The consultants suggested design for electrical lighting work by specifying costly electrical furnishing, some of them imported. The quotations for the items were obtained by the consultants. 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.

We observed one instance where electrical fittings costing over Rs. 50 lakh were installed in a small area of 10 metre by 15 metre.







Fittings worth over Rs. 50 lakh installed opposite IG Stadium




A few high cost electrical fixtures are shown below. We are of the view that the government was unnecessarily burdened with this expenditure on overpriced light fittings in the name of aesthetics. 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. We have found from some invoices that the costs of the fixtures were far less than the costs adopted in the estimates. Due to adoption of high cost, undue benefit for Rs. 0.83 crore (Appendix-III) was passed on to the contractors.

Table 21.6 — Instances of high cost electrical items

S.No.	Item	Rate per unit (Rs. in lakh)	Amount (Rs. in crore)	Photograph of the item
1.	Nemo Torch Keselec Schreder (Roads around IG Stadium)	4.30	1.05	

S.No.	Item	Rate per unit (Rs. in lakh)	Amount (Rs. in crore)	Photograph of the item
2.	Trapeze Pole Keselec Schreder (Roads around IG Stadium)	4.54	0.33	
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	

S.No.	Item	Rate per unit (Rs. in lakh)	Amount (Rs. 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	

S.No.	Item	Rate per unit (Rs. in lakh)	Amount (Rs. in crore)	Photograph of the item
8.	Schreder-CFL36 watt (Safdarjang Flyover)	2.91	1.11	

21.11 Greening of Games venues by using potted plants

The Chief Secretary, GNCTD proposed (August 2008) for creation of 30-50 lakh potted plants for deployment around the CWG venues and other areas for providing a pleasing environment. He also sought immediate approval of Chief Minister (CM) since creation of such a large pool of potted plants would require at least two years time. The CM approved the proposal in August 2008. We could not find any venue wise break-up of the plants required or any other yard stick in support of the assessment of the requirement of the plants. The Secretary (E&F), however, decided in a meeting for arranging 60 lakh plants either by local planning or importing from outside the state and assigned the task to DDA, MCD, NDMC, Forest Department (FD), and Delhi Parks & Garden Society (DPGS) for 10 lakh each, and PWD and CPWD at 5 lakh each.

GNCTD sanctioned Rs. 28 crore for this project, of which an amount of Rs. 24 crore had been spent by the agencies (under GNCTD) given the task of arranging the potted plants.

We observed that:

- The target for arrangement of potted plants was set 20 per cent higher than the amount estimated earlier and approved by the CM.
- Most of the potted plants were procured instead of being created in the departmental nurseries as originally envisaged. Commissioner of Police intimated (June/August 2010) to keep the plants away from the venues and the routes on account of security concerns. Of the amount of Rs. 24 crore spent on the procurement of the potted plants, DPGS, FD and PWD spent Rs.10.75 crore on procurement (June-October 2010) of 18.76 lakh plants from private nurseries/ government nurseries outside the state (at average rates ranging between Rs.44

and Rs.65 per plant), even after receipt of the information from the Commissioner of Police.

- The original objective of greening the venues could not be achieved in the light of the advice of Commissioner of Police, rendering the expenditure wasteful.

PWD informed that post Games, of the 3.82 lakh potted plants procured by them, 0.79 lakh perished being seasonal and most of the remaining plants were distributed to various government offices. We visited two of those sites at random, and could not find the potted plants stated to have been issued.

21.12 Street furniture in the vicinity of Games venues

21.12.1 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 in Table 21.7.

Table 21.7 — 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

21.12.2 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.Decaux 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

We 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.
- 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).
- Interestingly, all the four bidders who had qualified the technical bids for DTTDC/ PWD, secured one contract each. In our opinion, 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 prices were set. Since nearly all of them (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 21.8 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 21.8 — Wide range of monthly concession rates for street furniture items

(Range of rates in Rs. per sq.m)

Street Furniture Items	PWD/DTTDC		PWD/DTTDC		CPWD	Other benchmarks
	Minimum	Maximum	Minimum	Maximum		
Public toilets	54	714	238	472	270	MCD High End Toilets (IRR statement) - 1291 DIP ¹⁷ - 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 is serious, although it cannot be fully quantified in the absence of reliable and comparable benchmarks.

21.12.3 Status

The delayed planning and award of SF contracts for different clusters meant that most were not ready in time for CWG-2010.

In fact, two bidders – JC Decaux and Adlabs – indicated, even before the award, that completion would take longer, since many of the SF items were imported and delivery would take time.

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.

¹⁷ Department of Information and Publicity



Upgradation of Street Lighting of Roads in Delhi

The project for modernisation of Delhi Street Lighting System was conceived by GNCTD in June 2006, with plans to implement it across Delhi within 2 years. Detailed lighting standards were prepared in November 2006 to be followed by all the departments concerned viz – PWD, NDMC, and MCD. The project was executed on around 800 km of Delhi roads at a tendered cost of Rs. 286 crore.

The lighting standards provided only the technical parameters of performance of lamps and luminaries¹. PWD, while adopting the same specification stipulated the use of a mix of imported and indigenous luminaries for different categories of roads. The decision on use of imported luminaries was taken with the approval of the CM. Sample luminaries of some of the leading manufacturers were displayed before the CM in September 2007. Subsequently, as per the directions of the CM, luminaries consisting of both indigenous and imported makes were installed on a sample stretch, which was inspected by the CM in October 2007. Based on the inspection and approval of CM, PWD decided to use imported luminaries for certain roads. No technical note regarding reasons for use of imported luminaries along with cost benefit analysis was found on record. The decision taken by PWD regarding use of imported luminaries was also adopted by MCD and NDMC. The technical specifications did not distinguish at all between indigenous and imported luminaries. The imported luminaries were procured at a far higher cost than the indigenous luminaries, leading to avoidable extra expenditure of Rs. 31.07 crore across the three agencies.

The technical specifications for both imported and indigenous luminaries were identical. Department selected as approved, the models demonstrated by the bidders on the basis of inspection by CM. Record of any techno-economic evaluation of the options offered by the bidders in support of such selection was not documented. Consequently, models of various companies of vastly different repute and of different price range were selected at the same level. We found that the procurement price of imported luminaries, which varied from Rs.25,704 to Rs.32,000 per unit, was far higher than the fair price computed on the basis of actual invoice price.

The awarding of work in NDMC after calling of design based tenders resulted in an extra expenditure of Rs. 6.77 crore, as work was awarded to the bidder with higher unit rates for various items. NDMC also awarded additional work of 18.445 km to Philips, incorrectly terming it as deviations to the original contract, but this time without the constraint of efficient design. While the final measurements and payment on this account have not yet been finalised, we believe that this may lead to an additional loss of Rs. 6.13 crore.

¹ Light fixture/ fitting

In violation of the recommendations of the lighting standards, the tenders were restricted to manufacturers of luminaries of international repute, and higher financial eligibility was stipulated, thereby restricting the competition. The work was split into three parts in PWD, with requirement of not more than one work to one bidder, reducing the competition between the bidding firms. After once being declared disqualified, one of the firms, Spaceage was irregularly declared qualified on subsequent re-assessment following his appeal to the CM.

We found that MCD did not ensure conforming to the design specifications given in the lighting standards, leading to the use of larger number of poles and luminaries on certain roads and a consequent avoidable expenditure of Rs. 2.54 crore. We also suspect post tender alteration of bids in both Phase-I and Phase-II of tendering in MCD, which had resulted in enhancement of the quoted amount by Rs. 3.63 crore in Phase-I and by Rs. 3.34 crore in Phase-II.

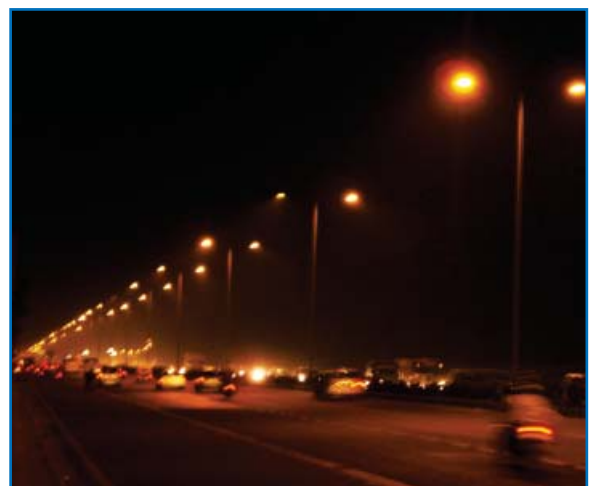
22.1 Introduction

The project for “Modernisation of Delhi Street Lighting System” was conceived by GNCTD in June 2006 for completion within 2 years. Accordingly, standards for integrated street lighting project for Delhi were released in October 2006 by GNCTD and were subsequently revised in November 2006, after considering suggestions/ observations of vendors and implementing agencies. The standards were to be followed by all the agencies. The lighting standards were designed to meet the following objectives:

- To adopt the latest technology in street lighting based on international standards adapted to Delhi's conditions.
- Use of energy efficient electrical equipments.
- Use of automatic switching on and off and monitoring of street lights, thus saving energy consumption and enabling quick maintenance of equipments.
- Improving the urban landscape of Delhi

- Prepare for Commonwealth Games, 2010.

The standards specified the technical specifications like the type and wattage of lamps and luminaries, the height of electric poles, maximum spacing between the poles and desired illumination levels for various types of roads (Dual/single carriageway, service road, slip road etc.). The standards were brand neutral.



Modernised Street Lighting in Delhi

The standard also gave guidance on the contractual obligations to be fulfilled by various agencies in implementing the

lighting systems and maintenance of these systems.

The work was implemented by PWD, MCD and NDMC. The details of length of road and tendered cost for the works under the three agencies are tabulated below:

Table 22.1 – Summary of Street Lighting Works

(In Rs. Crore)

S.No.	Agency	Road Length (km)	Total Tendered Cost
1	PWD	444.39	154.95
2	MCD	258.56	96.53
3	NDMC	86	34.40

We acknowledge the improvement in illumination levels of Delhi roads, brought in by the implementation of a well prepared lighting standards document, which has contributed to an overall consistency in implementation and marked improvement in urban landscape and city infrastructure.

22.2 Use of imported luminaries

22.2.1 Decision on use of imported luminaries

The initial proposal for street lighting in PWD was sent for government approval in November 2006 but was not sanctioned on account of change in scope of work. A revised estimate involving use of indigenously manufactured luminaries was sent in May 2007 and was accorded approval in June 2007, but the approval was withdrawn.

Meanwhile, the CM desired (July 2007) that while PWD was implementing a comprehensive plan for street lighting, such lighting may be demonstrated on at least one or two roads in time for Diwali 2007. PWD invited spot quotations to install street lighting on a sample stretch of roads. The sequence of events is as detailed below:

Table 22.2 – Chronology of Events for Streetlighting on Sample Road

Period	Events
July 2007	<ul style="list-style-type: none"> Spot quotation from three firms using indigenous luminaries for a sample stretch of roads was invited.
August 2007	<ul style="list-style-type: none"> Second call for spot quotation was invited from the same three firms on the same conditions. The bidders now quoted for imported and indigenous luminaries. While Philips quoted only for indigenous luminaries, Trilux quoted for imported luminaries and Keselec-Schreder quoted for both indigenous and imported luminaries.
September 2007	<ul style="list-style-type: none"> Third call for spot quotation from three firms invited in two separate sections, one each for imported and indigenous luminaries. The work was however not executed. Sample luminaries of some of the leading manufacturers were displayed before the CM in September 2007.
October 2007	<ul style="list-style-type: none"> Indigenous and imported luminaries installed on a sample stretch² were inspected by the CM, and also by the PWD minister.

² Ring Road from ITO to Rajghat

Based on the inspection and approval of CM, PWD decided to use imported luminaries on 'A' category roads, a mix of imported and indigenous luminaries on 'B' category roads, and only indigenous luminaries on 'C' category roads.

It may be noted that this 'A', 'B' and 'C' categorisation of roads was not specified in the lighting standard. Thereafter, PWD revised the preliminary estimate by incorporating use of imported along with indigenous luminaries

The decision of PWD on use of imported luminaries on 'A' category roads was also adopted by MCD and NDMC. NDMC specified all of its roads as 'A' category, and called tenders for imported luminaries only.

A total of Rs. 45.80 crore was spent on procurement of imported luminaries, with Rs. 28.95 crore by PWD, Rs. 6.51 crore by MCD and Rs. 10.34 crore by NDMC.

The imported luminaries were procured at a cost much higher than the cost at which indigenous luminaries were procured, **leading to avoidable extra expenditure of Rs. 31.07 crore across the three agencies (PWD, NDMC, MCD) as tabulated below:**

Table 22.3 – Avoidable Expenditure on Imported Luminaries

(In Rs. Crore)

Agency Name	Number of Imported Luminaries	Additional Expenditure Incurred*
PWD	10,631	19.81
MCD	2,337	4.50
NDMC	4,166	6.76
Total	17,205	31.07

* Against average procurement cost of indigenous luminary (400 W and 250W) of Rs. 8600 in MCD

Meaningless differentiation between indigenous and imported luminaries is starkly exemplified in the case of a luminary of Keselec-Schreder make (Ambar-3), procured by PWD as an indigenous luminary at Rs. 15,160 but by MCD as an imported luminary at over twice the cost at Rs.32,000.



Ambar-3, Imported (MCD), Price: Rs.32,000



Ambar-3, Indigenous (PWD), Price: 15,160

22.2.2 Manner of enrolment of imported luminaries

The technical specifications for both imported and indigenous luminaries were identical, and technical test reports of the imported and indigenous luminaries supplied by the various firms were equally compliant with specifications for luminaries given in the lighting standards.

PWD selected and enrolled as approved, the models demonstrated by the bidders, except SpaceAge who was declared qualified later, on the basis of inspection by the CM. We could not find any techno-economic evaluation of the options offered by the bidders in support of such selection. Consequently, models of various companies of vastly different repute and of different price ranges were selected at the same level.

In the case of selection of luminaries of GE (General Electric) and Al-Babtain brands offered by SpaceAge, no evidence of any on-site demonstration was found on record. Further, at the time of award of work to SpaceAge, the Works Advisory Board (September 2008) had desired that luminaries of GE make should be used by SpaceAge. PWD was unable to enforce the same, and could not prevent SpaceAge from installing luminaries of Al-Babtain make in place of GE.

In reply to our observations on use of imported luminaries leading to avoidable expenditure, PWD stated that these were specified for use on selected roads on account of the imported luminaries having the following advantages over the indigenous ones:

- 10 to 15 per cent more efficiency as measured by the higher light output ratio
- Better aesthetic appearance and finish
- Lower maintenance cost

We are of the view that the department's reasoning regarding superiority of imported luminaries on account of higher light output ratio is essentially an afterthought to justify their decision. If light output ratio was considered such a critical performance parameter, it should have been included in the lighting standard issued by GNCTD, and also specified by PWD as a requirement for imported luminaries, which was not done. Further, product brochures of none of the luminaries used in PWD (indigenous or imported) speak about the light output ratio, let alone state its value. Of the luminary test reports supplied by the department, we found that the light output ratio of imported luminaries varied from 78.4 to 88.9, while for indigenous luminaries, it varied from 75.3 to 89.5. This is at variance with the department's assertion the imported luminaries having efficiency greater than the indigenous luminaries by 10 to 15 per cent.

No documentary evidence has been provided regarding lower maintenance costs for imported luminaries. In any case, all luminaries are under a six year comprehensive maintenance contract, and none of the bidders were asked to quote separately for maintenance of indigenous and imported luminaries, as should have been the case if the maintenance costs were known to be substantially different.

22.3 High Cost of procurement of luminaries

We found that the procurement process did not ensure procurement at competitive rates, as explained below:

22.3.1 High cost procurement of imported luminaries

Audit scrutiny of the actual price of the imported luminaries that had been installed by the successful bidders, as ascertained from the invoices, revealed a wide gap between the imported price, and the price paid by the department for the fittings, as given in the table below:

Table 22.4 — Wide gap between import price and price actually paid for imported luminaries

(In Rs.)

Name of Executing Agency	Make & Brand	Cost including mark up (fair Price)	Contracted Procurement Price	Higher price paid per Luminary
PWD, Zone M1	Trilux: Lumega 900	26,222	28,242	2,020
PWD, Zone M2	Schreder: Maya-Maxi / Sapphire 3	16,325	26,371	10,046
PWD, Zone M3	Al-Babtain-smart /05	9,318	25,704	16,386
MCD	Schreder: Ambar 3	11,082	31,328*	20,246
MCD	Philips: Modena	22,660	26,421*	3,761
NDMC	Philips: Modena	22,386	24,819*	2,433

* Weighted Average Cost of procurement

The cost of procurement by all agencies was substantially higher than the fair price including mark up³, being higher by 8 percent to 183 percent. The selection of imported luminary makes and fixing of their base price at high levels, particularly in case of SpaceAge and Keselec Schreder, was in violation of financial propriety. **A price premium was being paid simply on account of the luminaries being imported. Consequently, contractors managed to earn extra profit of Rs. 10.33 crore.**

³ Including cartage, SITC, cost of bulb, contractor profit of 10 per cent for PWD and 15 per cent for MCD and NDMC and cost of maintenance during the Defect Liability Period (DLP).

22.3.2 High cost procurement of Indigenous luminaries in PWD

We noticed that both PWD and MCD had used a combination of indigenous and imported luminaries for their street lighting projects. The analysed rate for providing and fitting of indigenous luminary by PWD was Rs. 15,522 per unit (Philips Velocity 400W) based on a single quotation, whereas these (Model MC3 by Keselec-Schreder and Model Velocity by Philips) were supplied in MCD by two leading manufacturers at Rs. 9100 per unit.

Thus, the execution of items of the same make at higher rate by PWD resulted in an extra expenditure of Rs. 5.59 crore.

22.4 Restrictive and anti-competitive conditions in tendering

22.4.1 Conditions in EOI

The lighting standards prescribed pre-qualification criteria for the prospective bidders. Both PWD and MCD prescribed more restrictive eligibility criteria for financial and technical capability, while NDMC used the list of vendors declared eligible by PWD.

- We found that PWD kept the required annual turnover at Rs. 40 crore in place of Rs. 20 crore indicated in the lighting standards, thereby restricting participation. The limit also exceeded 30 per cent of estimated cost criteria of CVC. MCD made the prequalification criteria for both the phases stricter by fixing the condition of average annual turnover at 30 percent of estimated cost during the last seven years instead of three years.
- The lighting standards stipulated that *“the main contractor shall procure items from respective manufacturers.”* However, both PWD and MCD in their EOI specifically stated that the bidder should be a manufacturer of luminaries of international repute. This severely restricted the competition, and gave disproportionate leverage to the luminary manufacturers in controlling the bidding process.

The parameter of being a luminary manufacturer of “international repute” did

not specify how the clause would be assessed and was very selectively applied. While initially, Spaceage Switchgear India Ltd. was found as ineligible, and later found eligible during reassessment done when the firm represented to the CM, its compliance with requirement of being a manufacturer of luminaries of international repute was never assessed. The vendor installed luminaries from a Saudi Arabian firm, Al Babtain, with whom the vendor had no declared standing relationship, putting to question the eligibility of the vendor as a manufacturer of luminaries of international repute.

The restrictive clause was used to reject two firms, Street Scape, Australia and Utkal Galvanizers Ltd on the grounds that they did not have luminaries' manufacturers as lead partners.

PWD, in its reply, stated that the competent authority, Chief engineer, had taken the decision that luminary manufacturers should be made lead partner for execution of work for the following reasons:

- proper maintenance of the luminaries during the 6 year maintenance period.
- genuineness of the supplies
- their perception that only a few reputed luminary manufacturers are equipped for providing design work for illumination.

In our view, the benefits of increased competition could have been brought in by complying with the GNCTD prepared lighting standards requirement of the main contractor procuring the luminaries from the manufacturers. Such benefits would have been far in excess of the perceived benefits stated by PWD.

22.4.2 Division of work in PWD

The street lighting work in PWD was divided into three parts (August 2007) on the grounds of administrative convenience and early completion, but with the apparent intention of giving one work each to each of the three shortlisted (initially) firms. Further, NIT stipulated that only one work alone would be given to one contractor. This condition contributed to lesser competition among the pre-qualified vendors as only one among the four pre-qualified bidders ran the risk of not winning any bid.

22.4.3 Irregularities in assessing qualification of a firm in PWD

SpaceAge Switch Gears Ltd. submitted (July 2007) EOI as a manufacturer of luminaries of international repute, and of poles in India. The bid by the firm was neither as a JV nor as a consortium, but was in the name of Spaceage Switch Gears Ltd.

The Board of assessors (BoA) disqualified (November 2007) the firm on the following grounds:

- Non supply of imported as well as indigenous fittings.
- Non clarification of works done by their foreign concern.
- The firm could not obtain the required qualifying marks of 75 out of 100, scoring only 48 marks out of 85.

On being disqualified by the BoA, the firm appealed (November 2007) to the CM for inclusion as a tenderer for the work. The vendor's plea to the CM was forwarded to the E-in-C. Subsequently, a re-assessment of the eligibility of the firm was done by the

BoA, who, this time, found the firm to be qualified.

We found that the following aspects of the re-evaluation, leading to an increase in the score from 48 to 67 (out of 85), as unreasonable:

- The score for experience in similar class of work increased from 10 to 15 (out of 15), though the relevant work was done by another firm, related by having a common majority shareholder, but which was in fact, a separate legal entity, and not a part of the bidding entity as a JV or consortium member.
- The firm did not submit any new financial statements in support of the required average annual turnover, yet its score increased from 10 to 19 (out of 19).
- The firm did not submit any new documents relating to personnel, establishment, and plant and equipment, yet its score in this regard increased from 10 to 12.
- The score on presentation before the BoA was also increased from 13 to 16.

The financial bid of SpaceAge was the lowest for M3 zone but the Works Advisory Board (WAB) did not approve the award of work in March 2008 on the grounds that the firm had already been rejected by the BoA, and the reassessment and subsequent inclusion was improper⁴.

⁴ Incidentally, two of the members forming the BoAs were also members of the WAB, but both the diametrically opposite decisions regarding the firm's eligibility had been taken unanimously.

The firm approached (May 2008) the Hon'ble Delhi High Court which quashed the decision of WAB of rejection of tender (July 2008). Consequently, and in view of urgency of work, the Government decided (September 2008) to award the work to the firm.

The firm, SpaceAge, went on to supply low cost imported luminaries of Saudi make, costing Rs.5,040, and charging Rs.25,704 for the same and in the process earning super profits of Rs.2.68 crore.

22.5 Deficiencies in Tendering and award of work

All the agencies followed different approaches for calling of tenders. PWD called tenders based on percentage rate, MCD adopted item rate tender, while NDMC called for design based tenders.

22.5.1 Deficiency in tendering in PWD

22.5.1.1 Incorrect use of percentage rate tender by PWD

The estimates for the street lighting work prepared by PWD was based on market rate, but PWD resorted to percentage rate tendering instead of item rate, in contravention to the provisions of the CPWD manual.

The costs of the following items were over-estimated by PWD with direct implication on the final cost of procurement:

- **Imported luminaries:** The estimated rate for imported luminaries was kept at Rs. 27,000 per unit against the average

cost⁵ of imported luminaries actually used being Rs. 17,288, while the minimum cost was just Rs. 9,318.

- **Indigenous luminaries:** The estimated cost taken by the department for indigenous luminaries was Rs. 15,522, but the same fittings were supplied in MCD at rates of Rs. 8000 to Rs. 9200 per unit.
- **Pole (12 m):** The base rate of Rs. 26,750 taken for estimation of cost of 12 metre pole was inclusive of all charges for fabrication, supply and erection etc. but the same was again loaded, thereby inflating the cost of a pole to Rs. 31,502.

22.5.1.2 Selling of advertisement rights in PWD without competitive bidding process

PWD included the item of rebate in the tender on account of advertisement to be quoted by each bidder for a period of five years. However, this item was included in a separate section, Subhead-C of the tender, which was not to be considered for bid evaluation. Hence, the contractors were under no compulsion to give competitive rates.

As a result, the successful bidder of zone M2 did not quote at all for advertisement rights, while in M1 and M3, the rates quoted were Rs. 1250 and Rs. 300 per pole per month. The department had no option but to cajole the bidder in zone M2 to quote a price of Rs. 750 while the winning bidder of M3 increased his offered price to Rs. 750 per pole per month. Thus, the rates for advertisement rights were not determined competitively, but were given

⁵ Including cost of bulb, cartage, one year maintenance and contractor profit of ten percent.

away as a reward for winning the bid at any price that the winner deemed appropriate.

The selling of advertisement rights without competitive bidding is highly irregular and has potentially led to loss in revenue.

In the present scenario, wherein non competitive bidding prevented determination of true value for the advertisement rights and this component of the agreement is yet to be executed, the department should explore the option of explicitly scrapping this part of the agreement.

22.5.2 Deficiency in award of work in MCD

22.5.2.1 Avoidable expenditure of Rs. 2.54 crore due to non-compliance with design specifications

We found that the lighting standards were not complied with on many dual carriageway roads, where 10 metre poles had been used in place of the prescribed 12 metre poles.

This led to an estimated avoidable extra expenditure of approximately Rs. 2.54 crore due to use of larger number of poles and luminaries. It was also seen that in Phase-I of execution, the offered price of a 10 metre pole (Rs. 28974) was more than the price of a 12 metre pole (Rs. 28358) due to suspected post bid tampering. Installation of a 10 metre pole was more lucrative to the contractor than the 12 metre pole.

MCD, in reply to our observation, stated that the designing was done based on site conditions, and that approval of the competent authority, E-in-C, was taken for

installing 10 m poles on 80 feet (24 m) wide road.

We are of the view that such approval, taken without a techno-commercial evaluation of the impact, and in violation of the already issued lighting standard was incorrect.

22.5.2.2 Extra cost of Rs.0. 48 crore due to specifying decorative luminaries using lamps of a particular brand in MCD

The lighting standards provided for use of 150 watt HPIT (Metal Halide) lamps for pedestrian crossing, slip roads and bus bays. However, MCD specified decorative luminaries using 140 watt lamp of a particular brand, Cosmopolis in the agreement. As per records, a total of 670 such Cosmopolis lamp fittings at a cost of Rs.15,000 per unit were used, whereas comparable 150 watt HPSV fittings were available at Rs. 7800. In these fittings, the HPSV lamps could have been replaced with 150 watt metal halide lamps for providing white colour light, as done by PWD. Thus, specifying decorative luminaries with Cosmopolis lamps in place of standard luminaries with metal halide lamps resulted in extra cost of Rs. 0.48 crore.

22.5.2.3 Suspected post-tender alteration in price bids in MCD

As per the CPWD manual, the officer opening the tenders should encircle all corrections, cuttings, conditions and over-writings, number them and attest them in red ink on each page of the price bid itself, indicating that the cuttings, over-writings and corrections were made before submitting the bid.

These conditions were violated in the tendering for both phases of the work in MCD. The winning bid of Sweka Powertech for Phase-I and Phase-II had large number of over writings/ corrections/ alterations. In neither of the bids did the contractor fill up the column for 'Amount' in the schedule of quantity, and the total for the bid was struck and recorded only in one case (Phase-II).

The matter is under investigation by CBI. Photocopies of the records were obtained from CBI for the purpose of audit.

A scrutiny of price bid of Sweka Power Tech Engineers Pvt. Ltd. (L-1) for Phase-I revealed many cuttings and over writings in the rates of items quoted in the schedule of quantities. The certificates recorded by the accountant either did not tally with the number of corrections made in the page or the certificates themselves had cuttings/ overwriting. In all the cases where such overwriting and corrections in rates were noticed, the final effect was to enhance the quoted price and not vice versa. The corrections in figures have been done in a manner as to minimize the physical alteration in the number by restricting the changes to a single digit, leading to an increase in the amount. Further, the corrections had not been assigned separate numbers as required.

Another correction noted was in the discount offered by the firm in the form of a note at the end of the quoted rates which read-“payment will be released within 10 days after submission of the RA bill, then we are ready to give discount of Nil per cent on the total amount”. In this case also, there was apparent tampering, by changing 1 per cent to Nil per cent by prefixing 'Ni' to 1 per cent.

The possibility of these alterations at post tender stage cannot be ruled out. The total result of enhancement of quoted amount by such alterations was Rs. 3.63 crore.

A similar pattern of alteration of bids was seen in Phase-II also in the case of bids of the same bidder, Sweka Power Tech Engineers Pvt. Ltd. Scrutiny of price bid of Sweka Power Tech Engineers Pvt. Ltd. (L-1) revealed that there were cuttings/over writings/corrections in the quoted rates of several items. The corrections made in the quoted rates against the above said items were not encircled individually.

It is suspected that the corrections in two items have been made after opening of tenders. The net effect of the suspected tampering was enhancement of tendered amount by Rs. 3.34 crore, while still keeping it below the next higher bidder (L-2) by Rs. 4.69 crore i.e. without changing the overall status of L-1 bidder.

The details of the alteration are shown in Annexe-22.1

22.5.3 Deficiency in tendering/award of work in NDMC

22.5.3.1 Calling of design based tender by NDMC and consequent loss

NDMC opted for a “design based approach”, wherein each bidder was asked to submit road wise design and compute the quantity for each item required to meet the target illumination level and to quote the rates for items required. The lighting standard did not provide for calling tenders on design basis.

We are of the view that design based tender does not ensure procurement of items at the lowest cost. “Design based tender” has

also actually placed Philips at an advantageous position with respect to other bidders, as despite quoting higher (item wise) for each of the key items, Philips managed to be lowest(L-1) bidder due to proposing use of lower quantities of various items.

Philips was the lowest with tendered amount of Rs. 34.40 crore against Rs. 37.32 crore quoted by SpaceAge (second lowest).

The scrutiny of rates of 10 major items forming 88.44 per cent of gross tendered cost (of Philips) of Rs. 35.46 crore revealed that in none of these items was Philips the lowest bidder. The overall bid amount of Philips was lowest only due to their proposed design involving lower consumption of various items. For instance, the design proposed by Philips involved use of 3815 poles and 4166 luminaries against the estimated quantity of 6364 and 9329 respectively, while the quantities quoted by second lowest bidder were 6492 poles and 7126 luminaries.

Even the Technical Evaluation Committee (TEC) was unable to assess the different designs due to wide variation in number of poles and other infrastructure offered to be installed by the bidders. It finally recommended that the price bids may be opened after obtaining an undertaking from all the four bidding firms that they would not charge for any extra work/ infrastructure required to be provided in case the required levels of illumination as per NIT specification were not met with their design.

We observed that the second lowest bidder i.e. SpaceAge at the quoted quantity of Philips could have executed the work at Rs.

28.69 crore, which is less than the amount quoted by Philips by Rs. 6.77 crore.

In reply to our observation, NDMC stated that design based tenders rather than conventional mode were invited keeping in view the special needs of the NDMC area with its dense tree cover.

In our opinion, the “design” could have been either done in-house or could have been executed as a separate consultancy assignment, thereby providing a level playing field to obtain competitive rates for each item of work. This could have saved this huge premium of Rs. 6.77 crore, which was otherwise earned by Philips on the basis of their design.

22.5.3.2 Irregular award of work in NDMC under deviation clause leading to loss

Chairman, NDMC gave approval for additional work of 18.445 km for 14 roads and service/ slip roads which were not part of the original agreement. The works were awarded on the same rates as the existing contract for street lighting with Philips (awarded in August 2009) under the deviation clause stating that the increase in quantity was under the deviation limit of 25 percent. In this case, the additional work valuing Rs. 7.38 crore was for new roads not covered by the original agreement, and hence could not be construed as deviation in quantity alone. This was not even approved by the Council-the competent authority. NDMC intimated that the Council in its meeting held subsequently on 23rd February 2011, ratified the expenditure. We found that the agenda note put up for approval of the Council in this regard made no mention of the audit objection communicated to NDMC.

Loss to NDMC on account of award of additional work under deviation clause

- The existing agreement with Philips was design based, where the work was awarded on account of the bid being of lowest total cost, and not necessarily the lowest in unit cost of the items. Thus, award of additional work to Philips at its quoted (higher) item rates led to an additional loss of Rs. 1.45 crore, when compared with the rates of second lowest bidder.
- As per the tentative execution data provided by NDMC, the additional work on 14 roads led to an excess expenditure of Rs. 1.30 crore beyond what would have entailed if the roads had originally been included in the contract, and optimally designed. Against the pro-rata cost of Rs. 7.37 crore, Philips has submitted a bill of Rs. 11.05 crore⁶.

The full execution/consideration of proposal of Philips as per the claim submitted would finally entail a total cost of Rs.12.06 crore for additional work, leading to an increase in the currently computed loss figure of Rs.1.30 crore to Rs. 4.68 crore, in addition to the loss of Rs. 1.45 crore incurred on account of higher rates of Philips during award of additional work. The total loss on account of award of work is, therefore, estimated at Rs. 6.13 crore.

NDMC, in its reply, stated that payment for additional work would be restricted on pro-rata basis or on the actual quantity executed, whichever was less.

⁶ Bill for 2.5 KM of road length awarded in October 2010, with pro-rata cost estimate of 1 crore has not yet been submitted

22.6 Delay in project initiation and completion

None of the agencies could complete the project within two years as planned.

22.6.1 Delays in PWD

PWD planned in June 2007 to complete the project by February 2009. The project was executed as 3 separate packages in three PWD zones, but the work was finally completed by September 2010 after a delay of about 19 months. There was delay at every stage, with delay in awarding of work itself of about 11 month. There were delays in execution too, as the work stipulated to be completed by January 2010 was also delayed by about eight months.

Further, PWD has not decided the penalty to be imposed on account of delay, as none of the three contractors had submitted their final bills (though they have been issued physical completion certificate in August/September 2010).

22.6.2 Delays in MCD

The stipulated date of completion for phase-I was 9 July 2009. However, a certificate was issued (January 2011) indicating provisional completion on 2 August 2010. MCD neither sanctioned EOT, nor recovered liquidated damages of Rs. 3.45 crore for a delay of 55 weeks.

After lapse of the stipulated date of completion of 7 July 2010 for Phase II, the contract value was enhanced from Rs.60.74 crore to Rs.73.36 crore by awarding additional work on 24 July 2010 with stipulated date of completion extended to December 2010. The total work was subsequently restricted to Rs.61.99 crore

for a total road length of 160.5 km on 05 August 2010, but the stipulated date of completion was not changed. Though the certificate for provisional completion of work was issued on 24 September 2010, no time extension was sanctioned.

We have computed the delay in completion by 50 days, with a corresponding LD of Rs.4.25 crore, which has not been levied by MCD.

22.6.3 Delays in NDMC

After approval of estimate (December 2007), NDMC delayed the tendering

process. Tenders were invited in March 2009 after a delay of 14 months, and it took another five months to award the work. The contractor was given additional work for 18.45 km between December 2009 and October 2010, which would imply a proportionate increase in the time period up to November 2010. The execution of work was delayed by more than two months, and NDMC had neither issued completion certificate nor recorded the final measurement. Further, compensation for delay valuing Rs. 1.25 crore was also not levied.

The Chief Minister of Delhi desired in February 2006 that the entire city of Delhi should have state of the art road signages with appropriate structural system for the forthcoming Commonwealth Games 2010. A pilot project was taken up by PWD in May 2008 through authorised converters of 3M Limited and Avery Dennison (the two leading manufacturers of the retro reflective sheets).

The department did not facilitate healthy competition, but merely ensured sharing of signage work between the two major sheet manufacturers, 3M and Avery-Dennison. Instead of calling a single tender for the complete work, the project work was divided among three PWD Zones for separate tendering and execution, with two restrictive conditions :

- *The Sheet manufacturer would necessarily be a part of the bidding party, and have an exclusive MoU, and*
- *not more than two out of three works relating to the three PWD zones would be awarded to any one sheet manufacturer.*

This led to only two valid bidding parties in PWD, with work automatically getting distributed between them.

The anti-competitive bidding conditions led to:

- *Work of one zone being awarded at least Rs. 1.40 crore above the corresponding cost in the other two zones.*
- *Higher overall costs of procurement in PWD, as compared with NDMC (where there were no such restrictive conditions of the manufacturer to be a part of the bidder).*

Negotiation to the tune of Rs 4.75 crore had to be done in case of the final bid, indicating lack of competition in the bidding process.

Subsequent to the award of work, the designs for the signages were substantially revised, leading to large number of extra and substituted items of dubious utility. These were approved under the recommendation of the advisor to PWD, primarily based on the designs submitted by one of the contractors.

We are of the view that the design modifications were of little utility; the manner of implementation was also uneconomical, leading to higher cost of execution. These extra and substituted items led to an additional avoidable expenditure of Rs 14.88 crore.

23.1 Introduction

In February 2006, the Chief Minister of Delhi desired (February, 2006) that the entire city of Delhi should have state of the art road signages with appropriate structural system for the forthcoming CWG 2010. A presentation was made by 3M India Limited before the CM on the signage system to be developed in Delhi. In keeping with the CM's direction, a stretch of road was selected between Tilak Marg and Raj Ghat and a feeder road going up to Delhi Secretariat for a pilot project in April 2006 at an estimated cost of Rs.1.77 crore. The pilot project was taken up (May 2008) using ASTM¹ Type XI retro-reflective (RR) sheets

and was completed in December 2008 by the authorised converters of 3M Limited and Avery Dennison, the two leading manufacturers of retro reflective sheets of type-IX and XI.

GNCTD accorded in principle approval in March 2009 for the work of installation of retro reflective signages using type-IX (based on pilot study of NDMC using Type IX Retro-reflective sheet), though the pilot study by PWD was conducted using Type-XI sheeting. The type of support structure (M.S. Pipes/Tubes) and colour of signages (blue coloured sheet with white letters) was also decided.



Cantilever mounted signage

¹ American Society for Testing and Materials



Road name – double arrow signage



Cautionary and directional shoulder

We acknowledge the improvement brought to the look of Delhi by the consistent implementation of the road signages project. The aesthetic and utilitarian upgrade by the use of these signages is commendable.

Instead of calling a single tender for the complete work, the project work was divided among three PWD Zones for separate tendering and execution, purportedly on grounds of administrative convenience. In our opinion, a single tender would have facilitated greater competition.

Though the pilot project was decided upon in April 2006, there were inexplicable delays in executing it (2008), with the main works finally being awarded only in October 2009, with a stipulated period of completion of 6 months, at a total contract amount of Rs. 53.13 crores.

As of December 2010, the works were in progress and an amount of Rs. 25.06 crore was paid which included provisional payment of Rs. 2.83 crore for extra items under two zones (M2 & M3), against the accepted extra items of Rs. 7.88 crore. The details of execution and payment for extra

items in M1 were not available, but are likely to be similar as the nature of work is similar in all zones.

NDMC also undertook the work of signages of NDMC roads. The work was executed in seven separate packages between February 2009 and October 2009 at a total contract cost of Rs 19.52 crore.

We found better competition and costs obtained by NDMC, and this has been used as a benchmark in evaluating the signage work undertaken by PWD.

23.2 Restrictive conditions in tendering

The department was aware that there were only two manufacturers of retro reflective sheets (RR sheet) and that the component of RR sheet formed only about 33 per cent of the total project cost. Yet the following restrictive eligibility conditions were included in the notice inviting tender (NIT), finalised on the basis of discussion between Pr. Secretary to Chief Minister, Pr. Secretary (PWD) and Pr. Chief Engineer.

- The bidder shall either be a retro-reflective (RR) sheet manufacturer or shall have an exclusive MoU with the manufacturer of RR sheet in the case of a firm or Joint Venture (JV).
- Out of the three packages of road signage works, not more than two packages shall be awarded to any one RR sheet manufacturer.
- The sequence of bid opening was stated, with the financial bid of Zone M1 to be opened after the other two zones (M2 and M3).

Thus, inclusion of above conditions resulted in following:

- It was ensured that at least one zone each would be awarded to both the sheet manufacturers, irrespective of the competitiveness of their bids.
- It enabled the RR sheet manufacturers either to collude to split the order among themselves, or to consistently bid high in all the bids, knowing that no party would take all the bids.
- It presented a situation for both the sheet manufacturers to charge a premium for their association/exclusive MoU as they were an indispensable component of bidding process.

We found that the bidders backed by Avery-Dennison won the contracts in zones M2 and M3. However, in zone M1 the financial bid of the Avery-Dennison backed vendor (Prakash Reflective Devices) was incorrectly rejected by an extreme interpretation of the clause for turnover criteria. Consequently in zone M1, the department was forced to accept the sole technically qualified bid of

3M-Bajaj consortium, by negotiating down the quoted rate by 15.95 percent of quoted amount, but still at higher rates than M2 and M3. The estimated value of work of M1 was similar to the sum of works for M2 and M3.

The impact of the restrictive clauses was that the work in the three zones of PWD were awarded at rates higher than the three works of NDMC awarded in the same period (October 2009). The cost of major comparable items of RR sheet and VHB² tape was higher by 21 to 73 percent respectively, in PWD when compared with NDMC.

The lack of competition in PWD resulted in higher tender rates and consequent loss to government.

In zone M1, although the bid of Avery Dennison backed vendor was incorrectly rejected, the bid was in any case not to be considered as the department had already stipulated that not more than two work would be awarded to one sheet manufacturer. This left 3M-Bajaj-CBM consortium as the only technically qualified bidder. 3M-Bajaj-CBM consortium quoted 8 per cent above estimated cost. In fact, in all the three zones, the 3M consortium quoted varying rates, and each time higher than its competitor.

² Very High-strength Bond Tape, a proprietary product of 3M

The department negotiated the bid of 3M-Bajaj-CBM consortium down by Rs. 4.75 crore. The work was finally awarded to the consortium at 9.2 per cent below estimated cost, which was still 5.1 per cent higher than the rates for other two zones. Thus the acceptance of single tender at higher rate due to restricted competition has resulted in a minimum loss of Rs. 1.40 crore to government.

PWD replied that NIT conditions were designed in this manner for faster execution, and to ensure that a single agency did not take up the entire signage work for all the three zones, so that if one agency failed, the other agency could be used to counter the failure.

We do not accept this argument, as such recourse to awarding the work to another agency in case of failure by the selected agency was always available, and PWD need not have ensured that both the agencies were awarded a share of the work for this purpose, which led to reduced competition.

23.3 More expensive design and execution in PWD vis-à-vis NDMC

We compared the cost of three similar types of signages executed by NDMC with that of PWD and found that the cost of acquisition in PWD was substantially higher than that in NDMC. The difference in cost is both due to a higher cost of the input material and a more expensive design, consuming more of the input material. NDMC used structure of stainless steel while PWD used mild steel

structures to fix the signages. The cost comparison with and without structure was worked out by us, and is tabulated below.

Table 23.1 – Unit Cost (Rs) of Signages (Without Structure)

(In Rs. Crore)

Signage Type	NDMC	PWD
Place Identification	31,178	56,809
Cautionary	10,029	21,510
Road name-Double arrow	18,739	42,437

Table 23.2 – Unit Cost (Rs) of Signages (With Structure)

(In Rs. Crore)

Signage Type	NDMC	PWD
Place Identification	51,129	61,544
Cautionary	25,400	24,513
Road name-Double arrow	35,827	45,336

The cost incurred by PWD for various signages excluding structure work, was substantially higher by 82 to 127 per cent than NDMC. This indicated inefficient and expensive design and procurement.

23.4 Execution of extra and substituted item leading to cost escalation

We noticed that in two zones (M2 and M3), identical extra items valuing Rs. 7.88 crore (28 per cent of contract amount of Rs. 28.12 crore) were accepted by the department, while in zone M1 the value of extra item is estimated to be approximately Rs. 7 crore on the same basis.

As tenders for the work were invited on the basis of the pilot project carried out by the PWD wherein both the sheet manufacturers had participated, it was expected that the requirements for execution of project would be well known leaving minimum possibility for substitution of items or execution of new items. This was not the case. The expenditure on extra/substituted items, estimated at Rs. 14.88 crore across the three zones, was primarily on account of the following items:

Table 23.3 – Expenditure on major extra/ substituted items

(In Rs. Crore)

Nature of Extra/Substituted item	Amount
Substitution of MS Angle with Square Hollow Section for making Signage frame	2.85
Covering back face of signages with ACM ³ as extra item	3.51
Use of Aluminium channel/ Trim as extra item	3.85
Payment for precast bend, bolts and anchor plates as extra item	0.93

Inclusion of a large number of extra/substituted items after award of work, without documented technical reasons, raises doubt on their actual utility, especially when the designs finalised by Shri. D.S Sachdeva, Advisor (without specific authority) was based on the methodology submitted by Fibrefill, one of the executors of the signage work.

In reply to our observations on extra and substituted items, PWD stated that decisions on execution of these were taken solely in the interest of work, for improved aesthetics or on technical grounds, after due deliberation under the guidance of Advisor (PWD) – a retired DGW/ CPWD.

As explained in the following sections, we are not convinced of the need for these extra and substituted items, which has substantially inflated the cost of the project.

In an item wise scrutiny of impact of substituted items on overall cost of various types of signages, we found the cost per unit increased from 21.5 per cent to 71.9 per cent as tabulated below:

Table 23.4 – Increase in cost on account of substituted items

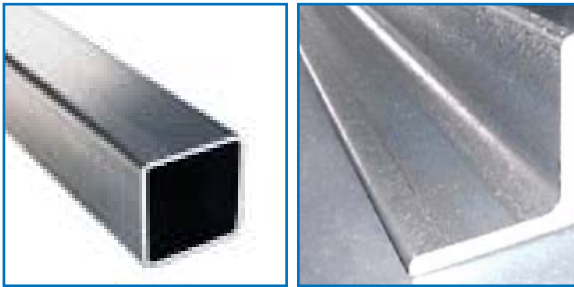
(Per unit cost in Rs.)

Type of Signage	Agreement Cost	Executed Cost
Gantry mounted	5,52,399	8,87,201
Cantilever mounted	1,95,272	2,37,067
DSM (Directional Shoulder Mounted)	54,623	87,328
Cautionary Signboard	15,482	26,597
Place Identification signboard	40,092	48,690
Road name Signboard: Double sided	23,479	28,985
Road name Signboard: Single sided	23,479	37,851
Road name Signboard: Double arrow, Single sided	27,259	45,082

³ Aluminium Composite Material

The details of the extra/substituted items leading to the stark increase in cost are given below. The avoidable expenditure includes estimates for zone M1 for which final payments are yet to be made.

23.4.1 Substitution of MS Angle with Square Hollow Section (SHS)



Square Hollow Shape (SHS) **Mild Steel (MS) Angle**

During the pilot project for signages in PWD, the frame for fixing of retro reflective sheet was constructed using MS Angle, and the same was specified at the time of tendering. No questions regarding the frame were raised by any of the bidders during the pre bid conference.

We found that during issue of detailed drawing by PWD, which was done subsequent to the award of work, the item of MS frame using MS angle was substituted by SHS and contractor was paid for the difference in the rates between MS angle and SHS as extra item.

The use of costlier SHS has actually benefitted the contractor by way of reducing his fabrication cost, while increasing the cost of the project. **This substitution of item has led to avoidable expenditure of Rs. 2.85 crore**, of which Rs. 0.75 crore has already been paid in two zones.

This has also led to increase in weight of larger signage structures like gantry and cantilever, which runs counter to the reason given by the department in support of use of SHS.

23.4.2 Needless sanction of work for covering back face of signages with ACM as extra item

The scope of work under agreement did not provide for covering the back face of some of the signboards. However, during execution, the back of signages were covered using 4mm thick ACM. Covering the back of the signboard served no functional purpose, and was done for the stated purpose of improved aesthetics. The execution of this extra item enhanced the cost of signage by Rs. 4926 per sqm leading **to avoidable expenditure of Rs. 3.51 crore** as of November 2010.

We are of the opinion that since only the front portion of the signboard had information to be seen by the citizen/user, any expenditure on improving the aesthetics of the back surface was wasteful.



Riveting of ACM to frame

Analysis of the cost components of Rs. 4926 per sqm for assessed value of work of covering the back face with ACM, done based on single quotation, revealed that the cost of VHB tape used for fixing ACM was Rs. 1666 per sqm (34 per cent) while Rs. 1259 per sqm (26 per cent) was for its routing, bending, making tray, fixing of VHB tape etc. In fact, the VHB tape used for bonding ACM with the MS frame is manufactured by 3M, one of the sheet manufacturers.

Even if the sheets had to be used, the whole cost of fixing ACM with VHB along with its routing and bending could have been dispensed with, by simply riveting the ACM sheets. In this process, the extra cost of covering the back face could have been reduced by Rs. 2.03 crore.

During computation of cost for extra item of covering back face of the signages with ACM, excess area (than required) was considered, causing a further loss of Rs. 0.25 crores to the government.

23.4.3 Wasteful expenditure on inclusion of aluminium channel/trim as extra item

The guidelines issued for execution after awarding works included an item of providing 2 mm thick Aluminium channel/trim around the sides of RR boards for again, purportedly, aesthetic reasons.

Consequently this item of trim was executed as an extra item. We found that:

- The aluminium trim was to be fixed by using VHB tape (an expensive



Aluminium Trim peeling off from frame

proprietary product of 3M), thereby exposing the trim to inevitable theft by peeling it off. It has been removed in some places, and in some other places, they are in the process of being removed.

- As the ACM sheet used in the board already had an aluminium layer as an integral part, the overlay by another aluminium layer as trim was wasteful.
- The actual aesthetic utility of aluminium trim on signboards mounted on gantries and cantilevers fixed at a height of above 6m, meant for vehicles running at substantial speed is also questionable.

Thus, the decision to use aluminium trims was unwarranted and has resulted in wasteful expenditure of Rs. 3.85 crore. Further, an expenditure of Rs. 0.42 crore for this item was incurred without approval of rates by the competent authority.

23.4.4 Inadmissible payment for precast bend, bolts and anchor plates as extra item

The contract provided for welded bends for the tubular support structure. The department replaced welded bends with

precast bend as an extra item, despite the clarification given in the pre-bid meeting that nothing extra would be payable on this account. This replacement on the grounds of improved aesthetics without any functional purpose led to an additional cost of Rs. 0.40 crore.

Further, as per the description of work, rate analysis of the item, drawings appended with agreement, and CPWD specifications for steel works, the component of anchor bolts and anchor plates were to be paid under the relevant item of steel work itself. However, we noted that the same was separately paid as extra item at the rate of Rs. 116.73 per kg instead of the agreement rate for steel work of Rs. 65 per kg, leading to inadmissible expenditure of Rs. 0.56 crore.

23.5 Undue financial benefit to contractor for barricading work

During the pre-bid meeting, the department clarified that the barricade can be retained by the contractor after completion of work.

We found that the executed quantity of this item increased by 159 per cent, resulting in undue financial benefit of Rs. 0.24 crore to contractors, as of November 2010.

23.6 Non imposition of penalty

We noted that all the three works executed by PWD were delayed by 198 days as on 30 November 2010, but penalty of Rs. 5.26 crore for the delay was not levied on contractors.

23.7 Payment for work not recorded

In M3 zone, an amount of Rs. 4.50 crore was paid (July 2010) to the contractor without any measurement (progressive/detailed) since the start of work (November 2009).

We consider this to be a serious financial irregularity, especially when the contractor was responsible for recording measurements.



City Infrastructure Development: Roads and Flyovers

GNCTD undertook construction of 25 roads and bridges for upgradation of city infrastructure and in preparation for CWG 2010. At the time of the Games, 17 of these were fully completed. The remaining 8 were substantially completed and open to traffic with physical completion status varying between 90 per cent and 99.5 per cent. We selected seven of these projects for detailed review.

All the seven projects adopted Contractor's Profit and Overhead Charges (CPOH) of 37.5 per cent for the bridge/flyover components in contrast to CPOH of 15 per cent (raised from 10 per cent in December 2007/ April 2008) stipulated by CPWD. This resulted in increasing the justified cost, worked out by the department after opening of the financial bids, by Rs. 352.47 crore. A higher CPOH leads to a higher cost baseline for potential bidders. The CPOH rate also forms an indirect input into the process of preparation of justified costs, where required, and the associated band of 5/10 per cent for assessing the reasonableness of rates for final award of the contract.

There was irregular award of work in two projects where L-1 was determined by considering separate letters quoting a lump-sum amount, in violation of the manual provisions governing item rate tenders. Use of correction fluid in tender documents, and large number of cuttings/corrections were seen in another bid. These bids, as per rules, were liable for rejection, but were accepted by PWD.

We noticed cases of non-compliance with quality standards, with two cases where batches of steel with variation in weight outside of the permitted tolerance limit were not rejected, and one case where an important test for assessing strength of piles was not carried out.

PWD incorporated, at the level of CE, a new clause for price variation in six projects by deleting existing standard clauses.

We found instances of inaccuracies in the preparation of detailed estimates. In one case, this led to wrong assessment of the lowest bidder, and in the process an expenditure of Rs. 3.55 crore was incurred in excess of requirement. Incorrect estimate of another item, mastic asphalt, led to an additional avoidable payment of Rs. 1.34 crore due to payment for the item at market rates.

Two works costing Rs. 62.63 crore were got executed by PWD through deviations of ongoing works, instead of calling for fresh tenders, on grounds of urgency, but were not completed in time for the games.

PWD awarded work for construction of two arch foot over bridges (FOB) for Rs. 10.35 crore at JLN Stadium using for the first time, a suspension bridge design using imported Macalloy suspension system. One of the FOBs collapsed and the work was subsequently stopped on both the FOBs, which are still lying incomplete, rendering the payment till date of Rs. 8.65 crore infructuous.

We noticed that the PWD is dependent on consultants for all core activities including formulating project proposals, its implementation and third party quality assurance (TPQA). The consultancy agreements, however, did not adequately bring in the consultant's accountability for defects and losses arising from inaccuracy of designs and estimates. Engagement of TPQA consultants is a recent development based on advice of CVC for selected major projects. We, however, found that TPQA consultancy is not sufficiently independent, and is now more a norm rather than an exception, with the consequent increase in the cost of the projects by 1 to 2 per cent.

24.1 Introduction

As a part of upgradation of city infrastructure and in preparation for the Games, GNCTD had taken up 75 projects linked to city infrastructure improvement. Subsequently, 25 projects were stated to be directly linked to CWG for close monitoring.

As identified in our earlier report, three projects were delinked¹ from CWG, and not taken up. In all, GNCTD undertook construction of 25 roads and bridges projects to improve infrastructure of the city during CWG 2010. Of these 25 projects, one project each was started in 2004, 2005 and 2006. Nine projects were started in first half of 2007 and four in the second half. Three projects began in first half of

2008 and four in the second half. Two projects were started as late as in 2009. Of these 25 projects, 17 were fully completed, and the remaining 8 were substantially completed and open to traffic, with physical completion status varying between 90 per cent and 99.5 per cent.

We selected seven of these projects for detailed review - six executed by PWD viz. Raja Ram Kohli Marg Flyover Ghazipur Flyover, Barapulla Elevated Road, UP Link Road, Corridor improvement on Road No. 56 (ISBT-Anand Vihar), and Ring Road Bypass, and one flyover by DDA on NH 24 near the Games Village. These seven projects involved a total sanctioned amount of Rs. 2239.40 crore.

¹ Elevated East West Corridor, BSZ Marg Flyover, and Shastri Park Tunnel Corridor

Table 24.1 — Road and Flyover Projects selected for detailed audit

(Rs. in Crore)

Name of the Project	Contractor	Estimated Cost	Tendered Amount	Date of Award	Stipulated date of completion	Payment made as of Dec 2010
RR Kohli Marg Flyover	Afcons	146.40	214.57	Mar 07	Apr 09	258.26
Ghazipur Flyover	Afcons	173.36	199.79	Apr 08	Apr 10	175.79
Barapulla Elevated Road	DSC	352.40	433.71	Aug 08	Mar 10	382.93
UP Link Road	DSC	177.80	265.04	Sep 08	Apr 10	187.85
Road No. 56-Anand Vihar ISBT	Valecha	97.60	140.53	Nov 08	May 10	120.97
Ring Road Bye pass	Simplex	330.20	409.45	Dec 08 Jan 09	June 10 July 10	157.64 127.49
NH 24 flyover near Games Village (DDA Project)	Gammon	68.79	89.90	Feb 09	Sep 10	78.88

Project Timelines: Most of the projects were awarded in 2008, leaving hardly any margin for delay with the CWG just two years away. The dates by which various important milestones were met for the seven projects examined by us are tabulated below:

Table 24.2 — Important Milestones for selected Road/ Flyover Projects

Name of the Project	Date of Feasibility	Date of AA/ES	Date of approval of DUAC	Date of NIT	Date of Award of Work	Stipulated date of completion	Actual date of completion
RR Kohli Marg Flyover	Sep 05	Jul 06	Oct 06	Feb 07	Mar 07	Apr 09	Apr 10
Ghazipur Flyover	Aug 04	Apr 08	Jul 07	Dec 07	Apr 08	Apr 10	99% completed
Elevated Road over Barapulla Nalla	June 08	Aug 08	--	Jul 08	Aug 08	Mar 10	99% completed
UP Link Road	Mar 07	May 08	Dec 07	Jul 08	Sep 08	Apr 10	93% completed
Road No.56-Anand Vihar ISBT	Sep 04	Jun 08	Jan 08	Aug 08	Nov 08	Mar 10	99% completed
Ring Road Bye pass	--	May 08	Sep 07	Jul 08 Sep 08	Dec 08 Jan 09	Jun 10 Jul 10	99% completed
NH 24 flyover near Games Village (DDA Project)	Jan 08	Nov 09	Jul 08	Oct 08	Feb 09	Sep 10	Aug 10

24.2 Adoption of Contractor's Profit and Overhead Charges of 37.5 per cent for Bridge/ Flyover Projects

All the six projects adopted Contractor's Profit and Overhead Charges (CPOH) of 37.5 per cent² for the bridge/ flyover components (which represented the bulk of the work involved). This is in contrast to CPOH of 15 per cent (raised from 10 per cent in December 2007/ April 2008³) stipulated by CPWD⁴.

The justification adduced by PWD, GNCTD for adopting this percentage of 37.5 per cent (as opposed to 10/ 15 per cent adopted by CPWD) is that this CPOH rate was based on the "Standard Data Book for Analysis of Rates" issued by the Ministry of Road Transport and Highways (MoRTH). The foreword to this data book indicates that it is being adopted by various agencies for projects other than National Highways (which is the primary purpose for this data book). The estimates for these projects were prepared using the data elements indicated in the data book.

We found that the basic approach for the preparation of the MoRTH data book⁵ highlights common elements of overhead charges for both road and bridge works, but specifies different rates for CPOH (varying from 18.8 per cent to 43 per cent) for

different categories of road and bridge works. However, the MoRTH data book and the CPOH rates (indicated in the data book) have not been formally adopted by GNCTD⁶. Despite such non-adoption, PWD, GNCTD have adopted the CPOH rate of 37.5 per cent (as per the MoRTH data book), which is substantially higher than the CPOH rate of 15 per cent stipulated by CPWD. This resulted in increasing the justified cost, worked out by the department after opening of the financial bids, by Rs. 352.47 crore.

While other State PWD Departments are adopting the MoRTH data book for the purposes of estimation of road and bridge works, our scrutiny of selected projects in Orissa, for example, indicated that the data elements indicated in the MoRTH data book were adopted, but the overhead rate adopted⁷ was just 10 per cent.

Further, DMRC which routinely constructs elevated viaducts, similar to flyovers, does not use the MoRTH data book for its cost estimation. For any non-scheduled item of work executed by DMRC, whether following MoRTH specifications or otherwise, they apply a uniform fixed CP&OH of 20 per cent.

It is also not clear to us whether the overhead components for constructing of national highways (generally by NHAI) are applicable as such to the bridge and flyover projects in Delhi. The currently preferred mode for award of national highways is on BOT-toll mode, where Government funding is restricted to Viability Gap Funding (VGF) upto a maximum of 40 per cent of the

² 25 per cent as overhead charges, and 10 per cent profit thereon; this works out to an overall 37.5 per cent

³ The increase was communicated by DG, CPWD in December 2007, but approved by MoUD only in April 2008.

⁴ CPWD's manuals, contract clauses and other terms and conditions/ circulars are generally adopted by PWD, GNCTD.

⁵ Indicated in the data book itself

⁶ It is not clear when PWD, GNCTD commenced using these higher CPOH rates.

⁷ Without any additional margin for contractor's profit

estimated project cost. The amount of VGF itself is the biddable parameter, and hence the accuracy or reliability of estimates is perhaps not as of much concern as in the case of bridge and flyover projects being executed with 100 per cent Government funding.

The critical importance of the CPOH rate is that once adopted for estimation purposes, the detailed estimates thus prepared constitute a baseline for potential bidders. The CPOH rate also forms an indirect input into the process of preparation of justified costs, where required, and the associated band of 5/10 per cent for assessing the reasonableness of rates for final award of the contract.

In our opinion, the de facto use of the CPOH rate of 37.5 per cent for preparation of the estimates for the bridge/ flyover projects is inappropriate. GNCTD needs to carry out an in depth study of the actual elements of overhead involved (including the extent of equipment intensive construction methods actually in use for similar projects) and practices followed in other States for similar projects, before deciding on the appropriate CPOH rate for all such projects.

24.3 Irregularities in tendering procedure

24.3.1 Acceptance of bids quoted on papers other than tender documents

Rules and guidelines on form of the General Conditions of Contract (GCC), which are essentially part of Notice Inviting Tenders

(NIT), stipulate that in case of item rate tenders, tenderers are expected to quote on the tender form. Any tender containing percentage below/above the rates quoted is liable to be rejected⁸. We observed three instances where bids were accepted by PWD despite being quoted on papers other than tender forms:

- PWD called (July 2008) for item rate tenders for work of construction of elevated road on Barapulla Nalla (in two packages) from the empanelled contractors/firms. Six bids were received for each package. The works were awarded to DSC limited at Rs.218.79 crore and Rs.214.92 crore respectively for both the packages. We noticed that DSC became the lowest bidder not on the basis of his bid in the prescribed format of bid documents, but on the basis of separate letters quoting a lump sum amount, stated to be found in envelopes containing financial bid.
- Similarly, in case of UP Link Road project, where PWD invited (July 2008) item rate tenders, two bids were received, and work was awarded in September 2008 to DSC Limited at a cost of Rs. 265.04 crore. Again DSC became the lowest on the basis of separate letter quoting a lump sum amount stated to be found in envelope containing financial bid.

Award of works to DSC was irregular as:

- the letters were not part of the tender documents issued by the department but were stated to be found in envelopes containing financial bids,

⁸ We noted many instances, e.g. Ghazipur flyover, where percentage discount/premium was offered on the tender form, but accepted in violation of this stipulation.

- in the said letters, the firm had quoted the lump sum cost “*after discount on all items...*”. It was PWD which converted the difference between the lump sum amount and amount worked out as per item-wise bid, to a percentage discount to the quoted rate.

Taking cognisance of the letter which did not form part of the prescribed tender documents, and considering the lump sum cost quotation against the item rate tender was not in order and awarding of work to DSC Limited was irregular. Further, audit could not ascertain whether the said letters were submitted along with the bid documents or placed at a later stage.

24.3.2 Acceptance of bid despite over-writings/use of correction fluid

CPWD Manual prohibits the use of correction fluid anywhere in tender documents and, if used, such tender is liable for rejection. We found that the bid documents of Simplex Infrastructure Limited who was awarded the work of Ring Road bypass (Package II) had 12 cuttings/corrections, besides three cases of use of correction fluid for changing the figures, having an impact of increasing the bid amount by Rs.6.23 crore.

Use of correction fluid in the tender document made it liable for rejection. In spite of these obvious shortcomings in the bid document, the department did not reject the bid.

24.3.3 Irregular invitation of percentage rate tender

We found that tenders for RR Kohli Marg Flyover were incorrectly invited as

percentage rate tender, instead of item rate tender, as is required by the CPWD Works Manual.

We also noticed that though the tenders for the work were initially invited on item rate basis, yet it was subsequently changed to percentage rate tender without mentioning any reason despite the fact that scheduled items based on DSR constituted only 2 percent of the work.

Thus, invitation and acceptance of percentage rate tender was irregular.

24.4 Unwarranted inclusion of items in BOQ of agreement

We found that in six projects of PWD and one project of DDA examined by us, agencies had included separate items for providing temporary barricades and pile testing at the tendered cost of Rs. 11.84 crore and Rs.11.27crore respectively, against which, a payment of Rs. 15.35 crore had already been made.

Payment for both the items is inconsistent with MoRTH Specifications⁹ for Road and Bridge Works, against which these projects had been costed and executed, which clearly states that traffic safety arrangements including erection and maintenance of barricades and pile testing would be considered as incidental to the works and would be contractor's responsibility.

⁹ Section 112

24.5 Non compliance with quality standards

24.5.1 Usage of steel not conforming to standards in Barapulla Elevated Road

We noticed that out of 387 batches of steel consignment weighing 9048 MT, samples of 26 batches having the total batch weight of 642.01 MT and costing Rs. 5.79 crore were found by the department to be of weight lower than tolerance limit prescribed in IS 1786. These were, however, not rejected by the department leading to use of non-compliant steel. Out of these 26 batches, samples of only four were sent to third party laboratories, which, on testing, found them to be conforming to standards.

It is not clear why batches of steel which failed in the basic tests had been sent to external labs and were not out-rightly rejected and why only selected samples were subjected to third party tests.

24.5.2 Usage of steel not conforming to the standards in Ring Road Bypass

Another instance of non-conformance with standards was seen in the Ring Road bypass project where five batches of steel having total batch weight of 370.78 MT and costing Rs. 2.69 crore were found by the department to be of weight higher than tolerance limit prescribed in IS 1786. These were, however, not rejected by the department, leading to use of non-compliant steel.

24.5.3 Pile tests to confirm quality not carried out

We found that routine tests of piles were not carried out during construction of the

elevated road over Barapulla Nallah, in violation of MoRTH specifications and IS 2911-1985¹⁰.

As per Indian Standard Code IS 2911-1985, routine tests for pile are necessary primarily to determine the safe load on pile, and between one-half per cent to two percent of the piles are required to be tested. This translates to a minimum of seven routine tests to be conducted in case of Barapulla Nallah. As not even a single routine test was carried out, we could not ascertain how the PWD authorities satisfied themselves that piles were executed as per the IS specifications.

PWD, in reply, stated that these tests could not be undertaken due to shortage of time.

24.6 Contract Management

24.6.1 Adoption of revised price variation clause

Price variation in PWD is payable as per standard clauses¹¹ in General Conditions of Contract (GCC). We noticed that PWD incorporated a new clause 10CCA for price variation in all the six projects. The standard price variation clauses of GCC stipulate that for each project, the proportion of key components of steel, cement, labour and material is computed based on the estimated usage of these items in the project, which varies from project to project. In contrast, the new clause introduced by PWD adopted fixed percentages of use for all the components, viz, labour (22per cent), steel (25per cent), cement (15per cent), fuel (5per cent) and

¹⁰ Indian Standard Code of Practice for Design and construction of Pile Foundations

¹¹ 10C, 10CA, 10CC

machinery and machine tools (18per cent). Further, the CPWD manual does not prescribe any price variation payable on machinery and machine tools, though it was prescribed in this new price variation clause.

As the proportion of steel used in these projects was far higher than 25 per cent, and there was a downward trend in prices of steel during the construction period of four of these projects, the amount of recovery was lesser by Rs. 18.01 crore than that which would have become recoverable with the standard price variation clause.

We also noted that no financial or legal advice was taken by the Chief Engineer before incorporation of this new clause, as is required vide GFR and CPWD manual.

PWD stated that the NIT approving authority was fully authorized to make any change in non-statutory clauses contained in the GCC, and price variation clause being a non-statutory clause, amending the same is a matter of administrative discretion.

We are unable to appreciate the Department's stand in this regard. Only a formal, well thought out policy decision at the department level after taking financial and legal advice for amending critical conditions of the GCC can ensure that the interests of the government are protected. This cannot be left to the discretion of individual NIT approving authority on a contract to contract basis.

24.6.2 Incorrect measurement of underweight steel resulting in excess payment of Rs. 0.35 crore

We observed that 5184.26 MT of reinforcement steel bars were found underweight by 48.842 MT in terms of

standard unit weight in the Ring Road Bypass project. However, payment has been made as per standard weight in violation of CPWD specifications¹², resulting in excess payment of Rs. 0.35 crore.

24.6.3 Extra expenditure of Rs. 1.13 crore due to post tender change

PWD replaced an item of work, construction of three pipe culverts, with an extra item for executing the same using a different technology (trenchless digging), in the project of construction of grade separator at ISBT Anand Vihar crossing of Road No. 56. This entailed an additional expenditure of Rs. 1.13 crore. The replacement was done on the plea that it was a busy road and it was difficult to cut open the road without disrupting the traffic. The sanction of the competent authority, Chief Engineer, was also not obtained for the extra item. We are of the view that the item could have been included in the original project definition with the approval of the competent authority, and competitive rates obtained instead of the work being awarded later as an extra item.

24.7 Loss due to incorrect estimations

24.7.1 Loss of Rs. 3.55 crore due to incorrect estimation

We found that estimation for quantities prepared by the consultant¹³ in package-II of work relating to Elevated Road over Barapullah Nallah was not very accurate with large deviations. As a result, based on the actual executed quantities of material

¹² Section 5.3.4

¹³ Tandon Consultants Pvt. Ltd

used, the inter-se ranking of L1¹⁴ and L2¹⁵ bidders changed, with the bid of L2 bidder now lower by Rs. 3.55 crore than L1.

Greater accuracy in estimate preparation would have led to the work being awarded to a different contractor, and a sum of Rs. 3.55 crore could have been saved.

The Department did not invoke the relevant penalty clause against the consultant for his error in estimate preparation.

24.7.2 Avoidable expenditure of Rs. 1.34 crore due to inaccurate estimation

We found that in RR Kohli project, the requirement of mastic asphalt had been grossly underestimated in the detailed estimates prepared by the consultant¹⁶, with the actual executed quantity of mastic asphalt increasing by 815 per cent.

This has resulted in avoidable expenditure of Rs. 1.34 crore for payment for the extra quantity of mastic asphalt at market rates.

24.8 Execution of works without tendering

We noticed that two major works were got executed as deviation to ongoing works, i.e., without call of fresh tenders though as per appendix I (delegation of financial powers) of CPWD Works Manual, only Chief Engineer with the prior approval of CW Board¹⁷ is empowered to award the work without calling of tender.

¹⁴ M/s DSC at tendered cost of Rs. 214.92 crore

¹⁵ M/s Punj Lloyd at tendered cost of Rs. 218.86 crore

¹⁶ Mahendra Raj Consultants

¹⁷ Delhi Works Board, in case of PWD, GNCTD

The two cases are discussed in succeeding paragraphs.

24.8.1 Work costing Rs. 51 crore without tendering

During the construction of Barapulla elevated road, the Delhi Police requested PWD to provide proper connectivity of this road with Lala Lajpat Rai Marg so as to provide uninterrupted dedicated lane for athletes to move from CWG Village to all sports venues during CWG 2010. PWD proposed to GNCTD to provide for this connectivity through the main contractor without calling for tenders so that work could be completed before CWG. The proposal for Rs. 51 crore was approved by GNCTD in July 2009 keeping in view of the fast approaching CWG 2010, but **connectivities were not completed in time for the Games, and the work was ongoing as of December 2010.**

24.8.2 Work costing Rs. 11.63 crore without tendering

GNCTD conveyed the approval for Rs. 11.63 crore for widening of the existing bridge and on Trunk Drain No. 2 at the T Junction of Road No. 56-71 and bridge on Road No. 56-58A, and widening of Road No. 56 from 6 lane to 8 lane in front of ISBT Anand Vihar to provide smooth and signal free traffic on Road No. 56. The Executive Engineer decided to get work executed (without call of open tenders, and without the approval of competent authority), by Valecha, the contractor who was executing the ongoing work for "Corridor Improvement of Road No 56-ISBT Anand Vihar and allied works", so that the work could be completed before the Games. **The work was in progress as on date of audit.**

We are of the view that neither was the widening of bridges necessary for CWG-2010, nor was it a part of work already being executed in that area, and was thus not a deviation in any sense. Hence, award of work to Valecha without call of open tenders is unauthorised.

24.9 Infructuous expenditure of Rs. 8.65 crore on FOBs

The work for construction of two arch foot over bridges (FOBs) was awarded to P&R Infra Projects Limited at a tendered cost of Rs.10.35 crore to facilitate the public to reach JLN Stadium during CWG. The design of the FOB was of a suspension type, and not the ordinary pillar supported structure,

and was being attempted for the first time by PWD Delhi. Given the limited amount of time available for the games, it may have been better for PWD to stick to the tried and tested method of FOB construction. However, PWD decided to use an imported suspension system (Macalloy make) in spite of the fact that a suspension bridge with a similar suspension system had collapsed in Glasgow in 2008. Instead of awarding the design consultancy work to specialized agency having the experience in related field, the work was awarded as extra item to the consultant for the main work (Tandon Consultancy).

The deck of one of the FOBs collapsed during construction, while concrete was being laid.



Collapsed FOB near JLN Stadium

In the absence of FOBs to provide approach to JLN Stadium, PWD arranged for construction of temporary FOB by Indian Army.

The Dogra Committee, set up by GNCTD to enquire into the reasons for the accident, identified improper design as the reason for failure of the joint and collapse of the deck slab. Action taken by GNCTD to fix responsibility for the incident would be reported in future audits.

As drawing and design prepared by the consultant were subject to the approval of the department, failure of the PWD in ensuring correct methodology and design for the FOB and to identify a consultant competent to attend to this work has resulted in infructuous expenditure of Rs. 8.65 crore, which has already been paid to the contractor and consultant.

In response to our observation, PWD stated that the completion of the work had only been postponed and not altogether shelved, and as such, the expenditure could not be termed as infructuous.

24.10 Engagement of Consultants in PWD

For design and implementation of flyover projects, PWD appointed consultants for feasibility study of the projects, preparation of structural designs/ drawings/ estimates/ justified amount statements, proof consultants for checking of the proposed designs & drawings and third party quality assurance (TPQA) of the projects at a total tendered cost of Rs. 14.74 crore. We noted the following:

24.10.1 Inadequate defect liability provisions and lack of accountability in the consultancy agreement

The consultancy agreements provided for performance guarantee and performance security at five per cent of the tendered cost for the performance of the contract. While we note that design consultancy agreements provide a clause to deal with the post contract variations in assessed quantities if any, it did not explicitly state the accountability for lack of accuracy on designs and estimation. We noticed gross variations in quantities of two major items viz. reinforcement work and steel liner for pile ranging between 28 and 100 percent in six projects involving impact on the cost of the projects. Wrong estimation of quantities led to loss of Rs. 3.55 crore to the department in respect of a work mentioned in our report. Since the projects are consultant driven, in our view, the defect liability for the consultant should have been strengthened with specific provision for accountability in view of the fact that timely completion of the project, as per specified designs and also within the estimated cost, is related to the performance of the consultants.

24.10.2 Role of third party quality assurance

The works were awarded to the contractors for execution following the norms prescribed in CPWD Manual and specifications of MORTH and relevant BIS codes. Ensuring quality and specifications for the works was the responsibility of the contractors executing the works and the officers (Engineer in Charge, Project Manager, CE and EIC) supervising it. In

addition, the consultants entrusted with the designs of the projects were also tasked with ensuring execution of the works as per the designs/drawings and specifications.

The department had further engaged third party quality assurance (TPQA) for independent assessment of the quality and specification of the works. Although the TPQA is to be selected from among the short listed panel for such job, the department did not have any specified policy and qualifying criteria for selection of the TPQA.

The practice of engaging TPQA in PWD is stated to be a recent development, arising from a memorandum issued by the Contract Specifications and Quality Assurance (CSQA) unit of CPWD in March 2006. It is based on an advice from CVC for the engagement of external agency for third party quality assurance in certain selected major projects.

We noticed that TPQA consultants were engaged in all the projects examined by us, making TPQA consultancy more a norm rather than exception, adding 1 to 2 per cent to the cost of the project. We also observe that the quality assurance consultants are actually not independent from execution since TPQA were engaged by the Executive Engineers directly in charge of the execution and the test/investigation reports were also submitted to him. To ensure that the third party quality assurance agency is truly independent of both the executing agency, and the contractor, in our view, the TPQA should be engaged and monitored at a level higher than the Executive Engineer, or by an independent unit within PWD. Further, PWD should strengthen and streamline its systems for quality assurance, and come out with clear guidelines on engagement of TPQA providing agencies.

Renovation and Restoration of Connaught Place

Although the project for renovation and restoration of Connaught Place was envisaged in April 2004, it was plagued by undue delays. The original estimated cost of Rs. 76 crore (as of May 2005) went up nearly nine-fold to Rs. 671 crore by July 2007, with a huge increase in scope of work. In our opinion, it is likely that this increase in scope and cost was driven, at least partly, by the launch of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) by GoI in November 2005 and the subsequent inclusion of this project under JNNURM.

The approved DPR for the project was submitted only in February 2008, and it was, therefore, unreasonable to expect that the project could have been completed in time for the Games, especially in view of the constraints of traffic management and considering the importance of Connaught Place to Delhi's traffic. NDMC chose not to follow the approach of dividing the project into manageable packages, so organised as to minimise traffic disruption across the whole of CP, and taking up those project components which could have been completed in time. Instead, the project was divided into packages spanning the whole of CP, with all activities getting underway around the same time. Apart from the pilot project for facade restoration of 'C' block (which was completed in August 2008), the project remained incomplete at the time of the Games. We also found significant deficiencies in contract management, with consequent avoidable expenditure.

25.1 Introduction

Connaught Place (CP) and its surroundings have a historical legacy and have emerged as the Metropolitan City Center, as per the Master Plan for Delhi 2021. In April 2004, Chairman, NDMC directed NDMC to initiate action for restoration of Connaught Place before CWG-2010. The chronology of subsequent events is summarised below:



Table 25.1 — Chronology of events relating to restoration of CP

Timeline	Events
April 2004	Direction by Chairman, NDMC to initiate action
May 2005	Cost estimate for project prepared for Rs.76 crore
November 2005	Engineers India Limited (EIL) appointed as Project Management Consultant (PMC)
February 2006	Cost estimate and milestones for project implementation by EIL approved by Council
July / November 2007	DPR and revised cost estimate of Rs.671 crore prepared by EIL/ approved by Council
February 2008	DPR sent to GNCTD and MoUD for funding under JNNURM
	Redevelopment plan sent to DUAC for approval
April 2008	Administrative approval of Rs 615.20 crore by NDMC for the project, and EIL appointed turnkey consultants DUAC clearance received
November 2008	DUAC clearance received

25.2 Undue Delays

The project was plagued by undue delays. The decision to initiate action was taken in April 2004. The DPR, however was submitted only in February 2008 and DUAC clearance received in November 2008. It was, therefore, unreasonable to expect that the project could have been completed in time for the Games. Further, the constraints of traffic management, considering the importance of CP to Delhi's traffic, made this task even more difficult.

In our opinion NDMC should have divided this project into manageable packages, so organized as to minimize traffic disruption across the whole of CP and then taken up only those project components, which could have been completed by June 2010 (before the onset of the monsoon). NDMC, however, chose not to follow such an approach.

25.3 Huge expansion in scope of work

The original estimated cost of Rs 76 crore in May 2005 went up nearly nine-fold to Rs 671 crore by July 2007. This was mainly due to an increase in the scope of work on account of the following components:

Table 25.2 — Increase in Scope of Work / Costs

(Rs. in Crore)

Sr. No.	Item Description	Amount in original rough indication of cost by NDMC (May 2005)	Amount in revised indication of cost prepared by EIL (July 2007)
A. Engineering Services/Infrastructure			
1.	Overall Electrical System etc.	10.00	46.80
2.	Utility Duct/Service Tunnel in Middle Circle	—	69.21
3.	Escalators	—	80.00
4.	Other items	20.00	46.70
	Total	30.00	242.71
B. Façade restoration/ Areas to be taken up with stakeholders' participation			
1.	Façade Restoration	8.00	77.53
2.	Centralized HVAC	—	55.75
	Total	8.00	133.28
C. Pedestrian movement areas			
1.	Including improvement of existing subways and new subways, Outer Circle development)	—	65.05
D. Street furniture/ inner plaza development			
1.	Underground parking	—	111.99
2.	Civil & Electrical Works (Radial Roads, Middle Circle & Inner Circle)	—	66.08
3.	Others	30.00	51.88
	Total	30.00	229.95
	Grand total	76.00	670.99 (say 671.00)

Clearly, there was an enormous increase in the scope of work and costs. It is likely that this increase in scope and cost was driven, at least partly by the launch of the Jawaharlal Nehru National Urban Rehabilitation Mission (JNNURM) by Gol in November 2005, and subsequent inclusion of this project under JNNURM.

Under JNNURM, 35 per cent of the cost would be funded by Gol, and 65 per cent would be funded directly or indirectly met by GNCTD. Till December 2010, out of total expenditure of Rs 163 crore on the project, Rs 22.21 crore was met from JNNURM funds, Rs 37.86 crore from GNCTD funds, and the remaining amount of Rs 102.93 crore out of NDMC funds (to be reimbursed subsequently by GNCTD).

25.4 Project planning

A pilot project for façade restoration of C-Block was awarded in August 2007, and completed in August 2008. The rest of the

project was divided into nine packages spanning the whole of CP, with all activities getting underway around the same time. The status of implementation of various works is summarized below:

Table 25.3 — Timeline of Implementation of Works

Works	July '07	May '09	June '09	July '09	Nov. '09	Jan. '10	Feb. '10	Mar. '10	April '10	June '10	July '10	Aug. '10	Feb '11
1 (C block)													
2 (façade)				Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
3 (façade)				Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
4 (service corridor-middle circle)					Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
5 (electrical works-outer circle, subways)					Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
6 (Area dev- inner and outer circle)						Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey
7 (façade lighting- C pilot block)							Orange	Grey	Grey	Grey	Grey	Grey	Grey
8 (toilets, kiosks everywhere)								Orange	Grey	Grey	Grey	Grey	Grey
9 (escalators in subways)									Orange	Grey	Grey	Grey	Grey
10 (façade – lighting-others)										Orange	Grey	Grey	Grey
11 (horticulture)											Orange	Grey	Grey
12 (signage, everywhere)											Orange	Grey	Grey
13 (road works in inner and outer circle)					Orange	Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey

Note: Orange: award of work; Grey: Work in progress

As expected, all works were underway more or less at the same time, with the scheduled completion by November 2010 being completely impractical. A brief summary of two major works in progress is given below:

Table 25.4 — Summary of two major works in progress

Work	Brief Details
Civil, Electrical and Finishing Works for Service Corridor in Middle Circle	<p>A consortium of AFCONS-Sterling and Wilson Construction was awarded the contract in November 2009 at a cost of Rs 236.70 crore for completion by May 2011 with the structural works to be completed by August 2010 i.e., before the Games.</p> <p>We found that EIL accepted and NDMC approved a conditional rebate of Rs 5 crore offered by the tenderer for working round the clock for all days of the week. The above time schedule and the estimated price were based on 24 hours working in a day and 7 days in a week, on round the clock basis.</p>
Renovation of new subways and construction of new subways	<p>This work was awarded to Era Infra Engineering Pvt. Ltd. in November 2009 for Rs 56.04 crore on single tender basis on grounds of urgency and completion by CWG 2010.</p>

Details of the cost of different project components and expenditure till date are indicated in Annexe 25.1.

25.5 Traffic Management

As can be imagined, a 24 X 7 schedule of construction work in CP was completely impracticable, considering the importance of CP to traffic flow in Delhi. NDMC's response that the execution of the work was delayed due to non-receipt of clearance from the traffic authorities is illogical.

EIL sought permission from the Traffic Police in December 2008, who issued an NOC for 240 days (effective from 1 January 2010) only in December 2009. However, the NOC was withdrawn subsequently as described below:

- Due to starting of work at nine locations simultaneously, there were protests by the shopkeepers. Consequently, the NOC issued for traffic diversion during construction of the subways in the outer circle and service corridor in the middle circle was withdrawn in January 2010 by the DCP (Traffic), stating that the New Delhi Traders Association (NDTA) had strongly opposed the construction and redevelopment work¹.
- The Traffic Police stated that due to this construction work, a large number of buses had been diverted, creating congestion in the surrounding areas of the entire New Delhi District and Central

¹ NDMC informed the Traffic Police that the traders association had been taken into confidence. However, the Traffic Police were informed by the NDTA that they had strongly opposed the construction work in their interaction with NDMC.

District. Road link for the general public to New Delhi Railway Station had been similarly affected, leading to untold miseries faced by commuters. DCP (Traffic), therefore, asked NDMC to take a relook at the entire project of construction of subways and related redevelopment work in consultation with all the stakeholders i.e. Traffic Police, DTC, NDTA, etc. Pending a decision in the matter, construction work was asked to be immediately stopped, and the barricades covering the road space be removed.

- Subsequently, the Lieutenant Governor (LG) issued instructions for slowing down the pace of construction. In a meeting in January 2010 called by the LG to discuss traffic problems and access issues during renovation works in CP, the Commissioner of Police opined that the requirement of subways needed to be revisited. Some sub-ways had been planned on either side of the intersection, and some, for example the one at Panchkuian Road, at areas where not much of pedestrian movement existed. Some of the relatively less important subways could be taken up after the Commonwealth Games, and concreting of the Outer Circle road should be done lane-wise.
- The LG stated that the NDTA did not have any problem with restoration of façade renovation work in the inner circle, and the problems due to ducting work in the middle circle seemed manageable by appropriate segregation of works so as to keep two roads for entry and two for exit to and from the inner circle open at all times. The major problem seemed to be with the works in

the outer circle, which needed to be looked into in greater detail and the right solution found.

- Till December 2010, the contractor could complete only one sub-way i.e. at Super Bazar (old); the earthwork done for the four new sub-ways had to be refilled, due to non-receipt of clearance from Delhi Police. The work of installation and commissioning of escalators in the sub-ways (awarded to a different contractor) was correspondingly delayed.



Covered subway entrance after re-filling

NDMC's response that taking up construction of subways one by one would have led to completion in eight years with associated cost over-runs and inconvenience to the people appears to be untenable, as taking up so many works simultaneously led to even greater difficulties in execution.

25.6 Contract Management

We also noted the following deficiencies in contract management.

- Granite was used as flooring material in the pilot project for 'C' Block, contrary to the initial DUAC approval of November 2006. Consequently, after inspection, the DUAC ordered sandblasting of granite flooring in November 2008 to reduce the colour contrast, resulting in avoidable expenditure of Rs 0.19 crore



C-Block with Granite Flooring

- In area development works for inner and outer circle of CP, granite stone kerb instead of concrete kerb was used, with a difference in expenditure of Rs 5.97 crore. This included avoidable expenditure of Rs 0.61 crore, due to an unjustified change in colour of granite stone kerb from 'Sindoori Red' colour to 'Rajashri Red' colour.



Granite kerb fixed at work site

NDMC stated that granite was most suitable for such areas because of its durability, hardness, long life, and aesthetic value compared to other paving materials. Further, the samples of 'Rajshree Red' with complete laid flooring samples, including kerb stones, were approved by the Chief Minister during her visit to CP in March 2010.

We do not agree with NDMC's reasoning. The DSR provides for concrete kerb stones. We have, however, considered Kota stone as a comparable material in terms of its being durable, anti-skid and stain-resistant (besides being more economical). If a granite finish was deemed essential, this could have been achieved through 18 mm granite covering on a concrete kerb stone.

- We also noticed award of work of Polymer Concrete Drain costing Rs 2.44 crore along the circumference of Central Park. In our opinion, the expenditure is unnecessary, due to the existing road side drains. Further, our inspection revealed choking of polymer drain in some places with mud due to its narrow width.



Choked polymer drain

NDMC stated that the drain had been provided as the footfall was high, and providing a drain with grating was not suitable for this area; further, maintenance would be taken care of, after completion of the work. We do not agree, in view of the existing road side drains.

Currently, the project for renovation and restoration of CP is nowhere near completion, given the difficulties of traffic management and ill-conceived planning. We find it difficult to assess the timeline by which this project is likely to be completed to provide necessary benefits to the citizens of Delhi.

Other Infrastructure Development Activities

TETRA is a professional mobile communication service essentially meant for emergency services and government agencies. In September 2008, GNCTD decided to introduce a TETRA network in time for CWG-2010, based on the experience of Beijing Olympics 2008. GNCTD awarded the contract for TETRA to HCL-Motorola at Rs.99.81 crore for an 87 month period, covering not only the Games period but also a seven year legacy period. In our view, the decision to extend TETRA for legacy use for seven years was ill-conceived. A proper assessment of the requirements of Delhi Police (the main user) and other public agencies as well as the replacement of existing networks with TETRA (since no communication was permitted by DoT between TETRA and other networks) was not carried out.

During CWG-2010, Delhi Police conveyed its dissatisfaction with the signal quality and termed it a failure. As regards legacy use, it is not clear how these 3657 rented TETRA sets will replace Delhi Police's existing radio communication system of nearly 11000 sets. Post CWG-2010, most of these expensive TETRA sets are, in effect, no more than mobile phones.

During CWG-2010, transportation services were provided for ferrying the athletes, technical officials and media persons, for which the low floor buses of DTC were used. Other improvements to the transport facilities/infrastructure included construction of new bus parking, ticketing booths and bus queue shelters; and providing LED destination boards on standard buses.

For keeping the buses 'new' for CWG-2010, DTC kept about 16 per cent of its low floor fleet (471 buses) idle between March and August 2010. Further, 78 per cent of the Blueline fleet was also taken off the roads in the NDMC area (but not in the MCD area) for the duration of the Games. As DTC diverted 1338 drivers full time for the purpose of the Games, it could not deliver its scheduled kilometre coverage for the public. Thus, public transport was greatly disrupted; this could have been reduced by showing greater empathy for the needs of the common man.

Modernisation projects like LED destination boards on standard buses, construction of Time Keeping Booths and modern bus queue shelters (BQSS) could not be completed before CWG-2010 as envisaged. The construction of 48 ticketing booths all over the city appears to be an anachronism at a time when the buses are being fitted with GPS/ AVTS.

For getting 1500 Bus Queue Shelters (BQSS) constructed before the Games, DTC and the Transport Department of GNCTC resorted to various methods of execution, which indicated arbitrariness, ad hocism and lack of clarity in implementation of such a large

project. So far, only 472 BQs could be completed. Interestingly, DIMTS, a non-Government entity with 50 per cent private shareholding, was awarded two projects for BQs on nomination basis – 800 BQs with Government funding and 250 BQs on BOT. The Transport Department had gone ahead with construction of 800 BQs with Government funding of Rs.96.70 crore, despite the Finance Department's protestations of lack of funds. Further, the concession fee for the BOT BQs awarded to DIMTS was kept unduly low compared to similar projects in Delhi like BOT-I of DTC.

The bus parking constructed at the Ash Pond opposite the Millennium Park is not merely a temporary structure but has certain permanent constructions like the filling stations, washing area, boundary wall etc. Its use has continued well beyond the short requirements of the Games. This was clearly in violation of the Master Plan for Delhi 2021 and the proposed Zonal plan of Delhi, which earmarks the area as a green zone with recreational uses but without permanent construction.

GNCTD planned to commission a new power plant at Bawana on the grounds of increased dependence on own power generation sources. The construction of the 1500 MW Bawana gas-based power plant was, however, delayed, and could not be completed in time for the Games.

Delhi Transco Ltd. (DTL) also took up five 220 KVA substations and seven corresponding cabling projects to strengthen the power supply situation in Delhi in time for the Games. Most of these projects were awarded very late (in the second half of 2009) and could not be completed before the Games.

Further, the contract award process was not transparent, as DTL had applied conditions inconsistently to award contracts to favoured parties.

26.1 Secured Communication System (TETRA)

26.1.1 Introduction

TETRA or Terrestrial Trunk Radio is a professional mobile communication service which permits communication either through a network of base stations or point to point communication like a walkie-talkie. Compared to commercial mobile networks (GSM or CDMA), TETRA's main advantages are:

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

TETRA was specifically designed for use by government agencies, emergency services,

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

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

26.1.2 Selection of Tetra and Award of Tetra Contract

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

- In a meeting of the CoS on 9 September 2008, CS, GNCTD, expressed the need for setting up an efficient communications system among various agencies involved in CWG-2010 arrangements. While suggesting a TETRA based solution, he proposed the setting up of a task force.
- On 11 September 2008, LG, Delhi called a meeting with Shri Suresh Kalmadi, Secretary, Sports, GOI, CS, GNCTD and other senior officials of GNCTD for establishing a secure communication system for CWG-2010 on the lines of the Beijing Olympics. A presentation by the suppliers of TETRA at Beijing was made at this meeting, and it was decided to adopt the TETRA as a secure communication network in Delhi for CWG-2010. An Inter-Agency Group (IAG) was constituted to draw up the

specifications. The Department of Information Technology (DoIT) was named as the nodal agency for the project and TCIL, a PSU, was hired as the Project Management Consultant.

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

An RFP was issued in April 2009. 3 bids (from HCL-Motorola, TCS-EADS, and Tech Mahendra-Selex SPA) were received, all of whom were found to be technically qualified. On opening and evaluation of financial bids, HCL-Motorola was found to be L-1 (at a cost of Rs. 99.81 crore plus service tax) and was awarded the work in December 2009. All the activities to operationalise¹ the system were to be completed within 24 weeks of award of contract, but were completed in August 2010 with a delay of 7 weeks.

26.1.3 Ill-conceived decision for legacy use of Tetra

Right at the outset (in September 2008), TETRA was envisaged to cover not only CWG-2010, but also legacy use, on a wet-lease basis for an additional period of 7 years. The usage indicated by major departments during CWG-2010 and legacy are summarised below:

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

Table 26.1 – Planned use of TETRA

(In Rs. Crore)

Department	CWG-2010	Legacy
Delhi Police	3565	
OC	3221	Nil
DTC	747	82
MCD	415	
Divisional Commissioner Office	170	
H&FW	362	133
PWD	100	Nil
Others	863	80

In our view, the decision to provide 3656 sets to the Delhi Police (DP) for legacy use was ill-founded and ill-conceived. DP already had an extensive integrated wireless communication system with:

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

DP was the largest user of TETRA both during CWG-2010 and the legacy period. In September 2009 they expressed an intention to limit their participation in the TETRA system only to CWG-2010 and withdraw the previously projected requirement for the legacy period. However, LG, Delhi through his Principal

Secretary and the Chief Secretary, GNCTD prevailed upon the Commissioner of Police, Delhi (CP) not to withdraw the requirement projected for Delhi Police:

- CS, GNCTD in his letter addressed to CP dated 26 September 2009, stated that such reduction at the stage of technical evaluation would tantamount to violation of CVC guidelines indicating inflated demand in the RFP document and lack of due diligence in firming up the requirement. He further wrote *“You will agree that procedural formalities and vigilance instructions are to be strictly adhered to in tender matters. Commonwealth Games are catching media attention and any slippage at this stage is not desirable. In case inflated demand has been projected earlier, the same may be examined at your end. It may not be possible for Govt. of Delhi at this stage to consider any reduction in requirements of TETRA sets.”*
- The LG, Delhi also communicated to CP through his Principal Secretary *“to ensure that DP requirements are not reduced or compromised in the proposed fully Secured Communication Network for Commonwealth Games which is now at the stage of scrutiny of technical bids.”*

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

Thus, despite its reluctance to join the TETRA for legacy use, DP did not take a decision in this regard in time, and was effectively forced to go along with the proposal.

GNCTD stated that Delhi Police had not invested in the old communication system in 2-3 years with a view to having the latest communication system expected from TETRA.

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

26.1.4 Other legacy users

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

- MCD had public mobile radio trunking sets and mobile phones in closed user group (CUG) mode. MCD reduced its requirement of TETRA from 500 handheld sets to 415 and deployed it in departments like horticulture, education, sanitation etc. and even the PA to the Commissioner; this is not in keeping with the objective of using TETRA for emergency services.
- DTC had 27 trunk radio sets and mobile phones provided to officers, central control rooms, and regional control rooms. DTC abandoned its functioning radio communication system in April 2010, replacing it with the TETRA system, and deployed its 82 sets in all depots (47), recovery vans (10), airport

express services (9), control rooms (7) inspecting staff (6) and others (3).

- The Health and Family Welfare Department had a wireless UHF based trunk radio system and a public mobile network on CUG mode for key doctors and hospital staff. They issued 83 sets to the Employee State Insurance Corporation, who sought clarification as to how the sets were to be utilised. Of the remaining 50 sets, 17 were distributed to CMOs and other officers; and 33 static terminals were kept in the emergency rooms of various hospitals.
- 170 sets were given to the officers of the Revenue Department in the Divisional Commissionerates. These include 12 sets given to the DDMA (Delhi Disaster Management Agency).

While we do not question the decision to employ TETRA for CWG-2010, the decision to extend it for legacy use for 7 years was ill-conceived, without a proper assessment of the requirements of either DP or other public agencies. Little thought was given to the task of replacing the existing networks with the TETRA (since no interconnection was permitted by the DOT between the TETRA network and other networks).

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

26.1.5 Utilisation of TETRA during CWG-2010

We found that the implementation of the TETRA could be completed only by mid-September 2010, but its utilisation had not stabilized by the time of the Games due to insufficient time for familiarisation. We also found that the largest TETRA users during the CWG-2010 period – DP - were unable to use it due to poor signal quality, while the OC could not produce sufficient evidence of usage:

- DP, which held 38 per cent of the sets during CWG –2010 and 79 per cent for legacy use, conveyed its dissatisfaction with the signal quality inside the buildings and underground after surveying the venues and other areas during CWG-2010, as detailed in **Annexe 26.1**. The Special Commissioner (Intelligence and Operations) called the TETRA system a “failure” and noted that it was the existing police communication network that was utilised successfully for security related communication during the Games.
- In response to our enquiry regarding distribution of communication terminals from the OC, JDG (Network-Technology), OC could furnish details of distribution to individuals of only 150 sets and that too only at the Games Village. The details of distribution of the remaining 3071 communication terminals to the OC could not be produced, beyond a broad deployment to 25 venues.

In response, GNCTD stated that the average duration of talk time on TETRA by Delhi Police was 72 hours/ day, while it was 130 hours/ day for all Departments. This,

however, does not translate to effective and complete coverage, which was the grievance of DP.

The vendor raised a bill of Rs. 9.46 crore for the CWG-2010 period (September –October 2010), which is not justified, considering that the system was finally optimised in mid-September 2010, and pro-rata reduction should be made.

In our view, considering the detailed statistics available with the Delhi Police, payment to HCL-Motorola for the sets deployed for use of the DP for CWG 2010 should be appropriately deducted for non-performance.

26.2 Transportation services for CWG-2010

26.2.1 Introduction

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

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

² Cast for Ceremonies of CWG-2010



26.2.2 Purchase of low floor buses

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

26.2.3 Reduced transport services prior to and during CWG-2010

We found that at the direction of the Minister of Transport (GNCTD) DTC did not deploy 382 of the new low floor AC buses (delivered in March and July 2010), till 31 August 2010 in order to ensure that these remained in “new and unused condition” for the Games. Another, 89 low floor AC

buses were also withdrawn from the active fleet between June and August 2010³ to avoid further damage to these buses, and kept idle. Together, these formed 16.44 per cent of the low floor bus fleet of the DTC and 8.33 per cent of the overall fleet.

Between September and October 2010, 1338 drivers were withdrawn from regular bus schedule, and attached to 600 buses being plied on CWG-2010 duty. We found that the average fleet utilisation per bus per day decreased from 182 kms to 168 kms during the Games period of 17 days i.e., 1 to 17 October. In addition, from 26 September 2010 to 17 October 2010, operation of 757 Private Stage Carriage (Blueline/Whiteline) buses was stopped and routes of 981 buses curtailed in the NDMC area (but not in MCD area) in view of the CWG.

³ 57 from the last week of June 2010 to 31 August 2010 and 32 from the last week of August 2010

GNCTD's reply that the buses were kept aside for various activities i.e. installation of global positioning system, Tetra, radio frequency identification tag etc. is not convincing since these activities do not require deployment of buses to be kept on hold upto five months.

Thus, public transport was greatly disrupted; inconvenience could have been reduced by showing greater empathy for the needs of the common man.

26.2.4 Incomplete implementation of LED project

We found that poor planning and lack of clarity till the late stage of award of the contract resulted in incomplete installation of LED destination boards not only prior to CWG-2010 but even till date.

- In October 2009, DTC decided to install LED Destination Boards on 1500 of its standard Buses on BOT basis in lieu of advertisement right. In November 2009, tender specifications were prepared and thereafter the issue was discussed at various levels in DTC and Transport Department GNCTD. In February 2010, Secretary cum Commissioner Transport directed (after discussion with Minister Transport) decided that the contract would be awarded on BOT basis (in lieu of advertisement rights) and DIMTS was nominated as the Bid Process Manager.
- Finally in July 2010, the contract was awarded to Castmaster Mobitec India Private Limited and letter of intent

issued in July 2010, with the stipulation of project completion within four months.

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

26.2.5 Unjustified expenditure on construction of 60 Time Keeping Booths for the CWG

In December 2009, DTC Board approved construction of 26 modern design Time Keeping Booths (TKB) at important CWG locations, at an estimated cost of Rs.66.88 lakh; the number was increased to 60 at the instance of the Minister of Transport. Initially in February 2010, tenders were invited at an estimated cost of Rs. 1.48 crore; which was increased to Rs. 2.03 crore on the ground of increase in scope of the work vis. fixation of LED board and installation of advertisement boxes. Work was awarded to SMF Display System (India) Pvt. Ltd. in May 2010 with a stipulation to complete it in 120 days.



DTC's time keeping booth

We found that civil work had been completed only in respect of 48 kiosks up to 03 October 2010, before the start of CWG-2010 and electric connection had been installed only in 10 kiosks.

Time Keeping Booths have been a part of the city transport management and control system, primarily for enforcing punctuality of bus operation. The staff deployed in the TKBs regulate bus operations, curtail or divert bus operation as per requirement of public, and also disseminate bus transport related information to passengers and tourists. In our opinion, the project of construction of these kiosks at a cost of about Rs.3 lakh each all over the city appears to be an anachronism at a time when the buses are being fitted with GPS/ AVTS and the GNCTD is implementing e-governance in a big way.

26.2.6 Ad hocism in methodology adopted for construction of Bus Queue Shelters (BQs)

In a meeting held by the Chief Minister, GNCTD on 22 June 2006, it was decided to upgrade 1000-1500 BQs in the city with modern designs on Built, Operate and Transfer (BOT) basis for their upkeep and maintenance. The concessionaire would generate revenue from display of advertisements on the BQs and pay an agreed amount as Concession Fee to GNCTD. We found that for getting 1500 BQs constructed before the Games, the DTC and the Transport Department resorted to various methods, which indicated arbitrariness, adhocism and lack of clarity in implementation of such a large project. From 2006 to 2010, 4 models of construction of BQs have been followed. Yet, only 472 BQs could be completed so far.

The details of the various methods of construction and our findings thereof are given below:

Figure 26.1 — Different models of construction of BQS



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

Table 26.2 — Main findings in respect of different models of BQS construction

Model	Observations
BOT for construction of 248 BQs awarded to Green Delhi BQS Pvt. Ltd	<ul style="list-style-type: none"> ■ Escrow account not opened by Green Delhi BQS Pvt Ltd., though contractually required; and ■ It had not paid the concession fee since March 2008 following which DTC encashed its bank guarantee on two occasions and recovered Rs. 13.31 crore. The total amount outstanding from Contractor as on 30 September 2010 was Rs.28.77 crore. ■ DTC gave advertising space on 79 BQs covered under the BOT contract to OC, instead of offering its own BQs. Incidentally, OC specifically asked for these by enclosing a list and DTC agreed to OC's list without making any effort to offer its own BQs.
Construction of 157 BQs by Ozone KLA JV	<ul style="list-style-type: none"> ■ The work could not be completed within the scheduled time of seven months and till 30 September 2010, only 99 BQs were built; ■ DTC was losing out on the revenue that it could have earned from advertisements on these BQs; and ■ As of November 2010, Rs. 13.62 crore had been paid to the contractor by the DTC whereas no funds have been received from the GNCTD.
Construction of 250 BQs by DIMTs on BOT basis	<ul style="list-style-type: none"> ■ The concession fee was based on a similar contract entered by NDMC (with JC Decaux) in 2006, when reference rates of 2007 were available; ■ The concession fee fixed for DIMTs of the higher of Rs. 9259 or 16 per cent of earnings, is much lower than the BOT rate of Rs.93,800 per BQS per month fixed with Green Delhi BQS Pvt. Ltd, JC Decaux offer of Rs.21,000 and DTC's reserve price of Rs.20,000 for BOT I. ■ DIMTs had not deposited the performance security as required and the department appointed an independent engineer to review the progress of work completed by the concessionaire only in December 2010 and at the instance of Audit also directed DIMTs to pay the concession fee in respect of the 75 completed BQs.
Construction of 800 BQs by DIMTs on nomination basis	<ul style="list-style-type: none"> ■ Contract awarded despite the Finance Department's protestations of lack of funds; ■ Mandatory contractual provisions like depositing of bank guarantee and performance security not insisted upon; ■ Department of Transport released payments of Rs. 42 crore (excluding Mobilization funds of Rs. 10 crore) on demand to DIMTs without having the detailed bills duly scrutinised by the engineer as required in the contract agreement;

Model	Observations
	<ul style="list-style-type: none"> No statutory deduction on account of TDS (Rs.117.42 lakh), Worker Welfare Cess (Rs.57 lakh) were made at the time of release of funds and collected only at the instance of audit from the subsequent payment of Rs.5 crore.
	<ul style="list-style-type: none"> In the absence of funds, Rs.52 crore was made available by the department from other plan schemes Major Head 5055 DD-1 (3) (1) 'Alternate mode of transport' and Major Head 5055 DD-1(1) (4) 'Purchase of land for New Bus Terminal'.

As can be concluded from above, not only did the Government lose sight of its objective of creating 1000-1500 BQs between 2007 and 2010, but, in its very belated and frantic effort in 2010 to build them before CWG-2010, failed to secure proper utilisation of public money or exploit the revenue potential of the scheme fully.

26.2.7 Award of various contracts to a DIMTS, a non-government Company on nomination basis

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

Table 26.3 — Award of contracts to DIMTS

Particulars of Work	Types of contract and contract value	Our Observations
Purchase of Buses	Consultancy (PMC) Rs. 1.3 crore	DIMTS could not prepare the justified price for the low floor buses, citing reasons of lack of historical data and even delayed preparation of bid documents.
LED Destination Board in Standard Buses	Consultancy (BPM) Rs 0.32 crore	DIMTS was appointed directly by Secretary cum Commissioner (Transport). When DTC refused to pay more than Rs.16 lakh for the work, the claim of DIMTS of Rs. 32 lakh was released directly by the Transport Department.
Construction of 500 BQs by DTC	Consultancy (PMC) 1.55 crore	The DTC Board had earlier decided to make DIMTS BPM only and if it was required, have a third party as PMC for transparency. However, DIMTS was appointed PMC and ex post facto approval of Board taken.

Particulars of Work	Types of contract and contract value	Our Observations
Project of Construction of 250 BQs on PPP model allotted by DoT	Construction (PPP)	Citing reason of urgency before the Games, GNCTD awarded the work of construction of 800 BQs (for Rs. 96.70 crore) from Government funding and 250 BQs on PPP model to DIMTS, with several favours/relaxations mentioned in paragraph 26.2.5. The work was, however, not completed.
Project of Construction of 800 BQs by DoT	Construction 96.70 crore	

Frequent nomination of DIMTS by GNCTD is to be viewed in the context of its legal identity. It is a joint venture of GNCTD with IDFC (a private sector company) with 50:50 share holding, and is not a Government Company as per the Companies Act, 1956 provisions. Effectively, while it is engaged on nomination basis on the justification that it is a joint venture of GNCTD with Chief Secretary, Delhi as its Chairman, it is not bound by any established Government financial procedures. Engaging DIMTS increasingly, on nomination basis tantamount to its being used as a device to circumvent government procedures and controls. Unlike Government Companies which come under the audit preview of the Comptroller and Auditor General of India, all activities of DIMTS are outside our audit purview. Hence, it is grossly irregular of GNCTD to patronise it and accord undue favours to it on the plea that it has Government investment.

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

26.2.8 Construction of bus parking at Ash Pond opposite Millennium Park

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

We found that DTC had not obtained the necessary approvals for the use of the land from the DDA, which was the land owning agency. The construction was in violation of the Master Plan for Delhi 2021 and the proposed⁴ Zonal plan earmarks the area as being meant for recreation (green)⁵.

In a recent reply to the Yamuna Jiye Abhiyaan and in reply to the audit observation, the Secretary-cum-Transport Commissioner stated that all the structures in the facility were semi-permanent in nature and it would be necessary to continue to use the facility so long as the Government was unable to make alternative provisions for bus parking. In December 2009, LG, Delhi directed the DDA to place the matter to change the land use of this site for Bus Depot in the Zonal Development Plan for Zone 'O' before the Authority.¹ DTC also sent a letter to DDA requesting for change in land use.

However, the fact remains that the structure is violative of the zonal plan and

⁴ Although the zonal plan has been approved, the notification is yet to be issued

⁵ Permitted recreational uses include green stretches, bio-diversity park, forest, botanical park/ herbal park, science park, theme park etc. without pucca / permanent construction

includes permanent structures like workshop, baggage scanning work, washing pit with underground tank, bituminous road, boundary wall, sub station and high mast light costing about Rs.47.90 crore.

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

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

- Of the expenditure of Rs. 39.11 crore incurred on creating the facility, Rs. 24.93 crore was on assets some of which have been dismantled and others to be eventually dismantled; This is not in line with EFC approval;
- In addition pavers blocks costing Rs. 10.91 crore, that were to be dismantled and reused by DTC, have still not been removed despite repeated request of NDMC; DTC has not responded after the initial assurance of July 2010 for lifting of paver blocks;
- Signages were to be provided at an estimated cost of Rs. 2.17 crore for the Games period. Providing steel/ aluminium signages for the short duration of Games period appears to be unjustified;
- Rs. 0.13 crore were also paid to CRRRI and Design Action Group for consultancy services. This was

unjustified as the nature of work was laying roads and interlocking paver blocks, which are commonly executed works in Delhi and GNCTD had objected to this expenditure;

- Though the contractor (KR Anand) delayed the execution of work by 70 days, liquidated damages of Rs.0.92 crore were not levied on the plea of delay due to VVIP movements at airport; however the hindrance register showed only 5 ½ days of delay due to VVIP movements and the major reason recorded was rains. That does not hold good since the works were initially to be completed in mid- July, before the onset of monsoons;
- The contractor (M/s Fiber Fill) engaged for constructing public utility services was technically ineligible at the time of opening of financial bids. The required experience certificate was received post opening of financial bids; and other bidder (KR Anand) who was otherwise eligible, was declared ineligible; and
- DCE was engaged TPQIA on offer basis for a fee of Rs.0.38 crore, but no agreement determining its scope of work and terms of payments linked to milestones achieved by the contractors was signed. DCE was paid Rs. 3.58 lakhs in excess of 1 percent of tendered cost as sanctioned by EFC.

26.3 Power Services

26.3.1 Power Generation

The CWG period (October) was a lean season in terms of power demand in Delhi. Nevertheless, GNCTD planned to commission a new power plant at Bawana

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

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

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

26.3.2 Power Transmission

The total capacity of 220 KVA electrical substations was targeted to be increased from 6920 MVA in 2009-10 to 12,340 MVA by 2011-12. As a first priority, Delhi Transco Ltd. (DTL), a GNCTD PSU, took up projects of setting up five 220 KVA electrical sub

stations (AIIMS, Ridge Valley, Electric Lane and Masjid Moth and Airport Complex) and 7 corresponding cabling projects in south and central Delhi, to strengthen the power supply position for completion in time for the Games.

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

Further, the contract award process was not transparent, as DTL had applied conditions inconsistently to award contracts to favoured parties.

- In the contract for establishing the 220 KVA sub-station at Ridge Valley, DTL

considered the cost of type test for evaluation of financial bids, but waived the type test for the L-1 bidder, Hyosung, Korea. If the type test had not been considered for evaluation of financial bids, then Areva, France would become the L-1 bidder and Hyosung L-2. DTL's claim that the type test condition was added for being applied to firms who had not supplied the equipment in India previously is not tenable since this condition should have been stated upfront in the RFP. In any case Areva, France had already supplied equipment earlier in the country.

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

Organisation of Commonwealth Youth Games – 2008, Pune

The Commonwealth Youth Games 2008 (CYG-2008), a sub-event of CWG-2010, was held in Pune between 12 and 18 October 2008. Events were conducted in 9 sporting disciplines, and 1673 athletes and officials attended. CYG-2008 was held at the existing Shiv Chhatrapati Sports Complex Balewadi- Mhalunge, Pune, which was refurbished and upgraded for the event. Two new hostels and a three-star hotel were constructed to accommodate the participants.

We found serious deficiencies with regard to the construction of the 3-star hotel on PPP basis. The plot for the hotel was located in a public-semi-public land use zone, and commercial use was not permitted. The proposal for change of land use to commercial, along with permission for higher building height than permitted, was moved to the Government of Maharashtra (GoM) on the grounds of urgency/ late stage, work already having commenced on the ground, and lack of other alternatives. This was approved by the then Chief Minister in October 2007. The Review Committee, headed by the Chief Secretary, abdicated its responsibility in this regard.

Further, the tendering process for the hotel was severely flawed:

- *The proposed PPP model was not submitted for examination by the existing Infrastructure Committee and Finance Department and was introduced without appropriate vetting.*
- *Tender conditions were relaxed substantially in various stages, purportedly on grounds of lack of response. In our opinion, such ambiguities in the bidding process would have acted as a deterrent for bidders, which is confirmed by the dwindling interest of potential bidders from the first pre-bid meeting to the second pre-bid meeting.*
- *The issue of change of land use was not raised at all. It is possible that only bidders who were confident of getting post facto clearance from the GoM would have gone ahead with the bidding process.*
- *The contract was finally awarded on a single financial bid to Unity Infra Projects with an NPV far below that recommended by the Finance Department.*

Further, the developer paid only the first instalment of annual premium (due in November 2008) in full, and no penal action has been taken against it.

CYG-2008, Pune was expected to be a learning experience for the staging of CWG- 2010 at Delhi. The deficiencies noticed at Pune, and the resulting recommendations were

intended to ensure that these were not repeated in CWG-2010. We, however, noticed that OC lost this opportunity to learn and test its preparedness for Delhi 2010, and consequently repeated its mistakes in key functional areas during CWG2010, notably technology, ticketing, sponsorship and merchandising, press operations, catering and accommodation.

We also found several deficiencies in the procurement of electronic, sports and other equipment for CYG-2008, in particular single tendering and other tendering irregularities. Most of the security equipment indented for CYG-2008, Pune was either ordered after the Games, or received after the Games. Further, most of the city infrastructure projects (taken up largely under JNNURM) could not be completed in time for the Games.



Shiv Chhatrapati Sports Complex, Balewadi - Mhalunge, Pune

27.1 Introduction

The 3rd Commonwealth Youth Games 2008 (CYG-2008), a sub-event of CWG-2010, was held in Pune between 12 and 18 October 2008. Events were conducted in 9 sporting disciplines, and 1673 athletes and officials attended. CYG-2008 was held at the existing Shiv Chhatrapati Sports Complex Balewadi-Mhalunge, Pune which was refurbished and upgraded for the event. Two new hostels



and a three-star hotel were constructed, and the existing three hostels renovated and refurbished to accommodate the participants. Construction and upgradation of new and existing city - infrastructure in Pune and adjoining areas was undertaken to provide connectivity with the sports complex and also for better traffic management. Security arrangements for CYG-2008 were made by the Commissioner of Police (CP), Pune.

27.2 Governance and Oversight Structure

The governance and oversight structure for CYG-2008, Pune are summarised below:



Table 27.1 — Governance and Oversight Structure for CYG-2008

Arrangement	Brief Details
Executive Committee (EC)	<p>The EC was constituted by the Government of Maharashtra (GoM) in May 2006. It was headed by the Divisional Commissioner, Pune. Its responsibilities included:</p> <ul style="list-style-type: none"> ■ Planning and development of infrastructure at the Shiv Chhatrapati Sports Complex, Pune; ■ Administrative and technical planning of CYG-2008; ■ Tendering and award of all projects; and ■ Day-to-day decisions relating to the above activities
Review Committee	<p>This committee, which was constituted in June 2006 and was headed by the Chief Secretary, was to oversee the status of works at the Government level.</p>
Apex Committee	<p>This committee was chaired by the Chief Minister (CM) and included the Deputy CM, Ministers of School Education and Sports and Water Resources, Guardian Minister, Pune, Finance and Planning Deputy Commissioner and all MLAs/MPs of Pune and Pune-Chinchwada cities.</p>
Department of Sports and Youth Services, Pune (DSYS)	<p>This was the nodal agency for organising CYG-2008, Pune</p>

27.3 Budget and Funding Pattern

The funding for staging of CYG-2008 came from the GoI, GoM, and the municipal

bodies of Pune - Pune Municipal Corporation (PMC) and Pimpri Chinchwad Municipal Corporation (PCMC), as summarised below:

Table 27.2 — Budget and funding for CYG-2008

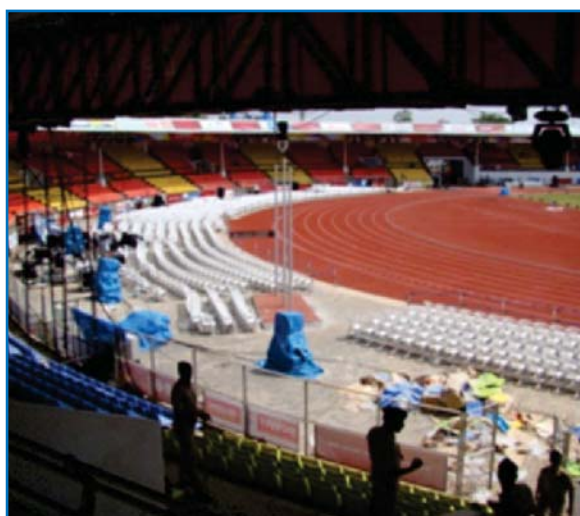
(In Rs. Crore)

Particulars	Budget allocation	Implemented by whom	Fund released by	Amount of funds released	Expenditure incurred as of December 2010
Venue and equipment	425.50	DSYS	GoI GoM	210.00 215.50	424.77
City Infrastructure	434.22	Commissioner, PMC	GoI GoM PMC	162.83 64.73 97.70	162.83 64.73 *112.25
	312.14 17.64	Commissioner, PCMC	GoI GoM PCMC	156.07 62.43 93.64	156.07 62.43 *178.38
Security Aspects	1189.50	CP, Pune	GoM	17.64	9.40
Total				1080.54	1170.86

* Also includes expenditure incurred by PMC & PCMC from own funds.

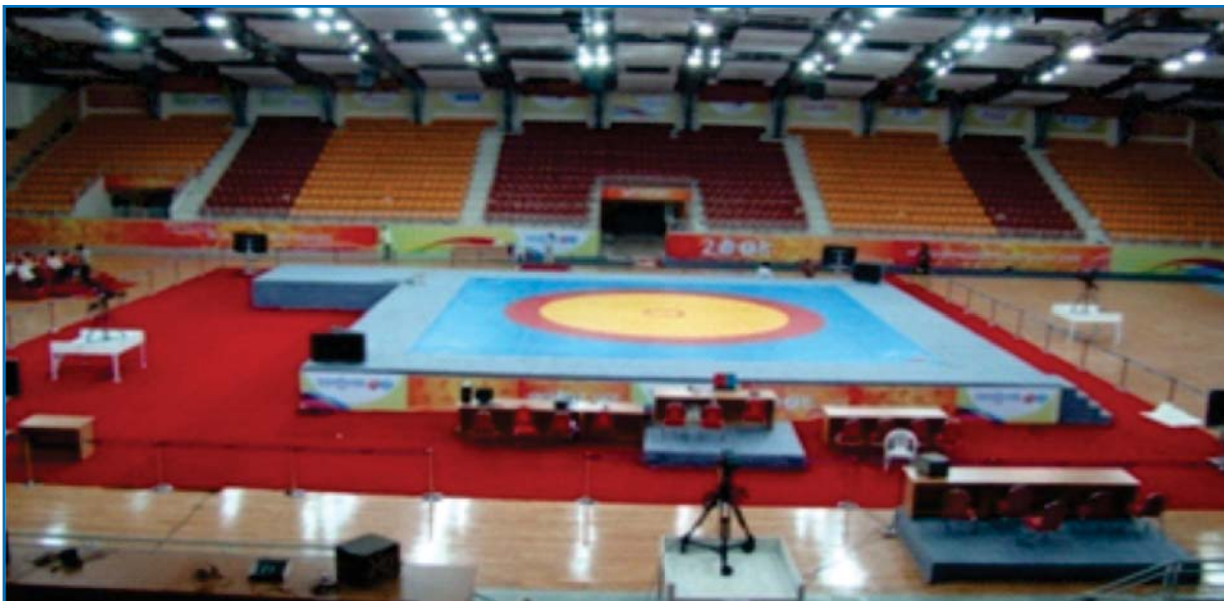
27.4 Venue Development

27.4.1 Overview of venue up-gradation



Renovated Athletic Stadium

For CYG-2008, existing facilities at Shiv Chhatrapati Sports Complex, Pune were up-graded/ refurbished at a cost of Rs. 106.58 crore; this included re-furbishing/ relaying of athletics stadium, centre tennis court, table tennis hall, swimming pool, and hostel buildings and conversion of the old wrestling hall into a boxing hall. Further, new facilities for shooting and badminton, and a weapons store, sports science centre and fitness centre were created at a total cost of Rs. 102.06 crore.



Refurbished boxing hall

27.4.2 Hiring of Consultant

Shashi Prabhu and Associates, Mumbai (SPA) was engaged as the Project Management Consultant (PMC) in August 2006 at a consultancy cost of 3.5 per cent of the estimated cost of works (pegged at Rs. 192.50 crore), excluding payments made towards price escalation, mobilisation advance and machinery advance. We found that SPA was irregularly paid total fees of Rs. 11.28 crore (upto October 2009), against the entitled amount of Rs. 6.74 crore. The excess consultancy payment of Rs. 4.54 crore was on account of consultancy fees on price escalation, equipment procured, and works executed beyond the contract value, which were not provided for in the consultancy contract.

27.4.3 Main work - renovation and construction of sports facilities

27.4.3.1 Award of work

BG Shirke Construction Technologies Private Ltd, Pune, was the L-1 bidder for the main work at a quoted price of Rs. 263.44 crore.

Since this amount was 50.49 per cent over the estimated price, the evaluation committee recommended exclusion of nine specialized items for Rs. 83.21 crore from the scope of work of the main contractor and executing them through specialised agencies. After negotiations, a work order was issued in February 2007 to BG Shirke Construction Technology Pvt. Ltd for Rs.191.74 crore for a revised scope of work, after adding back five specialised items at 23 percent discount for three items for completion by May 2008. In addition, works costing Rs. 31.15 crore were awarded by the EC directly in December 2007 to BG Shirke at the original tendered BOQ rates without bidding.

In our opinion, the changes in scope of work during post bid and award of additional work without bidding was irregular. DSYS' contention of urgency and availability of resources with the main contractor is not tenable, as BG Shirke stated award of the additional work as one of the reasons for seeking extension of time.

27.4.3.2 Payments to the main contractor

We found the following deficiencies in payments to the main contractor

- TDS of Rs 6.36 crore for VAT and Rs. 0.13 crore for Income Tax was not deducted/short deducted
- Payment of Rs. 20.59 crore for price variation in cement and steel for difference between the approved purchase rates and basic rates (i.e rates prevailing 28 days before the last date for tender receipt) was made by adopting basic rates of Rs. 4200/ MT (cement), Rs. 30,000/MT (tor steel) and Rs. 31,000/MT (structural steel). However, these payments were without verifying the basic rates; justification for these basic rates rates was not provided to us by DSYS.

27.4.4 Quality of Construction

We found the quality of works executed in the sports complex to be prima facie satisfactory, except in the case of badminton hall and tennis halls. Problems like cracks, damages, false ceiling joints and leakages were identified in the badminton hall and reported in January 2009 as having been corrected. During our joint inspection with DSYS in December 2010, we found that the cracks were prepared over by chemical solution.

During heavy rains in July/August 2010, there was water leakage in the badminton and table tennis halls flooding the wooden flooring. DSYS stated that these were minor leakages, which were rectified by the roofing contractor, and did not damage the flooring. It further claimed that the contractor had replaced a portion of the table tennis hall flooring, but the quality of the work was not satisfactory.



Badminton hall with cracks on the wall

27.4.5 Landscaping

Landscaping work was partly awarded to the main contractor for Rs 0.85 crore and the major portion of the landscaping work was awarded in March 2008 at a cost of Rs 7.50 crore to Indage Development Construction Pvt. Ltd. Mumbai¹. We found irregularities and deficiencies in award and execution of the contract:

- The tender notice was issued only in Sakal, a local Pune newspaper, giving a notice of only a little over two weeks;
- The contract was tendered twice. EC irregularly clubbed bids received at both stages. The contract was finally awarded to Indage Development Consultant Pvt. Ltd., a bidder for the first tender, although it had not submitted a bid in the second round.

- There was no clear demarcation of landscaping work/area between the main contractor and the landscaping contractor;
- A detailed completion certificate from the landscaping consultant could not be produced to us;
- The stipulated defect liability period (DLP) of five years was irregularly reduced to one year. At the time of handing over of the project, DSYS observed that the grass had dried and plants withered away at many sites.

We found the landscape in a state of neglect and the benefits of the effort largely lost (just two years after CYG-2008), as no agency had been engaged to maintain the landscaped site.



Position of landscaped areas in front of the Swimming Pool Complex in December 2010

¹ Who was also awarded additional landscaping and other miscellaneous works of Rs. 0.61 crore on nomination basis.

27.4.6 Ancillary works

We found that two ancillary works for constructing a smoke and gunshot arrestor in the trap and skeet stadium, and designing and provision of signages and waste bins for Rs. 1.09 crore were irregularly awarded to White Crow, Pune (who was in the business of catering, event management, and hospitality services). Both works were awarded on the basis of tender notices published only in Sakal with short notice periods of 10 days.

27.5 Construction of a three star hotel on BOT basis for accommodating CYG participants

27.5.1 Overview

As per OC's requirement, accommodation was to be arranged for 1700 athletes/officials for 15 days in a Games Village² for CYG-2008. Since the existing three hostels in the sports complex could accommodate only 500 participants, EC decided, in July 2006, to build a 600 room hostel (1200 beds), later to be converted into a three star hotel for commercial use, on BOT basis. Eventually, a three star hotel with 400 rooms was built by Unity Infra project Ltd. Mumbai. The chronology of events is given below:

Table 27.3 — Chronology of Events for award of hotel contract on BOT basis

Date	Event
17 July 2006	EC decided to go in for the construction of hostel to be converted into a three star hotel after CYG-2008 on BOT basis.
14 October 2006	NIT issued inviting bids for a three star hotel on BOT basis; tender documents to be sold from 26 October 2006; Last date of submission of bid 28 November 2006.
November – December 2006	2 pre-bid meetings held on 1 November ³ , 11 November 2006 ⁴ ; Conditions in tender documents relaxed progressively by EC based on discussions in pre-bid meetings and EC discussions; and Last date of submission of bid documents extended repeatedly due to non-receipt of bids. Last extension given till 22 December 2006.
22 December 2006	Four bids received; technical bids opened.

² In the international parlance, it implies that all athletes should stay at the same complex. It also facilitates security arrangements.

³ Participants at 1st pre-bid meeting: B.G. Shirke & Associates, S.D.Dabade, DLF Ltd. Pune, Ashok Murkute, Ganpat Mhatu Balwadkar, Rane Group of Hotels, Pune, White Crow facilities, Hari Om Estates Pvt. Ltd., Panchsheel Hotel Pune, Hiranandani Group, Mahindra Holidays, Nilesh Kakade Group, Pride Group Pune, Nilesh Group Pune and Hotel Sawan Garden Lodging and Boarding.

⁴ Participants at 2nd pre-bid meeting: B.G. Shirke & Associates, S.D. Dabade, Rane Group of Hotels, Hiranandani Group, Nilesh Group

Date	Event
26 December 2006	On the recommendation of the technical bid evaluation committee; only one financial bid opened; the other three bidders found “non-responsive” and financial bids were not opened.
8 February 2007	Contract awarded; and work commenced.
12 April 2007	City Engineer, PMC refused permission for project.
7 May 2007	Matter was referred to GOM.
15 October 2007/	Change of land use allowed by GoM under clause 58 of Maharashtra
1 November 2007	Regional Town Planning Act, 1966 (MRTP Act).
29 September 2008	Part completion certificate given by PMC.

27.5.2 Change of Land Use and relaxation of building norm

The land on which the 3 star Hotel was proposed to be built was located in public-semi public (PSP) zone, as per the published draft extended plan of PMC limits. On such land, apart from sporting facilities, only schools, colleges and universities and other public purposes like markets, social welfare/ cultural organisations, cinema halls, and public entertainment buildings could be built. The land could not be used to construct a commercial hotel.

EC, in total disregard of the usage limitations attached to the plot, decided to permit construction of a 3 star hotel on a five acre plot⁵ with FSI (Floor Space Index) of 2, along with permission to construct shopping malls, IT tower, office space etc on the built up area left after building 300 rooms. The issue of change of land use and violation of the applicable building laws came up only in April 2007 (after the

⁵ Increased to six acres post-bid, on the plea that the number of rooms had been increased to 400.

contract had been awarded and work commenced on the site) when the Municipal Engineer, PMC rejected the proposed building plan, since a hotel could not be constructed in a public-semi public zone and also because the height of the proposed structure (shown as 39.5 metres in the proposed building plan) was more than the 30 metres allowed under the PMC Development Control Rules⁶. Moreover, the proposed/advertised FSI of 2 also exceeded the permissible FSI of 1. Thereafter, the issue was referred to the Department of Urban Development, GoM (May 2007), by the DSYS and despite acknowledging that commercial exploitation on the plot was not permissible under the existing zonal restrictions, a case for change was made on the grounds that

- work had already commenced on the ground;
- lack of any alternative; and

⁶ Published draft development control rules of extended plan of PMC limits

- as per the original Government Resolution, one third of the entire plot of 152 acres allotted for developing the sports complex could be used for commercial purposes.

The change in land use for 6.1 acres was approved by the then Chief Minister, Maharashtra in October 2007 under clause 58 of the Maharashtra Regional and Town Planning Act, 1966

We noted that there was negligence and oversight at all stages and levels, which permitted a prime piece of Government land designated for public purposes to be handed over to private agencies for commercial exploitation of 60 years and that too without commensurate compensation accruing to the public exchequer. This is evidenced by the following series of events:

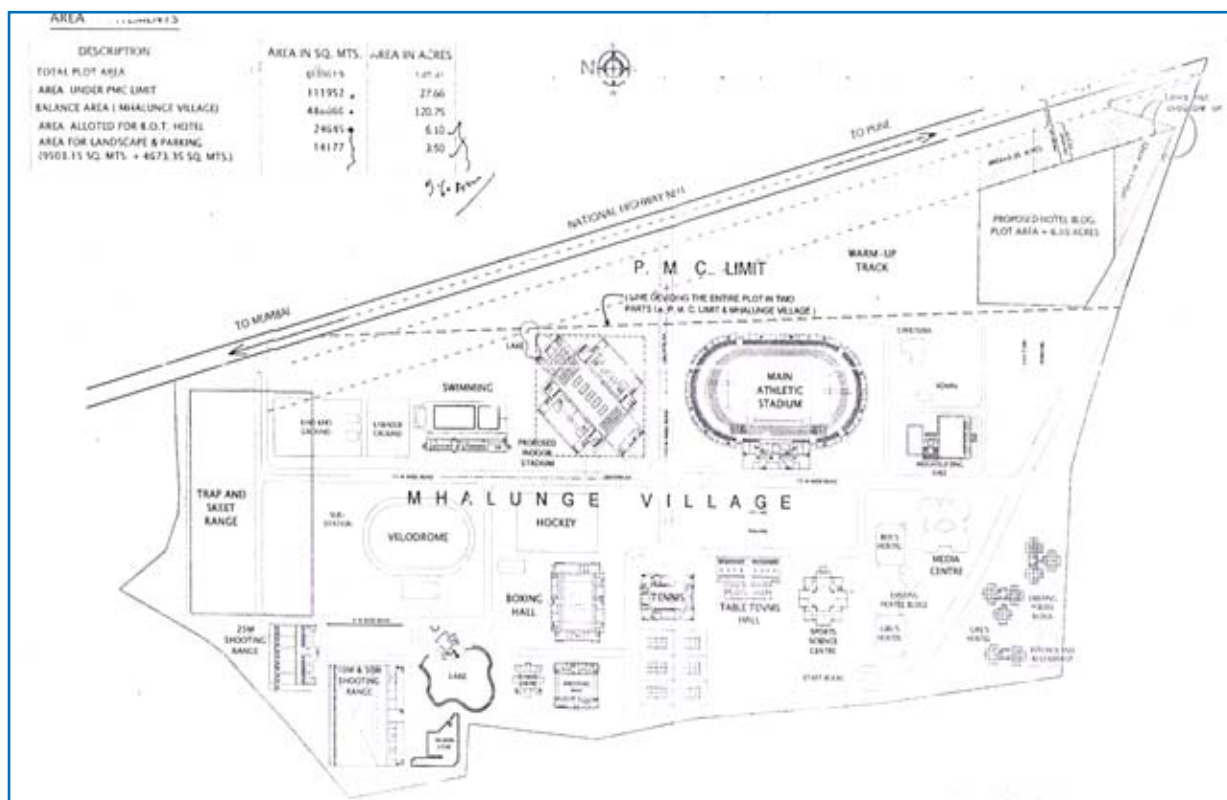
- The Review Committee (headed by the CS and with Additional CS Home and Finance, Principal Secretaries Planning, Revenue and Urban Development, and Public Health and Chief Architect, Mumbai as members and Secretary School Education and Sports as Member Secretary), were apprised of the intended BOT project (a PPP model) in September 2006, but chose not to question the attendant land use issues. They also did not suggest referring the matter to the existing Infrastructure Committee (to which all Maharashtra

PWD proposals to build infrastructure were to be mandatorily referred) or the Finance Department, but left it to the EC and the DC, Pune to pursue the project, subject to the condition that the ownership of the land remains with the GoM. Hence, the proposed PPP model remained unexamined, and was introduced without appropriate vetting.

Clearly, the Review Committee chose to abdicate its responsibility with regard to this project.

- The Commissioner, PMC, a member of the EC, which frequently discussed the proposal in his presence, failed to bring to the notice of the members the restrictions on the land use of the identified plot and the limitations on FSI and height of construction as per the applicable building laws.
- The Department of Urban Development, despite acknowledging that the rejection was valid as per the PMC rules and permission for exploiting one-third of the total area of the sports complex for commercial purpose could be allowed only if the Development Control Rules permitted (which, in the instant case, did not) recommended change of land use on the grounds of no alternative, late stage, urgency and commitments to IOA/CGF.

Figure 27.1 – Map of Shiv Chhatrapati Sports Complex showing the location of the proposed BOT hotel



It is pertinent to mention here that the Shiv Chhatrapati Sports Complex falls largely under Mhalunge village, with a portion within PMC limits (refer map). The plot proposed for the hotel was a prime piece of land (corner plot), located on the Mumbai - Pune - Bangalore Highway falling within PMC limits. Permitting its commercial exploitation by a private agency, without adequate compensation to public exchequer begs explanations at all levels.

27.5.3 Choice of constructing a 3 star hotel over residential accommodation to be disposed off later

For the Asian Games 1982 and also CWG-2010, GoI had opted for constructing residential units (either directly- Asian Games 1982 or through PPP model – CWG-

2010) to accommodate participants for the duration of the event and to be subsequently sold to recover costs.

Contrarily, EC chose to construct a 3 star hotel on BOT basis, without the matter being referred to the PPP cell for its opinion or input on the suitability of the model, the alternatives, and structuring of the arrangement to safeguard public interest.

In our opinion, construction of dwelling units and their subsequent sale in a developing city like Pune, with CYG-2008 linked infrastructure improvement in the vicinity, on 9.6 acres of public land (6.1 acres for hotel plus 3.5 acres for parking), would have been for the larger public good.

27.5.4 Gradual relaxation of tender conditions

EC based its proposal on a Feasibility Report prepared by the consultant (Shashi Prabhu and Associates). The proposal and the tender documents were not vetted by Finance Department of GoM or the specialised Infrastructure Committee of the GoM. The EC followed a very ad hoc approach in tendering and award of this contract.

The NIT was advertised on 14 October 2006, with the tender document to be made available from 26 October 2006. At this stage, the tender conditions had not been frozen, and the exact location of the plot on which the hotel was planned was not decided. The tender conditions were progressively relaxed at various stages, as summarised below:

Table 27.4 — Summary of progressive relaxation of tender conditions

Identification of plot	The proposed site for hotel was not indicated in the NIT published on 14 October 2006. The process of plot identification and measurement of land area started on 1 November 2006.
Area	Increased from the initial 5 Acres to 6 Acres in EC's meeting dated 4 December 2006; however, in the additional common set of deviations dated 11 December 2006, it was retained at 5 acres.); Finally, 6.1 acres were allocated.
Parking	2 acres - introduced in EC meeting of 4 December 2006. Finally, 3.5 acres was allotted for parking and gardening at a nominal rent of Rs 1/- per square metre per year.
Three Star norm for rooms changed to one star norm	Reduced to one star norm in the EC meeting of 4 December 2006
Upfront fee to annual lease	NIT of 14 October 2006 indicated annual payments; Upfront fee introduced in 6 November 2006 EC meeting; but only retained as annual payment in the set of deviations to tender documents issued after the two pre-bid meetings.
600 rooms to 300 rooms	The requirement of 600 rooms was reduced to 300 rooms (600 beds) in the EC meeting held on 4 December 2006.
Period as per the bid criteria to a 60 years concession	Initially, the period of concession was to be the bidding criterion with fixed annual payments; It was subsequently changed to a fixed concession period of 30 years, finally increased to 60 years in the EC meeting of 4 December 2006 from 30 years mentioned in the initial tender document. The annual premium for leasing became the biddable criterion.
PQ experience of construction of a three star hotel	This PQ criterion was removed, based on the pre-bid meeting of 11 November 2006.

Such frequent and significant variations in the tender conditions, though justified by the EC on grounds of lack of response to the NIT, are indicative of ambiguity that marked the bidding process, and would naturally act as deterrent to bidders. The dwindling interest of the bidders is evident from the fact that

- in the first pre-bid meeting, 15 agencies (including several prominent players in the construction/hospitality industry) participated; and
- in the second pre-bid meeting, only 5 of the original 15 were present.

It is interesting to note that of the four that finally bid, only DLF Ltd had attended the pre-bid meetings, and the remaining three (including Unity Infra Projects Pvt. Ltd.), whose financial bid was the only bid to be opened and contract awarded, never participated in any of the pre-bid meeting.

Further, it is strange that such experienced agencies in the construction sector never raised the critical issue of change of land use⁷, since it would be a critical parameter to decide whether to bid or not. It is possible that lack of clarity on this important issue deterred potential bidders, and only bidders who were confident of getting post facto clearance from the GoM, would have gone ahead with the bidding process.

27.5.5 Post bid negotiations and award of contract

After numerous extensions, finally four responses⁸ were received to the NIT on 22

⁷ or so it would appear from documents pertaining to EC meetings

⁸ Approach Land Developers-BVG Joint venture, DLF Ltd, Pranav Infra Private Ltd and Unity Infra Projects Ltd

December 2006. The technical evaluation committee (comprising of six members of whom only two signed the report) disqualified three⁹ bids on 26 December 2006 citing that these were non-responsive. The financial bid of the only qualified bidder, Unity Infra Projects Pvt. Ltd, was opened on 26 December 2006.

The bidder quoted a fixed annual premium of Rs. 2.16 crore per annum for 60 years from 2008-09. Negotiations were held on 30 December 2006, which resulted in allotment of 6.1 acres of land against the originally envisaged 5 acres (to accommodate the increased demand for 400 rooms to accommodate three beds i.e. 1200 beds at one location) and the annual concession fee revised to Rs. 1.57 crore per annum with a 5 per cent increase every 3 years.

In our opinion, opening of a single financial bid essentially means that the principle of competitive pricing is compromised. This is confirmed by the fact that the Finance Department, GoM (to which the case was referred by the CM's office, after the contract had been concluded) also noted that while the NPV of the original offer was Rs. 21.56 crore, the NPV of the revised offer was only Rs. 14.97 crore. It assessed the value of 6 acres of land with 2 FSI at Rs. 48 crore (considering the conservative residential rate of Rs. 10,000 per m²) and the value of 8,000 m² of land for parking at Rs. 3 crore. It recommended that a fair NPV for the said piece of land

⁹ Approach Land Developers-BVG Joint venture, DLF Ltd and Pranav Infra Private Ltd;

would be Rs. 40 crore. Subsequently, EC renegotiated with the concessionaire and secured an enhanced fixed premium of Rs 2.60 crore per annum for 60 years in August 2007 (NPV Rs. 25.87 crore) and reported to the GoM that it was not

possible to go any further. There was no further communication from GoM in this regard. This delayed intervention of Finance Department, only confirms our opinion that at the initial stage itself, when it was brought to notice of the Review Committee, the matter should have been looked into by the concerned department of the GoM.

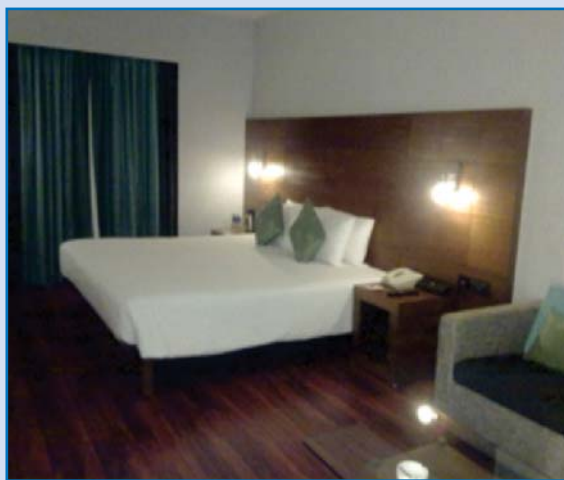
27.5.6 Defaults in payment of premium

We also noted defaults and delays in payment of annual premium by the concessionaire, right from the first premium due on 1 November 2008, as given below

Table 27.5 – Position of premium payment

Due date	Actual
1 November 2008	25 May 2009 (delay of 205 days)
1 November 2009	Only Rs. 50 lakh paid on 19 January 2011
1 November 2010	Not paid

No penal action was, however, taken by DSYS in this regard.



Pictures of Vits hotel constructed on BOT at the Sports Complex Balewadi, Pune

Photographs of the hotel indicate that the facility constructed is primarily oriented as a superior class hotel, rather than merely a functional hostel of international standard for accommodating athletes. While it is well appreciated that suitable accommodation had to be provided to the participants of CYG 2008, evidently, under the guise of hosting the athletes and officials of CYG

2008, a hotel was allowed to be constructed through change of land use with a minimal premium accruing to Government. If indeed the intent was to convert public/ semi-public land for commercial use, GoM chose to ignore an opportunity for unlocking the full market value of such land in a prime location.

27.6 Lessons from CYG-2008, Pune for CWG-2010

CYG-2008, Pune was expected to be a learning experience for staging of Games for the conduct of CWG 2010. OC's consultant, EKS –E&Y, in their Post Games Report for CYG Pune noted several

deficiencies and gave several recommendations so that these were not repeated in CWG-2010. We, however, noticed that OC lost this opportunity to learn and test its preparedness for Delhi 2010, and consequently repeated its mistakes in key functional areas during CWG2010, as summarised below:

Table 27.6 — Experience of different functional areas at CY-2008, Pune and CWG-2010

Area of functioning/ activity	Experience in CYG Pune 2008	Experience in CWG Delhi 2010
Technology	<p>The Post Games Report of CYG Pune noted that the technology under delivered in many areas as the required infrastructure and equipment were not operational in time and were not reliable.</p> <p>Communications were poor, and there was lack of integration between various aspects of Timing, Scoring and Results systems.</p> <p>Internet availability in the Games Operation Centre was poor initially. Internet around the centre was regularly unavailable.</p>	<p>During CWG-2010, we found delays and lack of planning for technology solutions.</p> <p>The planning for acquiring TSR infrastructure was delayed resulting in lower competition, additional costs and integration issues. Just 10 days before the start of the games, the graphics were not published by the TSR vendor.</p> <p>The Commentary Information System and Games Information system malfunctioned during CWG. (Refer Chapter 12)</p>
Ticketing	<p>There was lack of visibility of ticketing strategy in terms of objectives, process, distribution and pricing.</p> <p>There was lack of availability of information for confirmed venue capacities to be used for ticketing.</p> <p>The process for sale and distribution of tickets was confusing, as the ticket office at Balewadi was not operational and active till the beginning of the games. Consequently, there were very few spectators on the first few days. During CYG-2008, OC received</p>	<p>The recommendation for CWG-2010, based on the performance during CYG-2008, Pune, was to determine the ticketing strategy to ensure maximum sales and capacity crowds and to provide easy systems for purchase and collection of tickets.</p> <p>During CWG Delhi OC again failed to achieve the objectives of ticketing due to delay in preparing ticketing strategy, appointment of ticketing agency and finalization of actual seat inventory (Refer Para 8.9).</p>

Area of functioning/ activity	Experience in CYG Pune 2008	Experience in CWG Delhi 2010
	Rs. 97.40 lakh through sale of tickets, although it had printed tickets of sale value Rs. 3.10 crore.	
Catering	There was lack of clarity on levels of service for various constituent groups and this affected the quality of food. This was alleviated by providing packed meals, which was found to be a good option for providing food service to workforce and volunteers.	During CWG-2010 also, there was again lack of clarity on the level of service for various constituent groups. OC revised the RFP and wasted one whole year, before once again opting for packed food for the workforce, volunteers etc. (Refer Para 11.5.3)
Sponsorship	OC had signed an agreement with SMAM for CYG-2008, Pune. In this contract, the targeted sponsorship was not defined. Finally OC collected about Rs. 20 crore only, most of which came from PSUs and OC made commission payments of Rs. 3.37 crore to SMAM (Refer Para 8.4.3.1)	SMAM was also the sponsorship consultant for CWG-2010. However, despite the poor performance of SMAM at Pune, OC failed to acknowledge this danger signal. Once again, very meager sponsorship was generated, two-thirds of which was from Government/ PSUs. (Refer para 8.4)
Merchandising	There was no strategy to generate revenue from merchandizing for CYG-2008, Pune. OC had not fixed any revenue target from merchandising for CWYG, Pune. OC incurred expenditure of Rs. 2.29 crore for expenses on merchandizing activities, against which it could generate revenue of just Rs. 2.03 crore from sale of merchandizing items.	In CWG 2010, the target for revenue generation through licensing and merchandising was Rs 50 crore. However, no revenue has been received. (Refer Para 8.2.2 & 8.5)
Press Operations	During CYG-2008, Pune, the facilities provided to the media persons such as media tribunes were not found proper. EKS-E&Y recommended greater interaction between PIB and OC to ensure smooth press operations during games.	During CWG-2010, international and national media people were not able to access the Games News Content for the initial few days. Finally, a makeshift arrangement was made to give electronic access to Games news to the media. The press operations remained an area of firefighting in CWG2010 as much as it was in CYG-2008, Pune. (Refer Para 14.2)

Area of functioning/ activity	Experience in CYG Pune 2008	Experience in CWG Delhi 2010
Accommodation	Contracts with various categories of hotels stipulated that OC would pay retention charges for unused hotel accommodation. As there was no mechanism to track the arrivals, departures and other guest movements, release of unutilized hotel accommodation could not take place and OC incurred expenditure of Rs. 0.62 crore towards retention charges for unused hotel accommodation.	The same shortcoming was repeated during CWG 2010. On any given day, OC had more than 150 rooms vacant in its flagship hotels, and yet OC had booked rooms in other hotels resulting in excess expenditure of at least Rs 1.15 crore. (Refer Para 15.2.3)

27.7 Purchase of Electronic, Sports and other Equipment

27.7.1 General

We examined 63 major contracts for Rs. 81.55 crore for procurement of electronic and other requirement and observed the following general deficiencies in the tendering and award procedures

- Orders were placed directly in 16 cases on a single source without tendering; in violation of the codal provisions;
- In 12 cases, less than the prescribed time was given for submitting tenders and advertisements were placed only in local Marathi newspapers;
- In 3 cases, contracts for equipment were concluded with firms with no prior experience in the field;
- Other instances of lack of transparency in the tendering process were noticed in 5 cases;

- Additional items were ordered from the same contractor without tendering in 4 cases;
- Hire charges for facilities were paid for periods for which the facilities were not available in three cases;
- Penalty for delayed supply of equipment was not deducted in three cases;
- Arrangements for technical inspection of equipment by third parties were not made or items were found defective on receipt in 6 cases; and
- Requirements of equipment were not assessed realistically and the quantity procured was in excess of the requirement in 8 cases.

Our findings from the scrutiny of 39 major contracts are summarised below:

27.7.2 Purchase of Electronic video screens/scoreboards and equipment

The OC furnished the requirements for various electronic equipments to DSYS

between November 2007 and March 2008, with instructions for purchase from specified manufacturers. Accordingly, DSYS placed seven supply orders for Rs 31.90 crore on Indian and foreign firms from February to September 2008 on single tender basis, as indicated in the following table:

Table 27.7 — Supply orders placed on single tender basis

(In Rs. Crore)

Venue	Nomenclature of the equipment	Name of the agency	Brand	Amount
Shooting	Electronic scoring target systems	Sius AG, Switzerland	Sius Ascor	16.25
Trap and Skeet	Trap & skeet ranges	Laporte, France	Laporte	1.73
Athletics & Swimming	Starting block, electronic score board, starting platforms video matrix colour scoreboard etc	Swiss Timing Omega, Switzerland	Omega	7.95
Table Tennis, Tennis, Weightlifting, Badminton, Wrestling	Electronic score boards (Opto tech brand)	Shiv-Naresh, Delhi	Opto-tech	4.10
Athletics & boxing	Electronic score boards	Gem International, Faridabad (Indian agent of Swiss Timing Omega)	Omega	0.85
Table Tennis, Tennis, Weightlifting	Electronic score boards (optotech brand)	Shiv-naresh, Delhi	Opto-tech	0.37
Athletics & Boxing	Electronic score boards and tachometer etc	Gem International, Faridabad	Omega	0.65

After placing five supply orders aggregating Rs 30.88 crore on nomination basis as per OCs direction, the matter was referred to the MSYA, Gol through the state government in June 2008 for guidance. In August 2008, Gol clarified that the procurement was to be made as per GFRs and the concerned manufacturers (on the approved list of official suppliers of the concerned international federations for specified equipment) should be invited to bid. However, even after receiving the Gol clarifications, EC placed another order for electronic score boards etc for Rs. 0.65 crore in 2008 on Gem International, Faridabad.

We also observed other deficiencies in procurement of equipment:

- **Athletics Starting Blocks (portable):** 30 Starting Blocks were procured from Swiss Timings Ltd. against the requirement of 17, resulting in avoidable expenditure of Rs. 0.20 crore.
- **Rotatory electronic-scoreboard:** Four scoreboards (portable) were actually procured for the main stadium basically for display purpose. A maximum of two field events were possible at a time in the main stadium owing to its size. The expenditure of Rs 0.38 crore on procurement of two additional scoreboards was avoidable.
- **Swimming Pool Starting Platforms:** Sixteen starting platforms procured for Rs 0.13 crore for the warm-up pool were lying idle due to leakages in the warm up pool.
- **Shooting target system in 50 M main range:** Six scoreboards (costing Rs 0.43 crore), which were an integral part of the shooting target system, were not working.
- **Boxing Scoring system:** In March 2008, OC demanded one scoring system, but DSYS hired two systems, involving additional expenditure of Rs 0.12 crore
- **Electronic score boards supplied by Shiv-Naresh, Delhi:** The OC reported on 24 September 2008 that the Electronic Score boards supplied by M/s Shiv-Naresh Delhi (for Rs 4.97 crore) were very rudimentary screens, similar to an electronic counter, without the inbuilt Olympic Result Information System (ORIS) compliant timing and scoring system and the cost of providing and handling such system should be borne by the supplier. However, DSYS did not effect any deduction from the supplier's bills for non-supply of the ORIS software.
- **Delay in supply and installation of equipments by Gem International, Faridabad and Shiv-naresh, Delhi:** Despite a provision of penalty of one per cent per week of delay, DSYS allowed extension of time to these suppliers without levy of penalty of Rs 23.26 lakh
- **Rentals paid for electronic scoreboard hired from M/s Gem International, Faridabad for period it was not available:** The agency claimed hire from 01 September to 15 November 2008 for equipment that were dispatched from Faridabad only on 04 October 2008. DSYS paid the full hire charges claimed by the firm, without making deduction of Rs. 0.38 crore for the period that the equipment was not available.

- **Cost escalation due to currency fluctuation:** DSYS bore cost escalation of Rs. 0.32 crore due to foreign exchange variation during the period of delay of supplies by foreign suppliers, which should have contractually been borne by the suppliers. In addition there was no contractual penalty leviable for the delay in supplies.

27.7.3 Other deficiencies noticed in procurements

Table below gives the list of other deficiencies noticed in procurement and execution of works:

Table 27.8 – List of other deficiencies in procurement and execution of works

(In Rs. Crore)

Equipment	Contract Value	Audit Observation
Air cooling system replaced by Air conditioning system at the direction of OC	0.81	The air cooling system initially installed at a cost of Rs. 0.81 crore was removed and air conditioning system purchased at an additional cost of Rs. 0.67 crore and installed at a cost of Rs 0.17 crore.
Supply, installation and testing of Weapons storage cabinet and RFID based locker access control system	0.64	Work was awarded to a company engaged ordinarily in the business of pharmaceuticals and medical products, which could not complete it in time for CYG-2008.
CCTV	1.63	Of the 4 moving cameras, 37 Speed dome cameras, 55 fixed cameras, 34 indoor dome cameras and 4 LCD TV; equipment worth Rs. 0.34 crore were lying uninstalled in store rooms;
Idle equipment at Sports Science Centre	4.09	<ul style="list-style-type: none"> ■ Spiro meter worth Rs. 0.55 lakh not utilised as long distance running events not held; ■ Portable VO Max for Rs. 0.22 crore became useless after CYG-2008 since required oxygen sensors were provided only during CYG-2008. ■ Altitude Simulation Training equipment of Rs. 0.91 crore remains utilised as the staff trained to use it is no longer associated with the centre.
Permanent Furniture at the venue	1.10	No documentary proof that these were received before CYG-2008



Pictures of CCTV cameral lying in stores



Pictures of CCTV cameral lying in stores

27.8 City Infrastructure

Road improvement projects of Rs 434.22 crore and Rs. 312.14 crore were approved under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for works falling under PMC and PCMC respectively. As per the approved DPR, 25 road¹⁰ construction/ improvement/ widening/ electrical works projects (including creation of BRTS corridor on 15 roads), 12 bus

terminal facilities, 4 pedestrian subways and area traffic control systems were to be constructed prior to CYG-2008 as part of city infrastructure development. In addition, PMC and PCMC spent Rs 15 crore and 132.06 crore respectively from their own funds on vehicular underpass, roads and grade separators. We found that several projects could not be completed in time for CYG-2008 as indicated in the Table 27.9.:

¹⁰ 23 for PMC and 2 for PCMC.

Table 27.9 – List of infrastructure projects not completed in time for CYG-2008

Nature of work	Number	Awarded before CYG-2008	Awarded after CYG-2008	Not Awarded	Completed before CYG-2008	Completed after CYG-2008
PMC - JNNURM funded						
Road works	23	20	3	-	12	4
Work for BRT systems	Work on BRTS component of Rs 32.67 crore was still at tendering stage					
Terminal works	12	11	-	1	5	1
Pedestrian subways	4	3	-	1	1	2
Area traffic control system	No work started so far					
PCMC - JNNURM funded						
Road Works	2	2	-	-	-	-
PCMC - Own Funds						
WBM treatment	1	-	1	-	-	1
Widening and improvement	1	1	-	-	-	1
Grade separator	2	2	-	-	-	2
Vehicular Underpass	1	1	-	-	-	1

While we accept the need for, and legacy value of such city infrastructure post CYG-2008, such delays in completion violate the premise under which these projects were sanctioned. Since many of these projects are still incomplete, it indicates lack of responsibility and accountability.

27.9 Purchase of Security Equipment and Vehicles

While DSYS forwarded a proposal for Rs 67.70 crore to GoI for security arrangements for CYG-2008, Pune, the CP submitted indents for equipment, vehicles etc for only Rs 23.59 crore to the Director General of Police, Mumbai on 01 October 2007, specifying the items were required before June 2008. In response, GoM accorded approval for Rs 17.64 crore in piecemeal during May – September 2008 and released funds during August – September 2008 only.

We found that:

- Out of Rs 17.64 crore sanctioned, equipment for only Rs 9.40 crore was procured, and Rs 3.18 crore were surrendered.
- Out of the procurement of Rs. 9.40 crore of equipment, supply orders for Rs 1.33 crore were placed after the CYG events were over, while equipment worth Rs 3.23 crore were received only after the CYG events were over.

Items which were not received in time included night vision goggles with binoculars, portable X-rays, operational and traffic propaganda vehicles, ambulances, hearse vans, dog squad tempos, minibuses, working trucks, personnel carriers, light vans, mobile repair vans, and cranes.

Although Doordarshan was indicated as the Host Broadcaster in the May 2003 bid, it was formally notified by the OC only in March 2007, and the Host Broadcaster agreement between the OC and Prasar Bharati (PB) was signed in May 2009.

The award of the broadcasting services contract by PB to SIS Live was flawed on several counts:

- *Only one bidder, SIS Live, was qualified on technical grounds, and the contract was awarded on a single financial bid, without any competition. Undue delays on the part of PB and the Ministry of Information & Broadcasting (MIB) led to a situation where re-tendering was not considered feasible, and, thus, facilitated the award of the contract on a single financial bid.*
- *Lack of competition was facilitated by a rigid stand taken by PB at the stage of bidding (especially on the payment schedule), which restricted potential competitors from bidding. However, PB agreed at the pre-bid meeting to finalise the contract terms “mutually” with the selected entity, and subsequently amended numerous clauses of the draft contract to make it one-sided in favour of SIS Live.*
- *Contrary to the intent of the contract with PB, SIS Live outsourced almost the entire contract on the same day to Zoom Communications, which would have been ineligible for bidding. We found that SIS Live and Zoom were in alliance much before the signing of the contract with PB, and even at the contract drafting stage, the intention of SIS Live to outsource the contract was clearly evident.*
- *While PB's contract with SIS Live was for Rs. 246 crore, the sub-contract between SIS Live and Zoom was for only Rs. 177.30 crore (which would also factor in Zoom's profit margin). Clearly, there was a substantial loss to PB and Government, although we are unable to quantify this loss (based on available and verifiable records).*
- *As per the contracted schedule of payment, SIS Live was to receive only 30 per cent payment before 14 October 2010, with the balance only on verification of performance. This was irregularly amended to allow 60 per cent payment in advance of the Games (subject to successful installation and testing of equipment). Had this relaxed payment schedule been incorporated at the bidding stage, there would have been much greater financial competition, reducing the ultimate cost to the public exchequer.*
- *PB failed to enforce compliance by SIS Live with even the conditions associated with the relaxed payment schedule viz. short supply of equipment, irregular changes in*

make/model of equipment involving financial implication of Rs. 17.39 crore and non-co-operation by SIS Live with PB's technical inspection team.

There were also several deficiencies in the execution of the contract. The entire payment for coverage of the QBR was released to SIS Live, despite non-receipt of tapes relating to 5 out of 21 countries and delayed receipt vis-a-vis the stipulated time schedule (which was necessary for timely coverage). SIS technical personnel, who were approved by PB and were required to be present during the Games, were replaced by other personnel of SIS.

We found that the Host Broadcast Management Committee (HBMC) set up by the PB did not achieve the desired results. There was a lack of consensus among members of the HBMC, with dual minutes in respect of three meetings, an important meeting involving major decisions signed by only 4 out of 7 members, and legal opinion being sought on key issues; this ultimately resulted in debatable decisions, which favoured the interests of SIS Live. The Ministry of Information and Broadcasting, as well as an Oversight Committee (chaired by the Minister, I&B and co-chaired by the Minister of Law and Justice) which was constituted to monitor the progress of activities and expedite decisions, chose to largely accept the proposals put forward by PB.

The legacy value of HDTV coverage of CWG-2010 to PB, both in terms of improvement of infrastructure and development of in-house skills, was insignificant despite incurring of such huge expenditure out of GoI funds. PB participated in production of only three events as against the initial plan of coverage of 10 out of 17 events in-house. Training was imparted to PB staff only in non-Games venues, and there was no evidence of such training being imparted on the highly specialised OB vans used for Games production.

Further, PB failed to take advantage of the Cabinet approved scheme for upgradation of Doordarshan to HDTV. Consequently, the training received by PB personnel from SIS Live would also become largely redundant, in the absence of HDTV equipment in PB.

The award of the contract for construction of the International Broadcast Centre (IBC) by PB was flawed. Two entities (Shaf Broadcast and Anytime Pictures Ltd.), which had been found ineligible on account of lack of experience at the EOI stage by the Evaluation Committee, were irregularly included in the shortlist, and the final contract was awarded to Shaf Broadcast at a cost higher than that was approved by CCEA.

28.1 Planning and Budgeting for Media and Broadcasting Services

Planning and delivery of media and broadcasting services for coverage of CWG-2010 involved multiple agencies – Prasar

Bharati (PB)/ Doordarshan (DD) and Press Information Bureau (PIB) under the Ministry of Information and Broadcasting (MIB); and the India Trade Promotion Organisation (ITPO). Their roles and functions were as in Table 28.1.

Table 28.1 – Roles of different agencies for media and broadcasting services

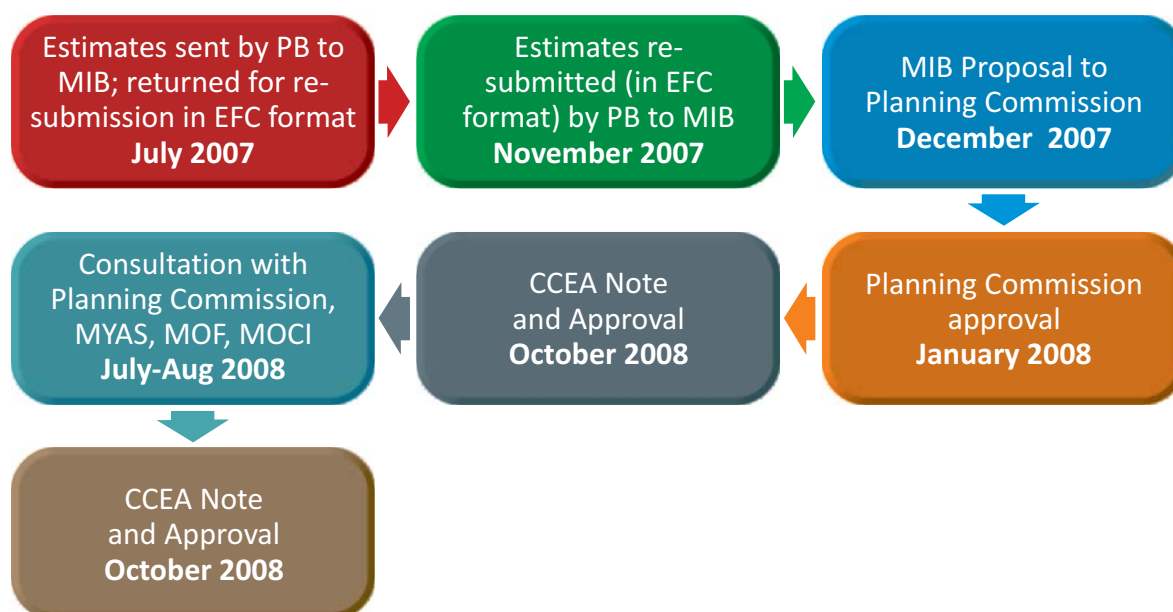
Agency	Role and Functions
Doordarshan (DD) / Prasar Bharati (PB)	Host Broadcaster (HB): <ul style="list-style-type: none"> ■ Television and radio production; ■ Broadcast venue operations and services; and ■ Setting up the International Broadcasting Centre (IBC).
Press Information Bureau (PIB)	<ul style="list-style-type: none"> ■ Providing and managing the Main Press Centre (MPC) and Mini Press Centres at each venue.
India Trade Promotion Organisation (ITPO)	<ul style="list-style-type: none"> ■ Providing international standard infrastructure facilities at Pragati Maidan for the IBC and MPC

28.2 Costing and Estimation for Media and Broadcasting Services

The finalisation and approval of the budget estimate for media and broadcasting

services was unduly delayed (taking 15 months from July 2007 to October 2008) with no sense of urgency apparent amongst the various approval agencies.

Figure 28.1 – Undue delays in approval of budget for media and broadcasting services



The Cabinet finally approved an overall amount of Rs. 463 crore for media and broadcasting services for CWG-2010 (including CYG-2008), as follows:

Table 28.2 – Original budget for media and broadcasting services

(Rs. in Crore)

Category	CYG-2008, Pune	CWG-2010	Total
Host Broadcasting Services (PB)	49.00	366.00	415.00
PIB	1.20	18.80	20.00
ITPO	--	28.00	28.00
Total	50.20	412.80	463.00

The Cabinet note envisaged that since revenue generation from the Games by PB was uncertain¹, 50 per cent of the funding to PB would be as grant-in-aid, with the remaining 50 per cent as an interest-free loan (with conversion into grant-in-aid to be considered, if required, at a later stage).

Subsequently, in January 2010, revised cost estimates of Rs. 482.57 crore were approved by the EFC (within the approved limit of variation of 20 per cent). A profile of the revised estimates and the actual expenditure incurred (as of December 2010) is given below:

Table 28.3 – Revised budget and expenditure for media and broadcasting services

(Rs. in Crore)

Agency	Original Budget	Revised Budget (Rs. in Crore)	Expenditure (December 2010)
CYG-2008, Pune	50.20	9.05	9.05
PB	366.00	366.00	225.89
PIB	18.80	31.75	20.72
ITPO	28.00	75.77	37.70
Total	463.00	482.57	293.36

The spirit of the variation limit of 20 per cent for EFC (rather than CCEA) approval was not observed. The upward revisions for the PIB and ITPO were 69 per cent and 171 per cent, which were hidden within the overall upward revision of Rs.19.57 crore, by partly adjusting the savings of Rs.41.15 crore on account of CYG-2008, Pune. Incidentally, the savings on CYG 2008, Pune, were achieved due to the decision of MIB for in-house production and coverage by PB in SD format, as against outsourcing to SIS Live (which was the chosen bidder).

28.3 Broadcasting Services by Prasar Bharati

28.3.1 Overview

We have already highlighted in Chapter-8 on Revenue Generation, the abnormal delays by the OC in finalising the contract with the Host Broadcaster, Prasar Bharati (PB). Despite having declared PB as the Host Broadcaster in the original bid of May 2003, OC formally communicated this appointment to Prasar Bharati only in March 2007.

Under the Host Broadcaster Service Agreement, which was signed between the OC and PB in May 2009, PB agreed to undertake, at its own cost and expense, all

¹ Incidentally, no such uncertainty was expressed at this time regarding OC's generation of revenues (including broadcasting revenues).

obligations stipulated in the CWG Broadcasting Guidelines. This essentially covered production and distribution of “basic feed” for all the sports and the opening and closing ceremonies in HD (High Definition) format. As a concession to those international broadcasters who did not support HD format, PB was required to offer the basic feed signal to broadcasters at the venue in SD (Standard Definition) format also.

28.3.2 Cost Estimation

PB's initial budget estimate of July 2007 of Rs. 557 crore for broadcasting services was not found to be realistic by the Ministry of Information and Broadcasting (MIB). Further, OC's Advisor – Broadcasting, Shri Patrick Furlong advised PB to prepare a realistic budget estimate after issuing a Request for Information (RFI).

In October 2007, PB issued an RFI, to which only one complete response² from International Games Broadcasting Services (IGBS)³ was received. After receipt of this response, PB prepared a revised budget of Rs. 445 crore for broadcasting services in November 2007. This was finally reduced to Rs. 366 crore in the approved Cabinet estimate of October 2008.

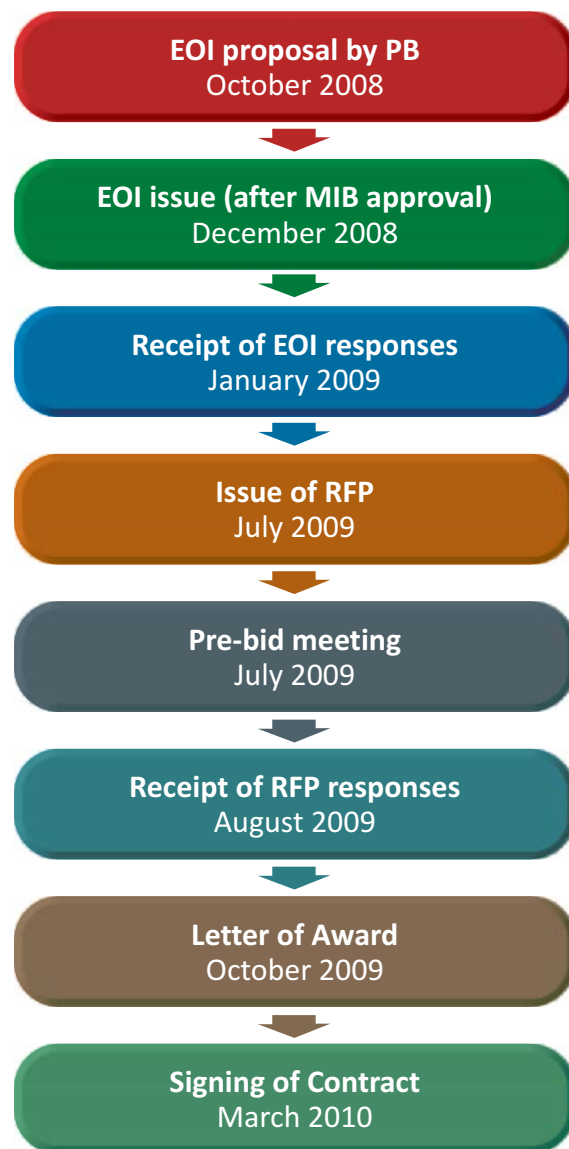
We could not derive assurance as to the reasonableness and reliability of the approved budget estimate of Rs. 366 crore for broadcasting services. The award of the contract for 'production and coverage' to SIS Live for Rs. 246 crore on a single financial bid basis and its back to back sub-contracting to Zoom Communications Ltd. for Rs. 177.30 crore confirm the unreliability of the estimates.

28.3.3 Award of Contract for Production and Coverage

28.3.3.1 Undue Delays

The process for tendering and award of the contract for production and coverage to SIS Live took inexplicably long.

Figure 28.2 – Tendering and award of contract for production and coverage



² The other response by BBC-OB's to the RFI covered only 12 events.

³ A joint venture between HBS and IMG Media

28.3.3.2 EOI and Technical Eligibility

PB took three months to finalise the EOI in December 2008. PB submitted the EOI to MIB twice in October 2008 and December 2008. MIB insisted that PB send the proposal and revisions through CEO, PB. However, PB did not comply and sent the revisions through DG, DD.

In response to the EOI of December 2008, 10 responses were received in January 2009, of which the following five were found to be technically eligible:

- Big Productions (Reliance) with Interpublic Marketing Services, Shanghai;
- Nimbus Communications Ltd with Canadian Broadcasting Corporation;
- Nimbus Sports International Pvt. Ltd, Singapore with International Sports Broadcasting ;
- Satellite Information Service Live UK with SIS Outside Broadcast Ltd; and
- International Games Broadcast Services, Switzerland (HBS and IMG Media).

However, PB issued the RFP only in July 2009 (nearly six months after the EOI). PB submitted the draft RFP to MIB thrice in May, June and July 2009. In our view, MIB's observations, which necessitated multiple revisions of the RFP, were on relatively trivial aspects, which did not cover the rigid conditions and other core issues in the RFP. Further, the delay in approval of EFC and finalisation of EOI and RFP resulted in paucity of time due to which re-tendering in the context of a single financial bid was not feasible.

28.3.3.3 Pre-Bid Meeting

PB held a pre-bid meeting with the five technically eligible bidders on 24 July 2009. The shortlisted respondents expressed serious concerns about the terms and conditions of the contract, financial conditions/ payment schedule, vague clarifications, and difficult deadlines. During the pre-bid meeting, PB took a very rigid stand against making any changes in the payment schedule. Contrarily, PB also committed that the “draft contract would be finalized with the zeroed-in entity mutually”.

Clearly, only those bidders, who were confident of getting post-bid contractual changes in their favour, were encouraged to bid, thus creating a situation with high scope for arbitrariness and patronage.

Subsequently, all the shortlisted respondents, other than SIS Live, expressed their inability to submit a bid under the given terms and conditions.

In particular, IGBS⁴ (whose response to the RFI was the basis for cost estimation) indicated their unwillingness to submit a bid on account of tough financial conditions, unfair and one-sided draft contract, unreasonable and unrealistic RFP conditions (regarding scope of services and provision of technical and personnel specifications) and inadequate clarifications. As a result, IGBS withdrew from bidding for CWG-2010.

However, many significant conditions/provisions of the contract were later changed by HB at the draft contract stage or subsequently as indicated in Table 28.4.

⁴ IGBS was the official Host Broadcaster of Doha Asian Games 2006 and associated with Broadcasting of Melbourne CWG 2006

Table 28.4 — Comparison of conditions at pre-bid and contract stages

Area	Pre-bid query by bidders	Response of PB	Actual Implementation by PB
Payment schedule	Considering 10 percent performance guarantee, 80 percent of payment is not due until completion of the games. This is at variance with the payment schedule for similar events anywhere in the world. Considering that the most significant part of budget is spent prior to the event, we would request DD for negotiation on this.	No	After the first two instalments, the payment schedule was changed in September 2010 from 30 percent before the Games to 60 percent before the Games.
	Could you confirm that the payment schedule can be discussed and negotiated as part of the contract negotiation with the successful bidder?	No	
	Please advise on date and time frame for releasing payments once the deliverables are submitted	As per draft contract	
	Would HB consider lowering the timeframe of payment from 30 days to 7 days after submission of deliverables?	Accordance to clause 6.3(b) of draft contract.	This was changed while finalising the contract to 10 working days of submission of invoice along with inspection certificate.
Equipment	Would HB consider a later date for equipment to arrive, if delivery guarantees were offered?	No	<p>Timeline for installation of equipment and core teams at site of 31 August 2010 was converted to proof of despatch of equipment while changing the schedule of payment in Sept 2010.</p> <p>Eventually, SIS Live was allowed to delay the timeline for successful installation of equipment to 27th September 2010.</p>
	As per Form Tech 7, details of equipments as accurately as would be actually deployed for the games with makes and models of every piece of equipment for every OB.	The entity has to provide the list of equipment and in rare	In August 2010, SIS Live approached HB for change in make/model of certain equipment from those approved in the production plan, which was, however, not accepted by

Area	Pre-bid query by bidders	Response of PB	Actual Implementation by PB
		cases can substitute equipment with similar or better specification with proper justification and approval of HB.	HB. During inspection carried out by the team of technical experts in September 2010, substantial deviations in the manufacturer/specifications of equipment were noticed but no action was taken. Incidentally, the DG DD stated that, as per opinion of the Additional SG, the details of make and model of equipment given by entity (in the production plan) was only illustrative to meet technical specifications.
	Please clarify if the timeline in Appendix VI must be used to construct the financial bid or can alternative dates be proposed for equipment personnel arrival normally associated with international games.	It has to be in accordance with Appendix VI	Timeline for installation of equipment and core teams at site by 31 August 2010 was converted to proof of despatch of equipment while changing the schedule of payment in Sept 2010.
Consortium		If the entity happens to be a consortium no addition can be made and composition of consortium shall remain the same as on submission of EOI responses.	A substantial part of contract was outsourced to Zoom Communications and responsibilities and profits were shared equally by both, which essentially makes it a partnership.
Coverage of QBR	Will the contract be awarded well in advance to enable the bidder to plan and prepare to cover the QBR?	Contract would be awarded well in advance of the QBR	Letter of award was issued to SIS Live on 22 Oct 2009, just six days before QBR.

Evidently, the rigid stand taken by PB at the pre-bid stage was a pre-determined strategy to deter other potential bidders and favour SIS Live, for whom special concessions were accorded subsequently.

Due to Prasar Bharati's failure to amend the draft contract in a fair and transparent manner in advance of bid submission (rather than allowing it to be insidiously amended post facto at multiple stages), only two bids were received. One bid was effectively withdrawn, as the lead partner – Canadian Broadcast Corporation – withdrew from the consortium. This left only one financial bid – that of SIS Live – in contention.

It may be noted that MIB was involved by PB at each stage of the tendering/ award process. The Oversight Committee (discussed subsequently in para 28.6.3) also felt that the process followed was fair and transparent, although it noted in a subsequent meeting (February 2010) that some parties had opted out of the bidding due to the restrictive payment schedule.

Further, the accepted financial bid included Rs.10 crore for Consultancy (wherever required), which SIS Live had stated to be its project profit. In addition Rs.10 crore was provided for incidental/ contingency expenses which SIS Live stated to be pre-operative expenses and unspecified contingencies. Although the Host Broadcast Management Committee (HBMC)⁵ negotiated with SIS Live, it could not effect any deduction under these heads. Thus, the contract was ab initio overpriced by Rs 20 crore.

⁵ HBMC was chaired by CEO, PB and comprised Member (Finance), Member (Personnel), DG DD, Engineer-in-Chief DD, DG AIR and Engineer-in-Chief AIR

We clearly discern PB's intent to discourage other parties from bidding, leaving only one “chosen” bidder (SIS Live). The Letter of Award was issued on 22 October 2009, just six days before the QBR Launch ceremony on 28 October 2009.

Miraculously, SIS Live, along with its future sub-contractor – Zoom Communications Ltd., was already in position (after mobilisation of necessary equipment and resources), to cover the QBR.

28.3.3.4 Finalisation of Contract with SIS Live

The finalisation of the contract between PB and SIS Live inexplicably took five months – from 22 October 2009 (when the LoA was issued) to 5 March 2010. The final contract at a cost of Rs. 246 crore differed substantially from the draft contract circulated at the RFP stage, with all the changes favouring SIS Live and to the detriment of PB/ Gol.

These changes were finalized as a result of “negotiations” between PB and SIS Live and direct consultations with the Solicitor General without routing through MIB. The Solicitor General vetted the contract and settled the changes, amidst the conflicting views of HBMC members.

A summary of the major changes to the contract is given in Table 28.5.

Table 28.5 – Changes in Contract Conditions

Area	Para No.	Original provision in brief	Provision in final contract
Termination of Contract	2.8.5 (a)	If the contract is terminated pursuant to clause 2.8.1 the entity shall not be entitled to receive any payment.... however HB may consider making payment for the part satisfactorily performed..., <u>HB may also impose liquidated damages as per the provisions ...</u>	If the contract is terminated pursuant to clause 2.8.1 the entity shall not be entitled to receive any payment... however HB shall make payment for the part performed to the reasonable satisfaction of the HB
	2.8.5(c)	Upon such termination HB shall be free to engage any other service provider as it may deem fit <u>at the risk and cost of entity</u>	Upon termination under clause 2.8.1, HB shall be free to engage any other service provider as it may deem fit. <u>in which event the entity shall be liable only for the costs of such replacement services that are reasonable.</u>
Terms of payments	6.3(a)	The entity shall submit invoice along with inspection certificate....the payment will be released as per work related milestones achieved.	The entity shall submit invoice along with inspection certificate....the payment will be released as per work related milestones/ <u>specified dates within 10 working days of submission of invoice.</u>
	6.3 (b)	Once a milestone is completed the entity shall submit the requisite deliverables.....HB will release payment upon acceptance of the deliverables.... <u>if HB fails to intimate the objections within 30 days it shall release payment without further delay.</u>	Where completion of a milestone requires the submission of a deliverable ...entity shall submit the deliverable....within five working days HB shall confirm its acceptance or any deficiencies. <u>Payment shall be released as per work related milestones/specified dates within 10 working days of submission of invoice. In case of any undue delay in payment HB shall be liable to pay LD.</u>
Liquidated Damages	9.3(a)	If the deliverables are not submitted as per schedule, the entity shall be liable to pay <u>1 percent of the total cost of services for delay of each week or part thereof</u>	Where a milestone requires submission of a deliverable and it is not submitted and delay is not due to failure of HBthe entity shall be liable to pay <u>1 percent of value of the payment which would have been due</u>

Area	Para No.	Original provision in brief	Provision in final contract
	9.3(b)	If the submitted deliverable is not acceptable to HB..... entity shall be liable to pay <u>1 percent of the total cost of services for delay of each week or part thereof</u>	If the submitted deliverable is not accepted by HB..... <u>the entity shall be liable to pay 1 percent of value of the payment which would have been due</u>
Liquidated Damages Payable by PB	9.4	Both the parties agree to pay such liquidated damages, as defined under the provisions of the contract.	<u>HB shall be liable to pay to the entity LD for any delay in payment on part of HB...for an amount equal to 1 percent of value of the payment due...for each week subject to a maximum of 10 percent of contract price.</u>
	9.5		Any LD due from the entity to HB may be set off against the payment due from HB to the entity.
Contract Price	14	<u>Contract price shall remain firm for the entire contract period except changes in the tax law.</u>	Deleted
Sub-Contract	15	Entity shall not assign or transfer the contract or any part thereof.	Entity shall not assign or transfer the contract or any part thereof, <u>but HB acknowledges that the entity will utilise sub-contractors/production associates for the performance of the services.</u>

In particular, the new provision allowing SIS Live to utilise sub-contractors/ production associates changed the fundamental nature of the contract and paved the way for SIS Live to outsource almost the entire work to Zoom Communications Ltd. on the same day as the main contract – 5 March 2010.

28.3.3.5 Sub-Contracting by SIS Live to Zoom Communications Ltd.

PB entered into a contract on 5 March 2010 with SIS Live for production and coverage of

CWG-2010 at a cost of Rs. 246 crore. On the same day (5 March 2010), SIS Live entered into a sub-contract with Zoom Communications Ltd. at a cost of Rs. 177.30 crore, covering almost the entire scope of work, viz.:

- Generation of basic feed;
- Broadcast venue operations services; and
- Training

We found that SIS Live and Zoom Communications Ltd. were in alliance much

before the signing of the main contract and sub-contract on 5 March 2010:

- SIS Live utilized the services of Zoom Communication Ltd. for coverage of the QBR, which was launched on 28 October 2009;
- On 5 March 2010, Shri Dehlvi signed as a witness to the main contract between PB and SIS Live and also as the authorized representative of Zoom Communications in the sub-contract between SIS Live and Zoom Communications on the same day. Subsequently, Shri Dehlvi corresponded with PB as the Resident Project Director of SIS Live.

The terms of the sub-contract did not envisage a principal-agent relationship between SIS Live and Zoom Communications, and made Zoom Communications responsible for performance of key services:

- Managing the broadcast production and coverage facilities and services;
- Providing a turnkey solutions for scheduled services and deliverables;
- Providing advice and taking decisions to ensure services of generation of basic feed, broadcast, venue operations, training etc.;
- Provision of 85 per cent of equipment for Games coverage and training;
- Providing 800 out of the 1200 estimated Games time staff;
- Responsibility for all Indian staff for planning and management, technical and production costs for pre-Games programming, QBR costs, technical equipment for training, insurance etc.

- As per clause 3 of Operating Document attached with the sub-contract, profit provision was to be shared equally between SIS Live and Zoom.

Clearly, practically the entire set of contractual services was being executed by Zoom Communications Ltd through a back-to-back contract, with SIS Live acting essentially as a conduit. The amended clauses of the main PB contract, thus, enabled the back door entry of Zoom Communications Ltd, who was ineligible for bidding for this contract.

28.3.4 Irregularities in Contract Management

28.3.4.1 Change in schedule for payment in favour of SIS Live

As per the contracted schedule of payment, SIS Live was to receive only 30 per cent payment before 14 October 2010, with the balance only on verification of performance. PB irregularly amended this provision in September 2010 on the basis of SIS Live's request in August 2010 for 100 percent advance before the Games, as well as a statement by DG, DD, that the entity was considering termination of the contract as the delayed fund flow was making the project untenable. The amended provision, which was approved by the Host Broadcast Management Committee (HBMC) in August 2010 and the MIB in September 2010, provided for 60 percent in advance of the Games by 27 September 2010 (subject to successful installation and testing of equipment) and the remaining 40 per cent through Letters of Credit⁶.

⁶ Payment through Letters of Credit was, however, not processed.

Had this relaxed payment schedule been incorporated at the bidding stage, there would have been much greater financial competition, reducing the ultimate cost to the public exchequer.

28.3.4.2 Irregularities in payments made to SIS Live

PB failed to enforce compliance by SIS Live with even the conditions associated with the relaxed payment schedule:

- Payment of the fourth tranche of Rs.73.80 crore was linked with successful installation and testing of the required equipment conforming to the quality, make and models indicated in the production plan.
- In August 2010, SIS Live approached PB for changes in make/model of certain equipment, which was not approved. However, SIS Live, on 11 September 2010, refused to accept the approved determinants for payment of the fourth tranche, and insisted on its own list of determinants, which specified only installation of equipment. This was however, not accepted by PB.
- In the inspection carried out by the team of technical experts in September 2010, several deviations from the approved specifications were noted.
 - Ikegami/Snell & Wilcox make equipment in place of Sony, 22 Zoom lens in place of 72 Zoom, SSM camera in place of Robotic camera, Miranda in place of Leitch.
 - HDCAM VTRs/DDRs were not provided in any of the venues, 23 cameras and four EVS SMS were not provided.

Despite the adverse inspection report, the payment of Rs.73.80 crore for the fourth tranche was released in September 2010, after approval of the HBMC. A committee to evaluate the financial implications of this deviation and shortfall in equipment was subsequently constituted by DG, DD in October 2010, which estimated the financial implication at Rs.17.39 crore.

28.3.4.3 Non-deployment of approved key technical personnel by SIS Live in CWG

Against the 61 key technical personnel for production and coverage of CWG 2010 stipulated in the contract, we found that the list of OC accredited personnel of SIS Live included only 22 persons out of the 61 identified personnel. Clearly, PB did not make any efforts to verify and ensure that the key personnel approved by it actually executed the assigned task.

29.3.4.4 Undue favours to SIS Live resulting in extra expenditure by HB

Other favours irregularly granted by PB to SIS Live involved extra expenditure of Rs. 3.22 crore on the following tasks:

- **Hiring of lighting consultant** - Despite the fact that SIS Live had charged Rs 10 crore for consultancy over and above the consultants already hired under the contract, PB hired a lighting consultant at a cost of Rs. 21.95 lakhs. Legal opinion in this regard received on 16 August 2010 stated that in the absence of a relevant contractual clause, it was PB's responsibility to hire a lighting expert.
- **Supply of Power Cables** - Contractually, SIS Live was to provide for laying of

power cables to interconnect various functional areas at all venues; this was also clarified at the pre-bid meeting. However, in July 2010, SIS Live stated that this was not in its scope of work and refused to undertake this task. Consequently, in August 2010, PB hired BECIL to execute this work at the cost of Rs. 0.96 crore, envisaged at SIS Live's risk and cost (as per legal advice). The ultimate cost incurred by BECIL amounted to Rs.1.30 crore. This approach was reversed by HBMC in August 2010, which decided to impose the responsibility on the OC. Inexplicably, OC agreed to bear these costs. Clearly PB showed undue favour to SIS Live on this account.

- **Special camera mounting** - PB incurred an additional liability of Rs 1.70 crore on special camera mountings, on account of ambiguities in the contract clauses and divided legal opinion.

28.3.5 Deficiencies in QBR deliverables

The entire payment for coverage of the QBR was released to SIS Live, despite non-receipt of tapes relating to 5 out of 21 countries and delayed receipt of the other tapes relating to 16 countries vis-a-vis the stipulated time schedule which ranged from two days to two months. No tape was received in time and the event was therefore telecast late.

28.4 Legacy of the Games

Despite incurring of such huge expenditure from GoI funds, the legacy value of HDTV coverage of CWG-2010 to PB, both in terms of improvement of infrastructure and

development of in-house skills was insignificant.

- **Non-upgradation to HDTV** – PB failed to upgrade itself to HDTV, even partially if not fully, by CWG-2010. Against funds of Rs.165 crore (out of which Rs. 114.61 crore was to be spent upto 2010-11) sanctioned by GoI to DD for production facilities for HDTV content and terrestrial and satellite transmission, DD could spend only Rs. 6.84 crore for the uplinking facility.
- In July 2007, PB proposed that seven sporting events, besides the opening and closing ceremonies would be outsourced, and the remaining ten events would be covered in-house. This was reduced in November 2007 to cover only three events in-house out of the 17 events. Finally, PB participated in production of only three events in CWG 2010, and coverage of all 17 events was outsourced.
- Further, PB spent Rs. 7.85 crore for training of its staff by SIS Live (outsourced agency) on HDTV equipment. Training was imparted to staff on non-games venues as the venues were not ready. No records were available to establish that the training was imparted on the same highly specialized OB Vans that were used by SIS Live for production and coverage of games. Consequently, the training received by PB personnel from SIS Live would also become largely redundant, in the absence of HDTV equipment in PB.

At the stage of EFC approval, PB had stated that the *“legacy which Prasar Bharati would carry after the Games is innumerable development of skills of its staff, who would get to work with latest and super-specialised equipment on the most advanced HDTV technology. This would place PB prominently on the sports broadcasting field on the world map.”*

In reality, the production and distribution of CWG-2010 in HDTV format was an ephemeral exercise, with no legacy capabilities for DD/ PB.

28.5 Other related infrastructure

28.5.1 Inordinate delay in upgradation of hostel facilities

Sanction of Rs. 3.49 crore, in June 2010 for improvement/upgradation of hostel facilities at the Staff Training Institute (STI), Kingsway Camp New Delhi in view of CWG-2010 turned out to be redundant despite expenditure of Rs.1.72 crore till December 2010. The upgraded hostel facilities were not ready even as of March 2011 and staff brought from outside Delhi was ultimately accommodated in private hotels during Games time at an extra cost of Rs.0.19 crore.



State of hostel facilities at STI, Delhi



Furniture lying in PB's godowns

28.5.2 Broadcast facility at venues

PB awarded a lump sum contract to BECIL for 'provision and customization of broadcast facilities at venues' at Rs. 19.81 crore. This included hire of items worth Rs. 1.77 crore. However, in July 2010, PB asked BECIL to go ahead with outright purchase of furniture (without concurrence of the HBMC), and a work order for Rs. 1.94 crore was issued in August 2010. The ultimate cost however, was Rs. 2.20 crore.

However, out of this procurement, furniture amounting to Rs. 0.92 crore were still lying in PB's godowns. (December 2010)

28.5.3 Irregularities in award of IBC contract

PB issued an EOI in May 2009 for the construction and operation of IBC facilities and services; nine responses were received in June 2009.

We found that two entities (Shaf Broadcast and Anytime Pictures Ltd.), which had been found ineligible on account of lack of experience at the EOI stage by the Evaluation Committee, were irregularly included in the shortlist.

The contract was finally awarded to Shaf Broadcast at a cost of Rs. 65.91 crore which was much higher than the CCEA estimates of Rs 45.67 crore. Further, PB failed to adequately negotiate reductions on account of reduced requirements from RHBs (estimated at Rs. 7-8 crore) as well as duplication in air conditioning and fire fighting systems (sanctioned by ITPO at Rs. 9.87 crore) and obtained a negotiated reduction of only Rs. 4.61 crore.



28.5.4 India Trade Promotion Organisation

ITPO was awarded a budget of Rs. 28 crore for upgradation of ITPO through Cabinet Note in October 2008. The MIB approved the revised estimates from Rs. 28 crore to Rs. 75.77 crore (including Rs. 16.77 crore available for rent, electricity and water charges and fuel expenses) for augmentation and replacement of AC plant, development of food plaza for the use of press, renovation of toilets, hiring of DG sets, firefighting works, and other miscellaneous works.

We found that ITPO and CPWD (the implementing agency) had unspent balances of Rs. 21.30 crore:

- ITPO had retained Rs. 3.95 crore, while issuing sanctions of Rs. 55.05 crore for civil and electrical works to CPWD
- As of December 2010, CPWD had awarded works/incurred actual expenditure of Rs. 37.70 crore, with an unspent balance of 17.35 crore.

Since this amount of Rs. 21.30 crore could not be utilised by ITPO/ CPWD for CWG 2010, it should be forthwith refunded to MIB.

28.6 Oversight and Monitoring arrangements

28.6.1 Role of HBMC

The Prasar Bharati Board (Board) formally appointed a Host Broadcast Management Committee (HBMC)⁷ in May 2009⁸. The HBMC was granted the authority to accord the requisite approvals and take all steps for successful completion of PB's role as HB in the CWG, 2010.

⁷ Chaired by CEO, PB and comprising Member (Finance), Member (Personnel), DG DD, Engineer-in-Chief DD, DG AIR and Engineer-in-Chief AIR.

⁸ although it had been functioning since February 2009.

28.6.1.1 Lack of consensus within HBMC

Of the 55 meetings between February 2009 and October 2010, records of only 40 were made available to us, we found that:

- There was no consensus among the HBMC Members for finalising the draft contract. Vigorous objections by the Member (Finance) and Member (Personnel) were ignored;
- Minutes of only two out of 40 meetings were signed by all the members of HBMC;
- In the meeting held on 26 August 2010, several major decisions⁹ were taken, but the minutes were signed by only four of seven members;
- In three meetings, two sets of minutes with different streams of opinions were issued - one by the PB Secretariat and another by the Member (Finance), along with the Member (Personnel).

Due to conflicts of opinion, legal opinion had to be sought on several key issues relating to drafting of the contract, hiring of lighting consultant, supply of power cables, and special camera mounting.

28.6.2 MIB's Role

The tendering/ award and management of the production and coverage contract was submitted for MIB's approval at various stages – EOI, RFP, approval of the single financial bid, as well as relaxation of the

⁹ Regarding engagement of lighting consultant, synchronized camera risers, games time catering, delays in decision on construction of broadcast compounds, laying of power cables from broadcast compounds to commentary tribunes, proposed change in supply of equipment other than mentioned in the RFP, and payment in respect of QBR.

payment schedule in September 2010 in favour of SIS Live. MIB did not show adequate urgency in finalisation of budget estimates, nor in quick finalisation of the EOI and RFP. These delays left no time for re-tendering in the context of the single financial bid.

Regarding major decisions relating to SIS Live, MIB chose to go along with the recommendations of PB. In particular, while approving the contract award to SIS Live on a single financial bid, Secretary, MIB noted that *“given the circumstances and the fact that there is no time to initiate a fresh process and no certainty as to a better and more acceptable outcome, the Ministry does not have the option of revisiting the issue at this stage. Moreover, we cannot rule that making any substantive changes in the RFP documents following the pre-bid meeting could have led to objections and complaints.”*

Further, approval to the revised payment schedule was accorded by MIB, primarily on the ground that they were left with no alternative but to accede to the demands (of SIS Live), since non-telecast would be a matter of international embarrassment. Further, Secretary, MIB noted that the Cabinet Secretary had also spoken to him on more than one occasion that keeping in view the prestigious nature of the event for India, the telecast must be ensured.

MIB chose to largely go along with the recommendations of PB, on grounds of urgency and lack of alternatives.

28.6.3 Oversight Committee

The Oversight Committee¹⁰ chaired by Minister of Information and Broadcasting and co-chaired by Minister of Law and Justice was constituted on 2 Sept 2009 by MIB to monitor the progress of activities relating to production and coverage of games, expedite decision making at various levels, and resolve inter-ministerial issues. Its constitution was essentially at the same time as the receipt of the single financial bid from SIS Live. The Committee met six times between September 2009 and July 2010. We found that it chose to largely accept the proposals put forward by PB, in particular, on the decisions to award contracts to SIS Live and Shaf Broadcast, as well as the changes in the draft contract (which were largely in favour of SIS Live).

A meeting of the Oversight Committee in February 2010 is of particular interest. At this meeting:

- The Minister for Law and Justice mentioned that he had gone through the opinion of the Solicitor General (SG) on the contract document (particularly with reference to changes in the payment schedule from 30:70 to 40:60 and waiver of bank guarantee for the initial two payments). He felt that the SG had tried more to arrive at a compromise between PB and SIS-Live

and had not specifically given a finding on the legality of the same. Prima facie, the changes in the payment schedule could not be considered at this stage, and if insisted, re-tendering may have to be considered.

- The Minister for Information and Broadcasting also noted that some parties chose to opt out of the bidding process because of the terms and conditions of the payment schedule. It was all along maintained that the schedule could not be changed; changing it now may leave the field open for legal intervention by other parties. She also noted that the SG had left this to the competent authority to take a final decision. In her opinion, such matters could not be left to the discretion of the competent authority, and the legal implications should be clearly indicated, before any decision could be taken.

The contract signed with SIS-Live left the payment schedule at 30 per cent before the Games. However, this was amended in September 2010 to 60 per cent before the Games.

Ultimately, the Oversight Committee's intervention on the payment schedule did not have any lasting effect.

¹⁰ Other members were Secretary I&B, Secretary Legal Affairs, Additional Secretary I&B, Additional Secretary and Financial Advisor I&B, and a law officer to be nominated by the Ministry of Law and Justice.



Telecommunications Services for CWG-2010

MTNL was appointed on “nomination basis” in October 2009 for providing telecommunications services for CWG-2010, on the premise that it would follow all norms and procedures for public financial accountability. However, we found that the process of awarding the telecommunications services contract was flawed.

MTNL, with OC's agreement, pushed through a vastly more expensive technical solution (IP/ MPLS) for the Broadcast Video Network and Broadcast Audio Network, which had not been tested in previous Games and was not acceptable to the Rights Holder Broadcasters (RHBs) from different Commonwealth countries. Eventually, in addition to IP/ MPLS, the tested and existing technical solution (“point-to-point dark fibre”) was provided to meet the requirements of RHBs. Even Doordarshan made use of only the dark fibre solution for its video broadcast requirements. This solution would have been vastly cheaper, with less cost to the public exchequer.

The premise of the PSU following public financial accountability norms (which was the basis for obtaining Gol approval for appointment of MTNL) was jettisoned, as the technical requirements were altered without adequate justification by MTNL to leave only one technically qualified bidder, the HCL/Cisco team; there was, thus, no financial competition. Essentially, MTNL acted as a conduit for placement of a contract, on a back-to-back basis, in a non-transparent manner.

In August 2009, Airtel made an offer to the OC for providing telecommunication services for CWG-2010. Shri Suresh Kalmadi and his associates in the OC continued to negotiate till January 2010 with Airtel, whose last offer was to provide such services at a cost of Rs. 160 crore (excluding taxes), offset by sponsorship of Rs 100 crore. For unexplained reasons, Airtel's offer, which was considerably better than that of MTNL, was not brought to the notice of the Gol.

The estimates for telecommunications services provided by MTNL at different points of time were unreliable and lacked adequate support, with the final infrastructure cost of Rs. 270.70 crore (excluding taxes) approved by the Gol being more than eight times the estimates of approximately Rs. 33 crore for Melbourne CWG-2006. Further, the contract awarded by MTNL to the HCL/ Cisco team was for Rs. 387.19 crore (excluding taxes), which was 12 times the estimated cost for similar services in Melbourne CWG-2006. Clearly, there was a substantial loss to the Gol on account of this decision. However, we are unable to quantify this loss on the basis of available records.

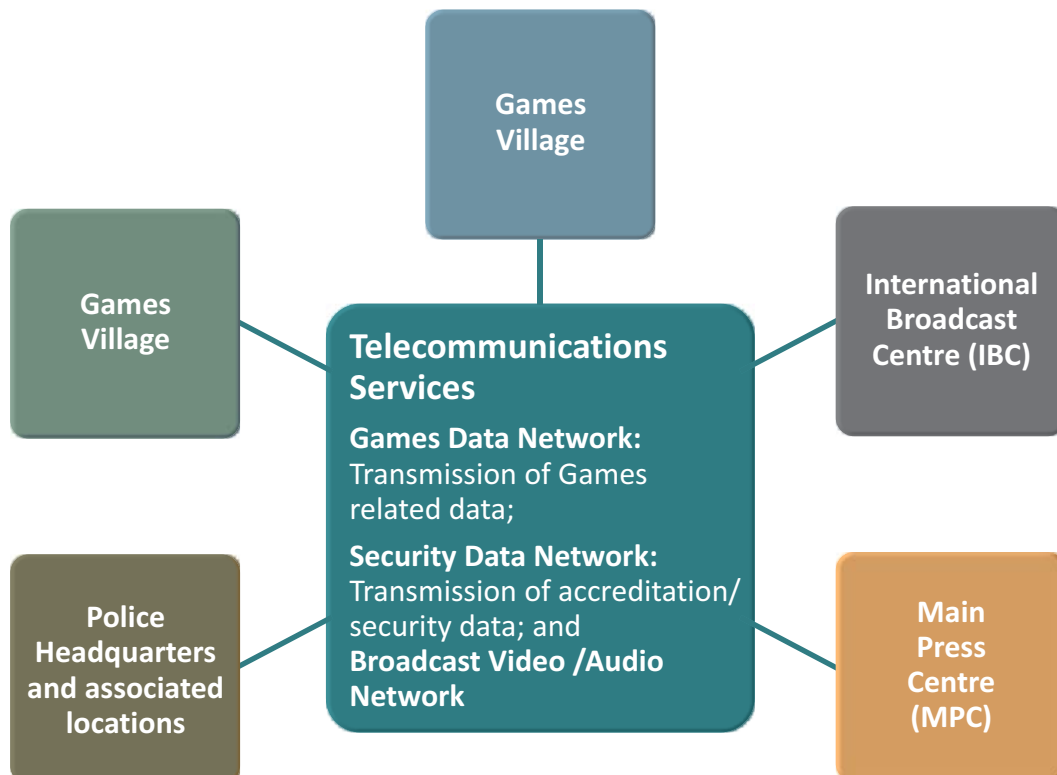
MTNL did not provide realistic and detailed business plans or strategies regarding the post-CWG market potential for the high speed IP/MPLS solution obtained at considerable cost to the GoI (except for a reference in the tender documents to the requirement of network capacity to handle 1,00,000 customers each in Delhi and Mumbai). This, further, confirms the redundant nature of this expensive technical solution.

29.1 Introduction

For the successful conduct and delivery of the Games, it was necessary to put in place robust, effective and fail proof telecommunications services catering to the requirements for bulk transmission of games data, security data, High Definition

TV (HDTV) broadcast video signals, and broadcast audio signals between different locations - competition and other venues, the International Broadcasting Centre (IBC), the Main Press Centre (MPC) (located at ITPO), and master control facilities. The scope of telecommunications services for CWG-2010 is summarised below:

Figure 29.1 – Telecommunications Services for CWG-2010



Section - H
Other Services

MTNL was formally appointed in October 2009 by MYAS as the Telecommunications Service Provider for CWG-2010.

29.2 Selection of MTNL

We found that the formal appointment of MTNL as the telecom partner by MYAS in

October 2009 was the culmination of an extended engagement process between the OC and MTNL at the highest levels, beginning March 2009 as is evidenced by the chronology of events given below:

Table 29.1 – Chronology of events leading to nomination of MTNL

Date	Events / Activities
14 March 2009	Comprehensive presentation made by the MTNL Technology team to the OC, which indicated the cost of laying the telecommunication solution as Rs 450 crore (based mainly on rates of Cisco and HCL equipment).
26 May 2009	Meeting held between the MTNL team headed by Shri RSP Sinha, then CMD MTNL and a senior management team of the OC headed by Shri A K Mattoo, Treasurer, Shri VK Gautam, COO and other members of the OC Technology Functional Area
6 June 2009	Letter of intent issued by COO, OC engaging MTNL as the Telecommunications Service Provider for CWG-2010, subject to other terms and conditions to be finalised through detailed negotiations.
June 2009	Discussions held between the OC ¹ and MTNL's technology expert committee ² to finalise the Scope of Work (SOW).
30 July 2009	SOW finalised by the OC for telecommunications infrastructure.
4 August 2009	Group of Officers (GOO) ³ constituted by Cabinet Secretariat to evaluate and finalize the SOW with respect to financial and technical proposals mooted by MTNL.
9 August 2009	GOO approved proposal at an estimated cost of Rs. 270.70 crore (against the proposed estimate of Rs. 343.11 crore) for telecommunications infrastructure to be funded on a wet-lease basis ⁴ , with GoI financial support of Rs. 165 crore plus duties and taxes of Rs. 17 crore to be provided to MTNL.
October 2009	MTNL nominated as Telecommunications Service Provider for CWG-2010 by GoI
November 2009	Proposal of GOO endorsed by the EFC and approved by the GoI.

¹ Shri V.K. Gautam, COO and other members of the Technology Functional Area.

² GM(CPSL), Manager(CPSL), and DGM(BB).

³ Secretary, Sports; Addl. Secretary, MI&B; Joint Secretary, MoF; and DDG, DOT

⁴ The facility would be available for use during CWG-2010 and would then be handed over to MTNL for future use. 60 per cent of the capital cost would be borne by the GoI and reimbursed to MTNL.

We found that the selection of MTNL on nomination basis was justified to the GoI on the grounds of it being a Public Sector Undertaking (PSU) which would follow all norms and procedures for public accountability. Given the limited time available, the selection of a PSU for service delivery would have been understandable, if it was delivering services directly. However, the telecommunications services were actually delivered by the HCL/ Cisco team.

Essentially, MTNL acted as a conduit for placement of a contract on a back-to-back basis, in a non-transparent manner on the HCL/ Cisco team, as described subsequently, and the underlying premise of a PSU following public financial accountability norms was jettisoned.

29.3 Airtel's considerably better offer not brought to the notice of GoI

We found that on 28 August 2009 (when the Cabinet Secretariat had already appointed a GOO in connection with MTNL's proposals), Airtel approached the OC with a proposal to provide telecommunications services for CWG-2010 worth Rs. 100 crore as the Lead Sponsor; this proposal was validated by the technology team of the OC. Shri Suresh Kalmadi, Shri A K Mattoo and Shri T S Darbari of the OC continued to engage with Airtel on the proposal till early January 2010, during which period Airtel's offer changed from provision of telecommunications services during CWG-2010 worth Rs. 100 crore as the Lead Sponsor to an offer of telecommunications

services at a cost of Rs. 160 crore (excluding taxes) offset by Rs. 100 crore as sponsorship.

We noticed that the OC chose not to bring this considerably better offer of Airtel to the notice of the GoI or GOO anytime between August and October 2009 (when MTNL was appointed as the Telecommunications Services Provider for CWG-2010). It is also not understood why Shri Kalmadi and his associates continued to interact with Airtel, even after GoI had taken the decision to engage MTNL on OC's recommendation and thereafter, MTNL was parallelly engaged in selecting a contractor to provide these services.

29.4 Choice of technology

MTNL suggested a technical solution based on IP/MPLS technology for all networked services viz. Security Data Network (SDN), Games Data Network (GDN), Broadcast Video Network (BVN) and Broadcast Audio Network (BAN). While for data transmission IP/MPLS was a robust solution, it was a more expensive technical solution for broadcast video and audio services and had not been tried and tested in past Games. In contrast, in the earlier Games, broadcast video/ audio telecom services had been delivered through "point to point dark fibre", which was a tried and tested solution and was also far less expensive. It may be noted that the scope of work prepared by the OC for the GOO's consideration indicated the IP/MPLS solution only for data networking and not for broadcasting, whereas MTNL, in its presentations, offered an IP/MPLS based solution for all networks. In its report, the GOO noted that it had

relied on the technical knowledge, expertise and judgement of experts from Prasar Bharati (the host broadcaster), MTNL and the OC, and accepted the projected infrastructure requirements (including IP/MPLS for broadcast video and audio services).

In October 2009, during the first World Broadcasters Meet (WBM)⁵, some of the Rights Holder Broadcasters (RHBs) raised concerns on the adoption of the IP/MPLS technology for video broadcasting in place of the “point-to-point dark fibre” broadcast technology. In a review meeting held on 6 January 2010, to discuss this issue, Mr. Patrick Furlong (Advisor, Broadcasting to the OC) observed that IP/MPLS technology had not been proven or tested yet on such a large scale in multi sports environment. Eventually, on the insistence of RHBs, in February 2010, MTNL agreed, in February 2010, to provide “point to point dark fibre” as the primary solution, along with the IP/MPLS based solution.

Reverting to the existing “point to point dark fibre” technology solution for broadcasting video and audio completely changed the cost dynamics:

- In July 2009 itself, Mr. Brian Nourse, the Technology Consultant for the OC, had indicated that the estimated cost for providing similar services in Melbourne CWG-2006 had been only Rs. 33 crore (as against Rs. 270.70 crores estimated by the GOO) and flagged the need to engage the Host Broadcaster (Prasar Bharti) and RHBs.

⁵ Prasar Bharti, the Host Broadcaster and the OC organized two WBMs to interact with existing and potential Right Holders Broadcasters to keep them updated on the operational preparedness of the CWG-2010. The first WBM was held from 26-28 October, 2009.

- The cost of data transmission was a fraction of the cost of audio/video transmission, as noted by ADG (Technology), OC in January 2010.
- MTNL was asked by the OC (January 2010) to provide details to rework the costs based on provision of broadcast video/ audio services on “point-to-point dark fibre solution”; however, MTNL did not do so, and merely agreed to provide “point-to-point dark fibre” solution to RHBs at no additional cost.

Clearly, MTNL, a PSU, chose not to adopt a more judicious and cost effective approach in selecting the technology solution, and the OC did not persuade MTNL to do so in the larger interest of optimal utilisation of GoI funds.

In our view, MTNL, with OC's agreement, pushed through a costlier technical solution (IP/ MPLS) for the Broadcast Video/ Audio Network, which had not been tested in the previous Games and was not acceptable to the Rights Holder Broadcasters (RHBs).

Eventually, in addition to IP/ MPLS, the tested and existing technical solution (“point-to-point dark fibre”) was provided to meet the requirements of RHBs. Even Doordarshan made use of dark fibre as its primary solution for its audio/video broadcast requirements, with the IP/ MPLS solution used only for the broadcast disaster recovery site. This solution would have been vastly cheaper, with ultimately less cost to the public exchequer.

In response, MTNL indicated that the setting up of an IP/ MPLS based network was a unanimous combined decision of all

the concerned stakeholders to address the composite requirements of all applications. Point-to-point dark fibre based solution was additionally provided by MTNL to give comfort level to the RHBs. We do not agree with MTNL's views, in the light of the issues highlighted above.

29.5 Award of back to back contract by MTNL to HCL/Cisco

The chronology of tender and award of the telecommunication services contract by MTNL is given below:

Table 29.2 – Chronology of events leading to selection of HCL/ Cisco

Date	Events / Activities
24 September 2009	Global tender floated by MTNL, with last date of bid submission as 27 October 2009
13 October 2009	Pre-bid meeting held (in which 18 agencies participated) and date of bid extended to 10 November 2009
3 November 2009	Last set of pre bid clarifications issued by MTNL
10 November 2009	Single bid received from HCL with Cisco as teaming partner; technical and commercial bids opened; the price quoted by HCL/Cisco team was Rs. 335.14 crore (excluding taxes)
14 February 2010	Advance purchase order issued by MTNL to HCL/Cisco team
12 March 2010	Contract awarded by MTNL to HCL/Cisco team for Rs. 387.19 crore (excluding taxes)

We found that the entire tender and award process was tailored by MTNL to ensure the success of HCL/Cisco team, as detailed subsequently.

29.5.1 Arbitrary inclusion of experience requirement of implementation of 60 nodes in a single network

The initial RFP prepared by MTNL, based on the scope of work, specified “.....**minimum experience of implementation of at least 15 nodes (MPLS Core and MPLS Edge routers) in a single network**” as the requisite technical qualification required from the bidder. However, in September 2009, through a committee⁶, MTNL changed

the technical qualifications for the RFP to “.....**minimum experience of implementation of 60 nodes in a single network**”. This requirement was justified, stating that “**the CWG Data Network shall contain between 120-130 MPLS routers, therefore it was decided that the prospective bidders should have at least 50 per cent of the numbers of node experience of implementation**”.

We found no evidence of MTNL/HCL/Cisco actually implementing 60 nodes in a single network in CWG-2010.

In our view, the experience stipulation of 60 nodes in a single network was deliberately conceived to limit competition to HCL/Cisco team.

⁶ comprising of CGM (Switching & Planning), GM (CPSL), GM(MM), GM (BB&IA) and DGM (BB-D)

Further, despite requests from the prospective bidders (and the last pre bid clarification being issued as late as 3 November 2010), the last date of submission was not extended beyond 10 November 2010. This rigidity in adhering to the stipulated date is belied by the subsequent delay of three months in actual award of the contract.

Consequently, among the 18 agencies that had evinced interest at the RFP stage, of which four had the requisite experience in Olympics/Commonwealth/FIFA Games, only one, Cisco, teaming with HCL, submitted a financial bid.

In our opinion, the bidding process was tailored to ensure that only the HCL/Cisco team's financial bid was available, thus eliminating financial competition.

On receipt of a single financial bid, Director (Finance), MTNL had advised (December 2009) short-tendering (against the option of negotiation) to ensure that best rates were secured, as the estimates were unreliable. She, further, recommended that if negotiations were to be conducted with a single bidder, the Price Negotiation Committee should have Government representatives from the DoT and the MoF. However, MTNL conducted price negotiations through an internally constituted committee, thus making the process even more non-transparent.

29.5.2 Reasonability of costs for providing telecommunication infrastructure

Financial competition was imperative to ensure reasonability of the rates secured. It

was particularly important in the instant case as the estimates were unreliable i.e Rs. 450 crore at the stage of the first presentation to the OC, reduced to Rs. 343.11 crore in MTNL's proposal to the GOO. The GOO anticipating a further reduction of 21 per cent through competitive bidding, reduced the estimates to Rs. 270.70 crore. After post-bid negotiations and including additional equipment worth Rs. 40.50 crore, MTNL finally placed an order of Rs. 387.19 crore on HCL/Cisco with the supplier contractually entitled to take back equipment worth Rs. 33 crore.

In our opinion, the cost of providing telecommunication services at Rs. 387.17 crore in CWG-2010 was unreasonably high for the following reasons:

- The COO, OC at the time of receiving the first estimate at the MTNL presentation in March 2009 had observed that the estimate of Rs. 450 crore was 17-18 times that of the expenditure at Melbourne CWG-2006;
- As noted by the Consultant (Technology), OC, in July 2009, the estimated comparative cost of providing telecommunication services in Melbourne CWG-2006 was Rs. 33 crore;
- Airtel had offered a technologically acceptable solution for Rs. 160 crore (excluding taxes) offset by Rs. 100 crore sponsorship;
- The inappropriate choice of IP/MPLS technology for broadcast video/ audio services at a vastly higher cost has already been discussed in this section; and

- The contract awarded by MTNL to HCL/Cisco team for Rs. 387.19 crore (excluding taxes) far exceeded the GOO estimates and, in the absence of financial competition, there was no comparative check.

In response, MTNL indicated that HDTV technology required huge bandwidth of the order of 1.6 GB per channel compared to 0.27 GB per channel in SD (Standard Definition). While it is true that HDTV technology was used for the first time in CWG, this does not affect our audit conclusion as the requirement for HDTV-compatible bandwidth had been known at all stages and appropriately considered by all parties.

Clearly, there was a substantial loss to the Gol on account of this decision. However, we are unable to quantify this loss on the basis of available records.

Incidentally, we also observed that MTNL had not maintained stock registers for the assets procured under the said contract from the HCL/Cisco team, due to which we are unable to seek assurance regarding complete execution of the contract and safeguarding of assets procured at such high costs.

29.5.3 Legacy plan

We had enquired from MTNL as to their long term business plans/ strategies for high speed (10 Gbps) IP/MPLS solutions for identification of the market size and potential clients, for re-deployment of the equipment purchased for CWG-2010 to ensure that it is optimally utilised post-Games.

In response, MTNL provided a one-page listing of tangible and intangible benefits/ advantages, and indicated that this network would facilitate provision of wholesale bandwidth to other operators, banks, corporate houses and various other Government agencies on lease or rental basis (without details). They also stated the equipment purchased for CWG-2010 was “being redeployed” to augment the capacity and expand the IP/ MPLS network, without, however, indicating any specific details or establishing how the equipment procured for a high speed 10 Gbps IP/ MPLS solution would be optimally used on the existing lower speed IP/ MPLS network. MTNL also drew reference to a paragraph in the tender documents, which indicated network capacity to handle 1,00,000 customers each in Delhi and Mumbai.

It would thus appear that this high cost technology was procured by MTNL, largely at Gol cost, solely for the short term purpose of CWG -2010 without any realistic and detailed long term legacy plan, which casts further doubts on the choice of this solution.

Health Services for CWG-2010

The Directorate of Health Services (DHS) in the Department of Health and Family Welfare (DoHFW), GNCTD formulated a Health Action Plan (HAP) for CWG-2010 in October 2009. The aim of the HAP was to provide free medical services to athletes, officials, spectators and others at the Games Village, venues and other locations. Three definitive care hospitals were identified for emergency care, in addition to 21 link hospitals for primary and supplementary care, and a Sports Injury Centre in Safdarjung Hospital. Further, emergency care services were to be provided through 150 ambulances on PPP mode.

While healthcare for the athletes and the Games Family was ensured, we found that the delayed finalization of the HAP, compounded by further delays during tendering/ award, was used to facilitate deviations from stipulated procurement procedures for ensuring transparency and competition (open tendering, adequate time for bidding etc.) on purported grounds of urgency.

The procurement of medical equipment was marked by serious irregularities. DHS followed multiple procurement processes in an arbitrary manner, despite CWG-2010 requirements having been identified well in advance in the HAP:

- *Instead of going in for direct tendering, DHS inexplicably chose to finalise one year Rate Contracts (RCs) for 34 items in June 2010. After non-availability of 15 items (due to failure of supply), DHS ordered 8 items by operating RCs of other hospitals and 2 items by collecting “spot quotations” from the open market; the remaining 5 items (estimated at Rs. 5.89 crore) were not ordered at all.*
- *DHS chose to procure 14 others items (listed in the HAP, but not included in the RC process) directly at a cost of Rs. 2.32 crore on 30 August 2010 through “spot quotations” from the open market. This included purchase of 68 ice making machines from a single dealer at rates, which were, in many cases, higher than the MRPs.*
- *DHS purchased an additional 5 items (which were not included in the HAP) for Rs. 1.10 crore through spot quotations or by operating RCs of other hospitals; these items were received between 31 August and 8 October 2010.*

We found that the rates for many of these items were exorbitant (causing financial loss to the GNCTD), by inter se comparison of rates for the same items between multiple modes of tendering.

We also found the procurement of furniture items and medicines to be irregular.

We found that the Emergency Block at GB Pant Hospital (one of the designated definitive care hospitals) was not fully functional and commissioned, although it was utilised for the Games. Further, although the Sports Injury Centre (SIC) at Safdarjung Hospital was inaugurated in September 2010, it was not fully commissioned even in November 2010. Many items of equipment were yet to be procured and/or installed, and training on use of equipment was yet to be fully imparted. There was also a severe shortage of qualified manpower for providing necessary services. We also noticed significant deficiencies in the award and execution of a contract for a modular operation theatre and medical gas manifold system required for the SIC.

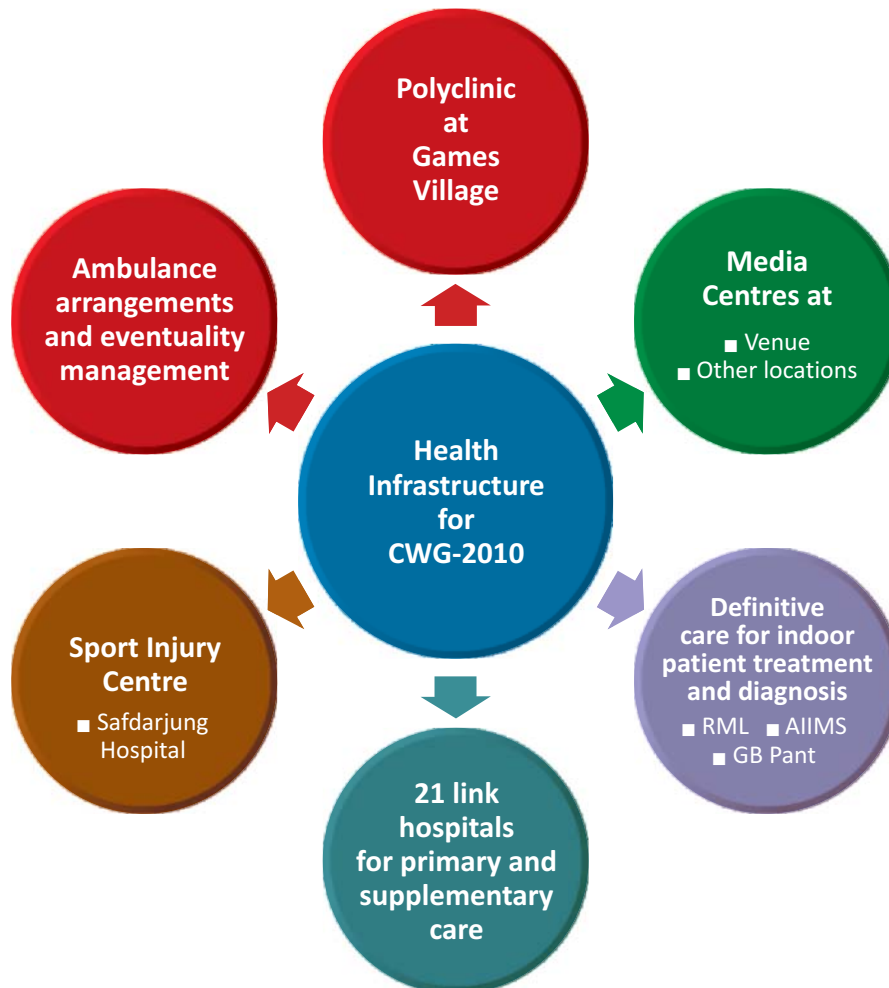
The attempt to strengthen ambulance services in time for CWG-2010 through deployment of 150 ambulances in PPP mode was a failure, since the contract with the selected concessionaire (Fortis Healthcare) was terminated for failure to deliver the ambulances in time. In our opinion, this eventuality arose because of the DoHFW's failure to specify the exact nature of the ambulance vehicle well in advance.

Government then acquired just 31 ambulances in June/ August 2010 on direct procurement for the Games at a much higher price. This difference in prices was largely due to higher specifications for the medical equipment than that envisaged in the RFP prepared by IDFC (the Transaction Adviser); it is inexplicable why this was not considered earlier. Further, 21 of these ambulances were Advanced Life Support (ALS) ambulances, which require the services of trained doctors and are generally attached to hospitals. Only 9 ambulances were Basic Life Support (BLS) ambulances, which primarily address the need of Delhi and its citizens for a general ambulance service (under the aegis of CATS and not any specific hospital) for immediate pre-hospital emergency response services.

30.1 Overview

The health infrastructure for CWG-2010 is summarised below:

Figure 30.1



30.2 Preparatory Activities

30.2.1 Planning

There was ambiguity in identification of the nodal agency responsible for overseeing health services for the Games. This was clarified only in November 2008, when it was indicated that the Directorate of Health Services (DHS), GNCTD would be the nodal agency for health services.

Planning for health services was protracted for over four years, crystallising only in October 2009 with the formulation of the Health Action Plan (HAP) by the Department of Health and Family Welfare, GNCTD (DoHFW). There were subsequent amendments on account of changes in the venues for marathon, cycling, and archery finals as well as changes in manpower at various venues in 2010.

Health Action Plan

The HAP prepared by DHS was quite comprehensive and in line with the different levels of health care responsibility indicated by the OC (complete health care responsibility for athletes, team officials, Games Family etc. and appropriate level of health care for other categories of persons). It indicated the Games time organisational structure for the medical arrangements for the Games, the detailed requirements of manpower, medical equipment, furniture, consumables and medicines at different locations, and the corresponding delivery timelines.

30.2.2 Budgeting

Although line items for CWG health services were provided in the budget of the DHS, GNCTD from 2006-07 onwards, the expenditure incurred till 2008-09 was insignificant, primarily due to delayed planning and preparatory activities; most of the expenditure was incurred in 2010-11.

Against the revised budget of Rs. 41.53 crore from 2006-07 to 2010-11, a total expenditure of Rs. 15.45 crore has been incurred as of November 2010. This does not include expenditure incurred directly by hospitals, which was met out of their own budgets.

30.3 Procurement Activities

The delayed finalization of the HAP, compounded by further delays during tendering/ award, was used to facilitate deviations from stipulated procurement procedures to ensure transparency and competition (open tendering, adequate time for bidding etc.) on purported grounds of urgency. This led to serious irregularities in procurement, as described below.

30.3.1 Procurement Process Followed

Strangely, DHS did not go in for tendering for direct procurement of medical equipment, as per the requirements assessed in the HAP. Instead, they floated tenders for concluding one year Rate Contracts (RCs), which could be operated by DHS and the hospitals. Also, the hospitals retained an option to make purchases from their own existing RCs or from the RCs of other hospitals.

Normally, RCs are concluded for use over an extended period of time (typically by multiple agencies) when requirements are likely to arise at different points of time. When the procurement requirements for CWG-2010 were known well in advance, it is inexplicable why DHS chose to go in for one year RCs rather than direct procurement through appropriate tendering procedures.

Further, against the HAP timeline of initiating procurement by November 2009 and completing procurement/ installation by June 2010, the procurement continued even upto October 2010 during the Games.

For finalising RCs for 34 items of major medical equipment, DHS followed a convoluted process with several irregularities:

- RC tenders (on item rate basis) were floated on 26 February 2010, but cancelled in April- May 2010 on the orders of the Secretary, DoHFW on account of a complaint regarding non-compliance with procedures in respect of Small Scale Industry (SSI) vendors. However, despite the Secretary's instructions for not opening the financial bids, DHS went ahead and opened the financial bids, which was highly irregular.
- RC tenders were refloated on 17 May 2010 (with less time of only 16 days for responses). Out of responses from 16 vendors, 7 vendors were qualified. DHS concluded 1-year RCs in June 2010 with all seven bidders (for items¹ where they were L-1).
- DHS placed supply orders in respect of all 34 items of equipment. However, two contracted firms - Lord Krishna Company and Mangalam Medicaments – failed to supply 15 items of equipment, and were consequently blacklisted by the DHS.

¹ Out of 34 items, RCs were concluded on single bids in respect of 3 items (foldable wheel chair, AED, and military anti-shock trousers).

We found that Lord Krishna Company had submitted false information in the bid document. When we verified the address given for its registered office as well as its correspondence address, we found them to be somebody else's residences².



**15/34, Geeta Colony
(stated correspondence address of
Lord Krishna Company)**



**15/99, Geeta Colony
(stated registered address of
Lord Krishna Company)**

² In a communication to us, Lord Krishna Company indicated that they were being harassed by media persons and some doctors since the time of the CWG. Further, they had already "surrendered" their VAT and sales tax numbers, after their blacklisting for non-supply.

- Out of the 15 items (for which Lord Krishna Company and Mangalam Medicaments had been contracted), DHS ordered 8 items by operating RCs of other hospitals and 2 items by collecting “spot quotations” from the open market by a nominated committee. The remaining 5 items (with an estimated cost of Rs. 5.89 crore) were not ordered at all, casting doubts on either the assessment of requirements or the actual arrangements for health services.

Further, DHS chose to keep 14 items of medical equipment (listed in the HAP) out of the RC process for 34 items of equipment (on the ground that “only major common items” were included under the RCs). For these items, instead of following a tendering procedure, DHS purchased Rs. 2.32 crore of equipment from 10 suppliers on 30 August 2010, by collecting “spot” quotations from the “open market” through a committee.

In addition, DHS purchased five items of medical equipment costing Rs. 1.10 crore, although these items were not included in the HAP. These were either procured from the “open market” through “spot quotations, or on the basis of RCs of other hospitals, and were received between 31 August 2010 and 8 October 2010. In fact, one ECG Machine (costing Rs. 0.68 lakh) and 6 ICU Beds (costing Rs. 11.12 lakh) were received only on 8 October 2010. Our scrutiny of the stock registers revealed significant non-utilisation of these “last minute” purchases:

- Out of 90 AAA type high pressure aluminium oxygen cylinders of 2.2 litres purchased, only 56 were issued during the Games.

- The six ICU beds were issued for CWG only on 11 October.

Thus, DHS followed multiple procurement processes in an arbitrary manner for three sets of purchases, despite requirements having been identified well in advance in the HAP.

In addition to these equipment purchases by DHS, individual hospitals procured equipment for the Games out of their own budget.

We found the procurement of medicines and furniture items also to be irregular:

- DHS procured medicines worth Rs. 0.95 crore from August to October 2010 without open tender; these were purchased either through quotations collected by a committee constituted for the purpose or on the basis of RCs of hospitals.
- DHS also purchased furniture items worth Rs. 1.25 crore; these were procured through open tender (e-tender) with just one day's notice period after publishing the NIT in the newspaper.

30.3.2 Exorbitant rates charged

We found that the rates for many of the items purchased through contracts by DHS/ individual GNCTD hospitals were exorbitant, causing financial loss to the GNCTD. We have tried to come up with indicators of the exorbitant rates in several ways:

- By comparing the rates obtained in the first RC tender (for 34 items) with the final contract prices as per the second RC tender (which were substantially higher in many cases);

- By comparing the contract rates for equipment ordered from two rate-contracted firms - Lord Krishna Company and Mangalam Medicaments - (who failed to supply the equipment) with the substantially lower rates actually paid by DHS for orders on alternative suppliers; and
- By inter se comparison of rates – between those actually paid and the lowest rates paid by DHS/ individual hospitals.

A few instances of widely varying rates for the same item are given below; a detailed listing is given in Annexe 30.1.

Table 30.1 – Widely varying rates for the same item

Equipment	Minimum rate (per unit in Rs.)	Maximum rate (per unit in Rs.)
Scoop Stretcher	13650	86100
Spine Board	6300	20475
Superior Massage Table with Mattress with pillow	21525	57749
Ultrasound Therapy (1& 3MHz)	50925	367499
IRR Lamp	68250	141750
Physiotherapy Laser	194250	409500
X-ray View Box	11393	35700
Automatic External Defibrillator (AED)	140175	519751
Pulse Oxymeter	21525	151200
Cardiac Arrest resuscitation drug and equipment trolley crash cart	19792	81900
Ophthalmoscope	25725	50400
B-type Oxygen Cylinder with flowmeter	6405	110250
Suction Machine Foot Operated	2887	13440
Ambu Bag (Bag Value Mask) Adult	2048	5145
Ambu Bag (Bag Value Mask) Paediatric	2048	5145
B.P. Apparatus	2625	6825

We estimate the extra expenditure incurred due to purchase of items at exorbitant rates (based on the above comparisons) at Rs. 1.94 crore; details are indicated in Annexe-30.2.

In response, GNCTD stated that audit's comparison of rates of equipment across

hospitals was done based upon nomenclature, without going into the technical details of the equipment. We do not agree with the response for the following reasons:

- The equipment were purchased by various hospitals (after due approval by

purchase committees of doctors) for the same purpose viz. CWG-2010;

- Secretary, H&FW had issued directions stating that the hospitals were free to use their own RCs or the RCs of DHS, clearly evidencing interchangeability.

Purchase of Ice-making Machines

DHS purchased 68 ice-making machines at a cost of Rs. 0.78 crore as part of the “open market” purchases of 30 August 2010. All these ice-making machines were purchased from Dolche India (who was only a dealer and not a manufacturer). We found that these rates were, in many cases, even higher than the Maximum Retail Prices (where ascertainable).

In response, GNCTD stated that two e-tenders were floated on 27 July and 10 August 2010, but were unsuccessful on account of technical rejections and lack of response respectively. Further, manufacturers/ distributors expressed their inability to provide machines of the same capacity within the available short span of time. Consequently, negotiations were conducted with vendors for all available sizes and makes, which included the voltage stabiliser, site inspection and installation pre and post Games, besides 6-year additional warranty and service.

We do not agree with GNCTD's response. Despite inclusion of ice-making machines in the HAP, GNCTD floated tenders for them very late. Lack of response was used to facilitate adoption of the “open market” route through spot quotations. Further, the

additional AMC for five years was at extra cost (not included in the above cost). Also, the installation of the ice-making machines at the venues was a struggle, and we are not sure of operationalisation of machines at least eight locations on account of space constraints, lack of utilities, and lack of need.

30.3.3 Items not used for the Games

We found numerous instances of procured items not being used or available for the Games:

- Medical equipment worth Rs. 0.43 crore and furniture worth Rs. 0.46 crore was not issued for the Games, reportedly because of curtailment of medical venues by the OC.
- Rs. 1.49 crore of equipment procured for the Games directly by the hospitals could not be utilised for the Games. 64 electrical nursing beds worth 0.86 crore received by GB Pant in August 2010 could not be installed before the completion of construction of the Emergency Block. Further, items amounting to Rs. 0.60 crore were received by RML Hospital and Lok Nayak Hospitals only after the Games during October- December 2010.

30.4 Contract Management Issues

We found several deficiencies in contract management, both by DHS and individual hospitals:

- AC bills³ for Rs. 8.34 crore in respect of GB Pant Hospital and DHS were

³ AC Bills are Abstract Contingent bills utilized for drawing advances; accounts of advances should be rendered within one month.

outstanding for periods of two to six months upto end of December 2010.

- GB Pant Hospital irregularly drew an extra Rs. 1.11 crore from Government account⁴ and retained it in a bank account.
- DHS and hospitals failed to levy/ recover liquidated damages amounting to Rs.0.32 crore from vendors on account of delayed supplies.
- We could not derive assurance as to the receipt by GB Pant Hospital of additional equipment worth Rs. 0.30 crore to be supplied free by a vendor.
- GB Pant failed to recover TDS of Rs. 0.11 crore from a contractor.

30.5 Facilities Development for Hospitals

30.5.1 Turnkey Project for establishment of Emergency Block in EDP Building of GB Pant Hospital

GB Pant Hospital (along with AIIMS and RML Hospital) was designated for definitive care of accredited personnel during the Games. For this purpose,

- a separate casualty area (with 6 observational beds) was to be designated for the Games on the ground floor of the newly constructed EDP Block, with provision of all routine radiological and pathological services; and
- a dedicated ICU with minimum of 10 beds with all state of the art facilities and nursing care was to be made

⁴ Intended for paying the equipment supplier the balance 20 per cent (after the 80 per cent advance).

functional during the period of the Games.

In November 2008, GNCTD while designating G.B.Pant as hospital for definitive care said that all necessary procurement and installation should be done by May 2010 and functionality ensured by June 2010. However, GB Pant Hospital awarded the turnkey contract (covering both construction and supply of equipment) for establishing an emergency block in the EDP building at Rs. 5 crore only in May 2010 to Adison Equipment Company for completion within 90 days (by 25 August 2010). We found a completion certificate dated 19 November 2010, showing the project as completed on 6 September 2010. The certificate recorded was premature, as

- 7 items of Indian-make equipment were recorded as issued only on 11 November 2010, while the installation certificate of all equipment was issued on 1 November 2010;
- 6 items of imported equipment were not recorded in the stock register; as per customs duty payment records, some of these items were received only after 27 October 2010.

In response, GB Pant Hospital maintained that the project was completed as recorded, and was utilised fully for CWG-2010. While we do not question the utilisation of the block for the Games, in our opinion, the block was not fully functional and commissioned before the Games.

30.5.2 Facilities at AIIMS

For providing definitive care for CWG-2010, AIIMS developed a new dedicated facility at a cost of Rs. 9.8 crore within the JPNA

Trauma Centre, which was completed in time for the Games. This included 20 general beds, 10 ICU beds, 1 integrated operation theatre, area for waiting lounge and other ancillary facilities such as doctors' room, nurses room, stores etc.

30.5.3 Facilities at RML Hospital

RML Hospital earmarked a part of its existing nursing home for the Games, since it was felt that a new Emergency Block (the contract for which was awarded in April 2010) would not be completed by September 2010. It also procured most of the essential items of medical equipment to the extent not supplied by DHS.

30.6 Sports Injury Centre at Safdarjung Hospital

30.6.1 Overview

In June 2008, the Ministry of Health and Family Welfare (MOHFW) decided to establish a Sports Injury Centre (SIC) at Safdarjang (SJ) Hospital, New Delhi in time

for CWG-2010, by upgrading the existing anthropometry and sports injury unit. The project was to be completed by May 2010.

A budget of Rs. 70.72 crore was allocated for the SIC from out of a XI Plan provision for development of sports medicine in the country on a pilot basis. As of November 2010, the expenditure incurred on the SIC was Rs. 61.11 crore. Out of this, Rs. 46.84 crore was given as advance to Hospital Services Consultancy Corporation (HSCC), a PSU which was appointed on nomination basis as the implementing agency in June 2008, and expenditure of Rs. 14.27 crore was incurred by the SJ Hospital for procurement of equipment.

30.6.2 Partial Commissioning of SIC before CWG 2010

Against the stipulated deadline of May 2010, the SIC was officially inaugurated by the Prime Minister of India on 26 September 2010. However, it was not fully commissioned, as revealed by the status of different activities as on 30 November 2010 summarised below:

Table 30.2 — Status of Commissioning of SIC

Activity	Status as on 30 November 2010
Construction of building	Substantially complete - minor works left, completion certificate not yet received
Installation of equipment	Partially complete - 15 equipment yet to be purchased, final installation of and training on some equipment still due
Appointment of staff	47 posts vacant as against sanctioned strength of 138.
Wet leasing of high end equipment	Installation of machine for MRI and CT scan yet to be done.
Central Sterile Supply Department (CSSD)	Tender for outsourcing CSSD yet to be finalised.

30.6.3 Delay in construction of SIC building

The award and execution of the work for the SIC (in particular the SIC building) was beset by delays. Although MOFHW approved the setting up of the SIC in July 2008, tendering for construction of the SIC building started only in December 2008 and the work awarded by HSCC to the successful contractor (Bhayana Builders) only in May 2009, leaving only twelve months for the construction of the project which was evidently inadequate. As of 30 November 2010, the construction of the building had not been completed and the contractor had claimed for further extension of time for completion till 29 December 2010.

Further, as part of this work, HSCC had irregularly charged Rs. 46.03 lakh on consultancy services for certain items for which it did not provide any such services⁵.

30.6.4 Delay in installation of equipment

As against the stipulated date of May 2010 for procurement and installation of medical equipment, we found that:

- Out of 72 equipment procured for the SIC, 35 equipment valuing Rs. 6.83 crore were yet to be formally installed by November 2010.
- Nine equipments ordered costing Rs. 2.62 crore were yet to be supplied to the SIC
- Purchase of three equipment with approximate cost Rs. 1.30 crore and three high value equipment (costing

⁵ Preparation of conceptual architectural plans for building and services; submission drawings for local bodies; and detailed engineering drawings for internal and external electrification

more than Rs. one crore) was still in progress.

- Training of doctors and staff by the equipment suppliers had not commenced as of 30 November 2010.

30.6.5 Delay in appointment of staff for SIC

Out of 138 sanctioned posts, 47 posts remained vacant as of 14 December 2010. The vacancy was noteworthy in respect of specialist doctors of sports medicine and rehabilitation, and the sports psychologist⁶ and the dietician, wherein all the sanctioned post remained vacant.

30.6.6 Irregularities in award of work for Modular Operation Theatre (MOT) and Medical Gas Manifold System (MGMS)

In addition to the building and equipment, a key component of the SIC was a Modular Operation Theatre (MOT) and Medical Gas Manifold System (MGMS). The budget of Rs. 2.35 crore for MOT and MGMS at the time of project inception was increased subsequently to Rs. 10 crore by the SJ Hospital. However, this increase was not based on any detailed estimate for the complete work and was prepared only on the basis of rough estimates.

This work was awarded by MoHFW in December 2009 to MDD Medical System (India) Pvt. Ltd at a cost of Rs. 5,41,50,828+ Euro 5,39,926+ GB Pound 6,00,690.83. We found several irregularities in the award:

- Out of ten bidders who purchased the bid document, only three bids were

⁶ The Sports Psychologist has joined the SIC on 15 November 2010.

received, of which only two bids were technically responsive. The reason for the low response of bidders could be attributed to the decision to combine two items, viz. MOT and MGMS, in a single work. This resulted in stringent prequalification norms, which discouraged the prospective bidders.

- In view of the low response to the bid and lowest bid price remaining 38 per cent higher than the budget, the MoHFW examined reasonability of rates of the L-1 bidder by comparing the different items of supply with similar supplies to other Government and private hospitals. However, the prices of different supply orders quoted in like-to-like comparison were provided by the supplier itself and were not verified from any independent source.
- The Ministry had not examined the bids in respect of possible cartelisation. It is pertinent that for two items costing Rs. 1.33 crore the supplier had made the supplies to the SIC by purchasing the same from the second responsive bidder.

We also found serious deficiencies in scrutiny by MoHFW of the suppliers' invoices:

- Just after 10 days of the contract, MoHFW revised the terms of agreement, allowing payment for goods imported from two foreign principals in Indian Rupees (as against the foreign currency stipulated earlier). They used the exchange rates prevailing on the date of notification of award (22 December 2009) to calculate item-wise rates. However, the exchange rate of Indian Rupee vis-à-vis Great Britain

Pound and Euro had appreciated considerably between the date of notification of award and the subsequent dates of shipment of equipment by the foreign supplier (which was the contractual date for foreign currency payments)⁷; this resulted in overpayment of Rs. 0.54 crore.

- MoHFW allowed customs duty to be paid directly to the foreign supplier (without ensuring the actual payment of the same to the custom authorities) and also failed to deduct Indian Agent commission from the Cost Insurance and Freight (CIF) price quoted by the supplier while calculating the customs duty. Further, the supplier had shown Rs. 40.17 lakh paid as VAT in their invoices claiming payment for imported goods which rendered the invoices doubtful, as VAT is not required to be paid for imported goods.

30.7 Ambulance Services

30.7.1 Background

DoHFW had been planning to upgrade its "102" ambulance services under the Centralised Accidental and Trauma Services (CATS) since 2006. The HAP took into consideration DoHFW's plan for deployment of 150 ambulances in PPP mode through the selected vendor (Fortis Healthcare) by July 2010 for CWG-2010. These ambulances would be of two types:

⁷ The exchange rates changed from Rs. 75.177 per GBP and Rs. 66.88 per € on the date of notification of award to Rs. 68.028 – 72.601 per GBP and Rs. 62.22 per € on the dates of shipment.

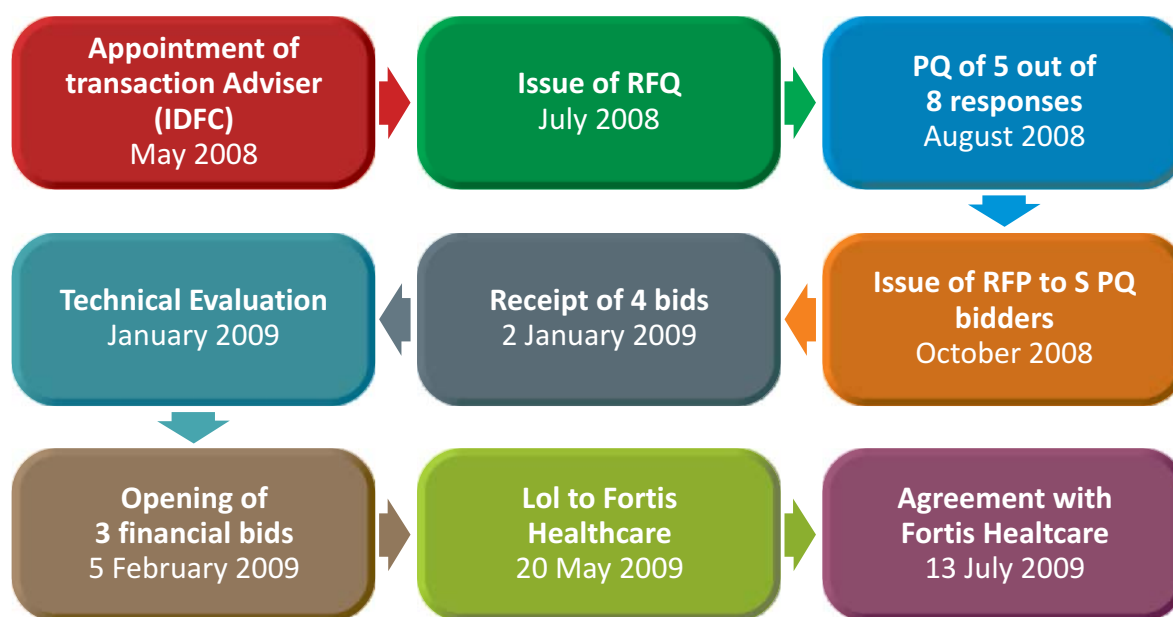
- 9 Advance Life Support (ALS) ambulances for covering high risk sports with potential for serious life-threatening injury; and
- 141 Basic Life Support (BLS) ambulances for other cases.

Since the overall requirement of ALS ambulances during the Games would be around 20, these 9 ALS ambulances would be supplemented from ALS ambulances from various government hospitals and, if required, private hospitals.

30.7.2 Tendering and award of concession for 150 ambulances

A 15-month long process was undertaken for tendering and award of the concession for 150 ambulances in PPP mode, as summarised below. The contract was finally awarded to Fortis Healthcare Ltd. at a one-time capital cost of Rs. 25 crore and monthly annuity payments of Rs. 1.23 crore (which made Fortis the L-1 bidder on NPV basis).

Figure 30.2 – Tendering and award of concession for ambulances



The delay of nearly 3 ½ months between the opening of the financial bids and the issue of the LOI is particularly inexplicable.

The scope of work involved:

- Procurement of ambulance vehicles and fabrication, and procurement and installation of equipment;

- Procurement of hardware/ software and setting up of a control room (Emergency Response Centre), and recruitment and training of manpower;
- Operation of the ambulance fleet over a six year period.

Interestingly, the RFP did not specify a requirement for “factory-built” ambulances, allowing the concessionaire to fabricate ambulances from any vehicle chassis; however, details of the medical equipment were fully specified. The successful concessionaire was required to submit a registered prototype ambulance for inspection by DoHFW. Further, each ambulance was to be inspected by DoHFW before deployment.

The financial model for the PPP involved payment of one-time capital cost and monthly annuity payments to cover cost of categories of persons (accident victims, Economically Weaker Sections, obstetric emergencies etc.) exempted from payment of user fees. The concessionaire could collect user charges from other users.

30.7.3 Failed Execution of Contract

DoHFW terminated the contract with Fortis Healthcare in February 2010, due to its failure to procure and register 50 per cent of the ambulances by the stipulated deadline of 8 January 2010⁸. Subsequently, DoHFW had to procure 31 factory-built Force Traveller ambulances (10 BLS and 21 ALS ambulances) in July- 2010 at a cost of Rs. 2.24 crore for vehicles at DGSD rates from Force Traveller Ltd., and awarded the work of fabrication and equipment at Rs. 6.88 crore in August 2010 to MGM Associates.

The chronology of events related to the termination of the Fortis contract is given below:

Table 30.3 — Chronology of events leading to termination of Fortis contract

Timeline	Event
October 2009	<p>Fortis produced a bus chassis-based ambulance⁹ as the prototype ambulance. Despite multiple meetings/ inspections, the special committee constituted by DoHFW did not find the vehicles satisfactory on several parameters – workmanship, aerodynamics/ ergonomics, fittings, and certification of actual performance on suspension damping</p> <p>However, DoHFW agreed on 22 October 2009 to Fortis' request to go ahead with placing the order for ambulances on the manufacturer, subject to vehicles complying with the stipulated specifications. Incidentally, we found that even before this approval, Fortis had already placed orders on 21 September 2009 for 74 bus chassis.</p>
December 2009	<p>Fortis submitted another prototype ambulance for inspection and ambulance registration; this was approved by the Committee for Registration of Ambulances (CRA) for registration by the Transport Department</p>
January 2010	<p>Transport Department agreed to DoHFW's proposal for registration of 150 ambulance vehicles, subject to certification (in Form 22 (A) Part II) by DoHFW that each fabricated vehicle complied with the Motor Vehicle Act and Rules.</p>

⁸ The remaining 50 per cent were to be operationalised by July 2010.

⁹ Mahindra RTD BS III (bus-chassis without windshield)

Timeline	Event
	<p>One ambulance was registered on 16 January 2010, even without DoHFW certification.</p> <p>A new “core group” constituted by DoHFW found the ambulances to be deficient and non-compliant, especially on the quality of ride, noise pollution, poor quality stretcher and general workmanship.</p>
February 2010	DoHFW terminated the contract with Fortis
April/May 2010	Mediation efforts between DoHFW and Fortis failed.

In our opinion, this eventuality arose because of the DoHFW's failure to specify the exact nature of the ambulance vehicle well in advance. DoHFW did not specify “factory-built ambulances” and the range of acceptable makes/ models thereof; in fact, the Committee of Doctors associated with the second round of procurement expressed their clear preference for factory-built over chassis-built vehicles. Even if chassis-built vehicles were found to be a cheaper option, DoHFW did not even consider specifying the range of acceptable chassis makes/ models.

Further, there was a marked difference in rates between the quotes of Fortis Healthcare (for chassis-built ambulances) and the factory built ambulances purchased later is indicated below:

Table 30.4 — Comparison of quotes for Fortis and ready-built ambulances

(Rs. in Crore)

Supplier	Vehicle Cost	Fabrication and Equipment Cost		Total Cost of BLS Ambulance	Total Cost of ALS Ambulance
		BLS	ALS		
Factory built Ambulances (Force Traveller/ MGM Associates)	7.23	13.43	26.36	20.66	33.59
Fortis (as per business plan) ¹⁰	8.00	6.50	11.50	14.50	19.50

Clearly, the factory built ambulances (with fabrication and equipment) were far costlier than Fortis' quoted cost, although the inner width of the patient compartment

of these factory-built ambulances was only 1650 mm, as against the contracted specification of 2000 mm +/- 10 per cent¹¹.

¹⁰ Incidentally, the invoice documents supporting the registered prototype BLS ambulance supplied by Fortis revealed a cost of just Rs. 9.50 lakh.

¹¹ Incidentally, in June 2009, Fortis Healthcare requested for a reduction in the inner width of the patient compartment from 2000 mm +/- 10 per cent to 1650 mm (which is a more common specification); this was not accepted by DoHFW and the contract retained the original specifications.

We found that the price difference was mainly on account of differing specifications of equipment. The equipment specifications for the factory-built ambulances (drawn up by a Committee of doctors appointed in March 2010 by the Minister of Health and Family Welfare) were substantially higher than that indicated in the RFP prepared by

IDFC, the Transaction Advisor. These specifications clearly drew references to the Medical Device Directives specified by the European Union and also stipulated manufacture of the devices in an ISO-certified facility¹². This is illustrated through the differing specifications in respect of two items – spine board and head immobiliser:

Table 30.5 – Comparison of equipment specifications for ambulances

Equipment	Specifications for Factory-built ambulances	RFP Specifications (earlier)
<p>Spine Board</p>	<ul style="list-style-type: none"> ■ The spine board should be extremely rugged in construction and should be built from high quality material thereby avoiding splintering and cracking. ■ The surface should be impervious to body fluids and secretions and should be completely seamless to eliminate ingress of fluid. It should have a firm surface for CPR & immobilization. ■ It should have compact dimensions for easy manoeuvring and should have provision for cervical collars or head immobilisers. It should have easy underside allowing easy lifting access. It should be X-ray translucent. ■ The device must comply with Medical Device Directives (93/42/EEC) having the CE mark along with the four digit code from the certifying agency. ■ The device must be manufactured in an ISO 13485 certified facility. 	<ul style="list-style-type: none"> ■ <i>Should be in plastic material at high strength and waterproof.</i> ■ <i>It should be four holes for the quick and total fixing of the head immobiliser and two cavities when the board lays on the floor, when the base is blocked in the traditional way, that allow to avoid damages to rip-off straps during the usage or accommodation in the ambulance.</i> ■ <i>It should be 20 handles for the transport, supplied with 3 belts with rapid unhooking buckle.</i> ■ <i>Should have maximum radio transparency to make exams without compromise patient condition.</i>

¹² They did not, however, specify equipment brands.

Equipment	Specifications for Factory-built ambulances	RFP Specifications (earlier)
<p>Universal Head Immobiliser</p>	<ul style="list-style-type: none"> ■ The immobiliser must have integrated universal belts for fixation with spine boards. ■ The unit should comprise of two mono block shells made of a soft plastic and a base. The mono block shells should be impermeable and should avoid absorption of any organic liquid (blood, vomit, mucous) and should be free from any seams and should have optimum thick protective film and should not get damaged by routinely used chemical substances or solvents in the ambulance. ■ The mono block shells should be positioned on the base using wide and stable Velcro system sewn to the base. Both the mono block shells must have through holes allowing inspection of the aural pavilion also permitting verification of any loss of blood or liquids. ■ The device must comply with Medical Device Directives (93/42/EEC) having the CE mark along with the four-digit code from the certifying agency. ■ The device must be manufactured in an ISO 13485 certified facility. 	<ul style="list-style-type: none"> ■ <i>Head immobiliser should be mounted and separated on the scoop stretcher.</i> ■ <i>Should be standard side rigid blocks instead of the adjustable ones.</i> ■ <i>Should be with padded belts for the fixing.</i> ■ <i>It should be covered by a liquid proof and bacterial proof material.</i>

The higher specifications (and higher cost) of the subsequent purchase of factory-built ambulances were also acknowledged by DoHFW (in its response to audit), stating that the detailed specifications for

fabrication and equipment were suggested by experts; further, almost all the equipment was imported, of reputed brands, and met all international standards for safety and quality.

While we acknowledge the higher specifications adopted for the ambulances, it is inexplicable why these specifications were not adopted in the first instance at the RFP stage. Evidently, the work of IDFC, hired as Transaction Adviser at a huge cost of Rs. 0.51 crore, in drafting and finalizing the RFP and other contract documents was not of the desired quality.

30.7.4 Non-fulfilment of requirement of BLS ambulances

Originally, DoHFW envisaged purchase of 141 BLS ambulances and only 9 ALS ambulances. This was to be supplemented through extra ALS ambulances from Government and private hospitals to meet the (short term) requirement of around 20 ALS ambulances for the Games.

However, DoHFW actually ended up buying 21 ALS and only 10 BLS ambulances. It is

pertinent to note that the ALS ambulances require services of trained doctors and are, therefore, not suitable for deployment through CATS. Consequently, these ALS ambulances have been allotted to various hospitals/ institutes.

The real, unmet need of Delhi and its citizens is for a **general ambulance service** under the aegis of CATS (102 ambulance service) for immediate pre-hospital emergency response, which is met primarily through BLS ambulances. Such ambulances are cheaper than ALS ambulances (which are linked to individual hospitals) and, in our opinion, could (and should) have been procured in far large numbers than ALS ambulances.

Consequently, Delhi and its citizens are still deprived of adequate general ambulance coverage for pre-hospital emergency response services.

Integrated Security System (ISS) for CWG-2010

Electronics Corporation of India Ltd. (ECIL), a PSU, was appointed by the GoI in May 2009 on “nomination basis” to provide an Integrated Security System (ISS) for CWG-2010. We found that ECIL prepared a highly inflated cost estimate (approved at Rs. 346 crore) which allowed it to make an exorbitant profit of Rs. 126 crore on just the procured items. Details of the savings on items manufactured in-house were not made available to us. Such exorbitant profits by a PSU appointed on nomination basis by the GoI amounts to a breach of trust.

Considering the unreliability of the estimates and variation between the estimated and actual costs, we recommend that final payments may be released to ECIL only after detailed examination of actual costs and an appropriate certification by ECIL's statutory auditors after allowing a profit margin of upto 20 per cent.

We found that 176 Portable Explosive Detectors (PEDs) worth Rs. 39 crore were wrongly procured by ECIL, and remained unutilised; similarly, 15,090 out of 18,700 RFID tags for accredited vehicles also remained unutilised.

MHA did not have an approved legacy plan for the utilisation/redeployment of the security equipment, without an “a priori” identification of items as legacy, non-legacy and consumables. Subsequent to CWG-2010, ECIL identified legacy and non-legacy equipment worth Rs. 272.65 crore, which had still not been redeployed or utilised.

31.1 Introduction

An Integrated Security System (ISS) was required to ensure effective surveillance for CWG-2010 to cover events, open areas, lanes/important traffic junctions, and highly sensitive and crowded areas in Delhi. The major components of the ISS were:

- perimeter security;
- vehicle access control;
- pedestrian access control for accredited card holders and spectators; and

- venue security command centre.

The security arrangements for CWG-2010 were coordinated by the Ministry of Home Affairs (MHA) through the Empowered Security Committee (ESC). The decision to provide ISS for all competition and non-competition/training venues for CWG-2010 through Electronics Corporation of India Ltd. (ECIL), a PSU, on “nomination basis” was taken by the Cabinet in its meeting held on 8 May 2009. Thereafter,

- on the direction of ESC, the existing Joint Committee¹ considered the technical solution proposed by ECIL for each venue in terms of its 'spread';
 - the Joint Committee's recommendations were then examined by the Steering Committee (headed by Shri R. Narayanswami) for the essentiality and reasonableness of the Bill of Quantities (BOQs);
 - the reasonableness of ECIL's commercial offer prepared on the basis of the approved BOQ was then examined by an Inter-Ministerial Financial Advisers Committee² constituted by MHA, and approved by the EFC in September 2009 for 23 venues and March 2010 for 10 venues;
 - Thereafter, each venue owner entered into a separate agreement with ECIL for supply and installation of equipment.
- The approved cost of providing ISS at 33 competition and training venues was Rs. 345.70 crore, as detailed below:

Table 31.1 – Break-up of Cost of Providing ISS

Equipment		Equipment	
Imported Items	196.18	Installation charges	12.62
Indigenous/in-house items	105.80	Testing	10.16
		Commissioning	7.72
		Integration	7.57
		De commissioning	5.65
Total	301.98	Total	43.72

These costs were apportioned among four agencies³. The scheme was finally implemented only in 31 venues, since Shivaji Stadium and Shri Ram College of Commerce were subsequently removed from the list. However, since the venue owners had already signed a contract with ECIL, equipment for these venues, though procured, was not installed. The value of this equipment at the rates indicated in the EFC memo was Rs. 2.62 crore.

31.2 Inflated estimates of ECIL resulted in exorbitant profit of Rs. 126.38 crore

Although the Inter-Ministerial FA's Committee was not convinced of the reasonableness of the estimates proposed by ECIL, it recommended its approval with an across-the-board cut of 10 per cent on the estimates, subject to the following:

- the production costs of items produced in-house by ECIL were to be assessed by the Cost Accounts Branch of MoF and savings in excess of 2 per cent were to be passed on to the GoI.
- Volume discounts, if any, would be to the benefit of the GoI.

¹ consisting of representatives of the Intelligence Bureau, the Delhi Police, venue-owners and ECIL

² Financial Advisors of MHA, MYAS and MoUD; FA/Director (Finance) of DDA, SAI and other associated bodies; representative of OC (meetings attended by ADG-Tech); representatives of venue owners; and Director (Prov), MHA.

³ MYAS (Rs. 225.89 crore for 20 venues), MoUD (Rs. 73.41 crore for 4 venues), NDMC (Rs. 18.68 crore for 3 venues) and GNCTD (Rs. 27.72 crore for 6 venues)

- The estimates approved were the absolute cap.

ECIL provided equipment against 50 approved BOQs - 43 for equipment to be procured by ECIL and 7 for in-house items. We compared the purchase price of items procured under the 43 BOQs with their EFC-approved rates and found that in 41 of these BOQs, the actual purchase price of the items was lower than the EFC approved rates⁴.

Overall, ECIL procured items in the 43 BOQs for just Rs 100.65 crore (against the EFC approved estimate of Rs. 227.04 crore), thus securing a profit of Rs. 126.38 crore (126 per cent) on these items. Details are given in Annexe-31.1.

In respect of the seven BOQs for items manufactured in-house, ECIL did not provide us with their cost analysis. Further, we found that this analysis had not been sent to the Cost Accounts Branch of the MoF, as of March 2011. Consequently, we could not ascertain whether there were savings in excess of 2 per cent, which should have been passed on to the GoI.

Further, ECIL was required to test individual ISS equipment and issue a job completion certificate, for which it charged Rs. 10 crore. However, it did not produce the relevant records to us.

Clearly, the inflated estimates prepared by ECIL (approved at Rs. 346 crore) did not reflect true market rates, and allowed ECIL to make exorbitant profits of at least Rs. 126 crore. Such conduct by a PSU appointed on nomination basis by the GoI amounts to a breach of trust.

Considering the unreliability of the estimates and variation between the estimated and actual costs, we recommend that final payments may be released to ECIL only after detailed examination of actual costs and an appropriate certification by ECIL's statutory auditors after allowing a profit margin of upto 20 per cent⁵.

31.3 Excess Cash Advance to ECIL of Rs. 37 crore

We found that ECIL received excess cash advance of Rs. 37.08 crore (out of the total cash advance claim of Rs. 137.32 crore) for imported items. This was on account of misclassification of items imported / procured indigenously. ECIL was eligible for advance of 70 per cent of the CIF⁶ value of imported equipment and 40 per cent on indigenously procured equipment. However, out of the equipment to be imported, equipment worth Rs. 123.60 crore (at EFC rates) was actually procured indigenously, resulting in inflated cash advances to ECIL.

⁴ In the remaining 2 BOQs, the EFC rate was lower than the actual procurement rate by 6 per cent and 16 per cent.

⁵ This profit margin of 20 per cent has been indicated in ECIL's estimates.

⁶ CIF: Cost Insurance and Freight

31.4 Procurement of equipment in excess of requirement

31.4.1 Portable Explosive Detectors worth Rs. 38.55 crore wrongly procured and not utilise

Despite being informed by the Delhi Police in July 2009⁷ that Portable Explosive Detectors (PEDs) should be removed from the BOQs as these were being procured separately, ECIL did not delete this item from the BOQs nor did it seek any

clarifications from the MHA. This issue was also not discussed in any subsequent meeting of the Steering Committee.

In March 2010, ECIL procured 176 PEDs at a total cost of Rs. 38.55 crore for supply to the venues. During our joint physical verification of JLN Stadium, we found 42 PEDs still in packed condition. ECIL informed us that the Delhi Police did not use these PEDs at any of the venues. The shelf life of the PED equipment is 7 years and that of its consumables six months.



PEDs lying unutilised in the stores at JLN Stadium

31.5 RFID tags not utilised

RFID⁸ tags, containing details of the accredited vehicles, were to be fixed on the front wind shield of the vehicle for easy reading by the RFID reader fixed at the venue entry gates to control access. OC was

to give the list of accredited vehicles with the required details and ECIL was to prepare RFID tags.

ECIL procured 18,700 RFID tags, but only 3,610 tags were used during the Games and the remaining 15,090 tags (worth Rs. 4.41 crore) were lying unutilised with ECIL. This indicates that the BOQ was not realistically prepared by the ECIL and approved by the Steering Committee.

⁷ and reiterated in August and September 2010

⁸ Radio Frequency ID – a technology that uses radio frequency communication between an electronic tag (attached to an object) and a reader for identification and tracking.

31.6 Poor Legacy Planning and Non-utilisation

MHA did not have an approved legacy plan for the utilisation/redeployment of the security equipment. Further, there was no “a priori” identification of ISS items as legacy items, non-legacy items and consumables.

ECIL's agreements with the venue owners merely stipulated that legacy and non-legacy items were to be decided within 30 days of completion of the events. ECIL would reconfigure all legacy equipment and make them workable in the venue, while non-legacy equipment was to be handed over to the venue owners for subsequent usage and retention. In its report to MHA of November 2010, ECIL identified legacy equipment of Rs. 86.47 crore and non-legacy equipment of Rs. 186.18 crore at the 31 venues.

However, we found that the legacy and non-legacy equipment amounting to Rs. 272.65 crore was lying unutilized. ECIL had dismantled all the equipment (legacy and non-legacy) in all stadiums, except Thyagaraja Stadium. These were retained in packed condition in the venues under ECIL's custody.

The legacy items had not been reconfigured, as various network switches and cables required to operate them had been provided by the OC as a part of overlays, and had since been removed. Although the OC had undertaken to provide these again after CWG-2010, this was yet to be done. Also, no utilisation plans for the non-legacy items had been prepared by MHA.

31.7 Security arrangements during CWG-2010 at Kadarpur Shooting Range

Kadarpur Shooting Range in Gurgaon, Haryana was one of the competition venues for CWG 2010. MHA released (February 2010) a special grant of Rs. 23.23 crore, under the Modernisation of Police Forces Scheme, to the Haryana Government for making security arrangements for CWG-2010.

We found that although Rs. 21.96 crore had been drawn from the treasury during July–October 2010 and deposited with the executing/ procurement agencies, no equipment had been received as of November 2010, even after CWG-2010 was over. In addition, 39 fabricated police assistance booths worth Rs. 0.74 crore were procured by the Haryana Police Department, but these were not handed over to the Gurgaon and Faridabad traffic police in time for CWG-2010.

GoI should adjust the amount of Rs. 22 crore, drawn but not utilised for CWG-2010, against the release of the next tranche of assistance under the Modernisation of Police Forces Scheme to the Government of Haryana.



Preparation of Indian Teams for CWG - 2010

In June 2008, MYAS initiated a scheme for “Preparation of Indian Teams for CWG-2010” for imparting state of the art training, with well-equipped infrastructure and other supporting facilities, through the Sports Authority of India (SAI) and its regional centres to a core group of 1286 elite athletes, who would be the medal probables for CWG-2010.

We found that SAI utilised only 30 per cent of the budget of Rs.678 crore allocated for the period 2008-11.

There were substantial delays in selection of core probables ranging from four to 17 months, with probables in cycling discipline being selected in July 2009.

There were also substantial delays in appointment of coaches (in five out of 17 disciplines) and other supporting staff, including supporting staff to SAI regional centres. The performance parameters for judging improvement in the performance of the core probables were decided as late as 15 to 20 months after commencement of implementation of the scheme. Also, a web-based IT system for continuous monitoring and assessment of athletes' training could not be operationalised.

A total number of 284 training camps were held for 18 (17 normal disciplines and one para sports). However, many disciplines and sub disciplines had not had training camps during the year.

For supporting training of core probables, SAI awarded 28 contracts/ orders for procurement of imported sports items and equipment at a cost of Rs. 40.12 crore during 2008-11. We found serious deficiencies in the procurement process. All 28 orders were awarded on single tender basis as “preferred items” without adequate justification – brand requirements were not specified by the national federations, purchases were made from different vendors at different rates etc. In the absence of competitive tendering, we are unable to derive assurance regarding considerations of economy and transparency. This is supported by our comparison of rates for the same items supplied by different vendors quoted.

Further, the expenditure of Rs. 40.12 crore on procurement of sports equipment was largely unfruitful as,

- *Items worth Rs.4.88 crore were received just 10 days before the Games after the training camps, and items worth Rs.0.84 crore were received during and after the Games. Notable instances of delayed procurement/ receipt include cycles, shooting ammunition and shooting equipment.*
- *Sports items for aquatics, archery, squash, tennis, table tennis and boxing (estimated to cost Rs. 5.55 crore) could not be purchased at all.*

- *Gymnastic equipment procured at a cost of Rs. 1.39 crore could not be installed, and athletic and weightlifting items worth Rs 0.28 crore were delivered to SAI centres that did not require such equipment. Stock of Rs. 1.25 crore remained unutilized in the centres of Patiala and Bhopal.*

Oversight and monitoring by the Ministry was inadequate due to the mechanism not being practicable. The staffing of the CWG cell for monitoring was poor.

Other deficiencies in provision of facilities for training of core probables included the following:

- *Training workshops for dope testing were inadequate and ineffective in some centres.*
- *There were delays in provision of medical insurance coverage for the core probables, and large number of medical insurance cards were received late.*

On the infrastructure front, SAI failed to construct hostels in five regional centres; while hostels constructed in three regional centres could not be utilised due to non-availability of furniture, kitchen and other supporting facilities. Seven out of eight sports science centres, all eight standard modern fitness centres and renovated/ upgraded halls at various centres could not be utilised before the Games. Thus, out of funds of Rs. 78.63 crore released for infrastructure up-gradation, expenditure of Rs. 74.35 crore was not fruitful in time for the Games. Further, out of the envisaged Rs. 9.20 crore of sports science equipment, only a negligible amount of equipment was in position before the Games.

Attempts initiated from March 2007 to introduce PPP for management of five stadia in Delhi were not successful, due to procedural delays as well as policy decisions on this issue by MYAS.

There were deficiencies in financial management including

- *Non refund of the unutilised amount of Rs. 45.50 crore by SAI and diversion of Rs. 19.00 crore for construction of the administrative block of SAI Hqrs building; and*
- *Non-settlement of advances and non-receipt of UCs/ audited SOEs.*



32.1 Introduction

In June 2008, MYAS initiated a scheme for “Preparation of Indian Teams for CWG-2010” for imparting state-of-art training with well equipped infrastructure and other supporting facilities for a core group of

1286 elite athletes, who would be medal probables for CWG 2010. This scheme was implemented by the Sports Authority of India (SAI) and its regional centres/sub centres¹. The budget allocation and actual expenditure for the scheme was as follows:

Table 32.1 – Budget allocation and actual expenditure on the Scheme

(Rs. in Crore)

Component	Budget allocation	Actual expenditure (up to 1.12.2010)
Training	375.00	108.05
Infrastructure	85.00	74.35
Sports science back up etc.	218.00	20.95
Total	678.00	203.35

32.2 Delay in selection of probables/staff

The schedule of training, exposure and competition was to cover a period of 305 days (210 days' training camp, 75 days' foreign training and competition and 20 days' domestic tournament) in a year. The scheme also provided for engagement of the best available Indian coaches as well as top level foreign coaches. A Steering Committee was to be formed for each of the 18 (17 normal + 1 Para sports discipline) disciplines to approve the selection of the core group of probables and coaches, and to monitor the performance of the probables.

We observed that there were delays in selection of probables, coaches and supporting staff as given below:

¹ Bhopal, Patiala, Sonapat, Bengaluru, Guwahati, Imphal, Thiruvanthapuram, Gandhinagar, Kolkata, Balewadi (Pune), Lucknow

32.2.1 Delay in selection of core probables

The first meetings of the Steering Committees were held in July 2008. However, there were substantial delays in finalising the list of core probables who were to be continuously trained upto CWG 2010. The delays ranged from four months (archery, boxing, athletics netball) to 17 months (cycling) which significantly reduced the period available for their training.

32.2.2 Performance Monitoring

There were delays in finalisation of performance parameters for judging the improvement in the performance of the core probables by the Steering Committee.

- The performance parameters for five disciplines (athletics, cycling, gymnastics, net ball and shooting) were finalised only between September 2009 and February 2010, when the implementation of the scheme was in the final stages.

- It was not clear whether performance parameters were finalised at all for boxing and rugby.

32.2.3 Delay in appointment of coaches/supporting staff

The scheme envisaged appointment of top level foreign coaches in addition to the best Indian coaches. It was noticed that in five (athletics, gymnastics, weightlifting, hockey and cycling) out of 17 disciplines, foreign coaches were selected only during March to December 2009. Also, against a requirement of a foreign coach and four Indian coaches for lawn bowls, only one foreign coach was engaged during the whole period of the training camps.

Similarly, there were delays in appointment of supporting personnel in the SAI regional centres of Bengaluru and Sonepat as detailed below:

- At Sonepat centre, no physiologist, psychologist, bio- mechanist and

nutritionist/dietician were engaged for the entire period of training.

- Against the requirement of 9 Masseurs and Masseuses at Bengaluru centre, only one masseur was provided and no masseurs was provided to core probables during the training camp at Ooty for exposure to high altitude. Further, physiotherapists were engaged only in December 2009, although the camps were being held at this centre from March 2008.
- Food supplements provided to the core probables were without supervision by an experienced nutritionist during the camps conducted outside the Bengaluru centre for periods ranging between 28-329 days in respect of badminton, shooting, athletics, boxing, squash and cycling.

32.2.4 Conduct of Training Camps

A total 284 training camps were held for 17+1 disciplines during 2008-11, as summarised below:

Table 32.2 – Conduct of training camps for different sports/ disciplines

No.	Sport/Discipline	2008 - 09		2009-10		2010-11	
		Men	Women	Men	Women	Men	Women
	Proportionate Target in days	158	158	210	210	105	105
1.	Archery	153	153	361	361	105	105
2.	Aquatics						
	Swimming	32	32	188	188	110	110
	Synchronised	58	0	42	108	0	47
	Diving	0	0	130	98	141	141
3.	Athletics	170	170	289	289	0	0
4.	Badminton	174	174	317	317	162	162
5.	Boxing	50	NA	336	NA	173	NA
6.	Cycling	0	0	212	212	132	132

No.	Sport/Discipline	2008 - 09		2009-10		2010-11	
		158	158	210	210	105	105
		Men	Women	Men	Women	Men	Women
7.	Gymnastics						
	Rhythmic	NA	22	NA	196	NA	107
	Artistic	44	22	351	351	173	140
8.	Hockey	80	124	187	227	82	85
9.	Lawn Bowls	40	40	352	352	111	111
10.	Net Ball	NA	77	NA	206	NA	137
11.	Rugby 7s	0	NA	157	NA	170	NA
12.	Shooting						
	Rifle	126	126	175	175	91	91
	Shotgun	83	83	114	114	52	52
	Pistol	32	32	78	78	73	73
	Bigbore	0	0	0	0	26	26
	Fullbore		0	0	0	13	13
13.	Squash	0	NA	0	0	32	21
14.	Table Tennis	87	87	164	164	45	45
15.	Tennis	0	0	131	151	20	20
16.	Weightlifting	53	53	310	287	186	169
17.	Wrestling						
	Greeco	59	59	344	365	0	0
	Freestyle	63	NA	186	NA	0	NA
<i>NA : Data not made available to audit</i>							

Incidentally, no medals were won by India in cycling, squash, shooting (big bore), shooting (full bore), swimming (diving) and swimming (synchronised), where there were substantial shortfalls in conduct of training camps.

32.2.5 Non operationalisation of web-based System for monitoring athletes' performance

A web-based IT system, 'Performance Review Indicators Monitoring and

Evaluation of Sportspersons' (PRISM) for continuous monitoring and assessment of athletes' training, which was developed/maintained by NIC at a cost of Rs. 1.08 crore could not be operationalised during the entire period of training. This defeated its purpose of continuous assessment of athletes' training at regular intervals.

32.3 Test events

Test events in all disciplines were required to be conducted during 2008, 2009 and 2010 in order to test the performance of the core probable, identify shortcomings and also familiarize them with the newly created venues. However, we found that no test events were conducted during 2008 and 2009.

32.4 Procurement of sports equipment

32.4.1 Procurement on single tender

For supporting training of core probables, SAI awarded 28 contracts/orders for procurement of imported sports items and equipment at a cost of Rs. 40.12 crore during 2008-11.

The procedure followed by SAI for procurement of sports equipment was as given below:

- Requirements were projected by 17 National Sports Federations
- Technical Experts Committee assessed the requirement, brand (preferred item) and made recommendations to the Steering Committees
- Steering Committees assessed the requirement and made recommendations to the Finance Committees
- Finance Committee assessed requirements and made recommendations to SAI Governing Body for approval
- SAI Governing Body approved procurements

- Procurements were to be initiated by Equipment Sports Division of SAI

We found that there were deficiencies in the procurement process as:

- All 28 orders were awarded on nomination basis as “preferred items” without adequate justification
- No specific brand requirement was identified by the concerned federations of boxing, netball, gymnastic and lawn bowl disciplines.
- In twelve cases of procurement of javelins and ammunition, SAI placed orders on different manufacturers, treating them as preferred items. In particular, javelins were purchased from three vendors (Nemeth, Nordic Sports, Gill Athletic) separately on a single tender basis at different rates on the justification that these items were of proven international standard.
- Equipment like Bar Bell and Electronic Score Board costing Rs 0.92 crore were procured from Eleiko without calling for tenders, though these were not directly linked to athletes' performance or training.

In the absence of competitive tendering, we are unable to derive assurance regarding considerations of economy and transparency. This is supported by our comparison of rates for the same items supplied by different vendors quoted. While we were unable to quantify the loss, we have tried however, to come up with indicators by comparing rates for certain items (indigenous and imported) supplied by different vendors.

32.4.1.1 Indigenous items

The comparison of rates in respect of supply order placed on two firms by SAI Headquarters and one firm by SAI, Patiala for athletic sports equipment of Vinex and ATE brand is as follows:

Table 32.3 – Comparison of rates for indigenous items

Description	SAI Patiala	SAI Delhi	
	Supply order placed to Vats Sports on 22 December 2009	Supply order placed to Vinex Enterprises through Amitco Khel Centre on 23rd February 2010	Supply order placed to Anand Track and Field Equipment Pvt. Ltd. Meerut on 10th June 2010:
	"Brand : Vinex"	"Brand : Vinex"	"Brand : ATE"
	Rate (In Rs.)		
Hammer wire men and women	75	232	230
Hammer handle	300	348	345
Discus Gold men 2 kg	5400	4600	7320
Discus men 2.25 kg	975	6190	3290
Discus Gold 1 Kg	3900	3250	6250
Discus 1.1 kg	585	4932	4890
Discus 1.25 kg	608	7390	4550
Discus 900 gms	575	5295	5250
Discus 1.75 kg	750	5280	5350
Discus 1.9 kg	855	5295	5390
Discus Super Spin 2 kg	3636	5532	5490
Discus Super Spin 1 kg	3000	5420	5390
Hammer Women 5 kg	1110	5220	5145
Hammer Men 6.5	1200	5420	5345
Hammer Women 3.5 kg	885	4310	4275
Hammer men 7.26 kg	1365	5610	5645
Hammer Women 4 kg	923	5600	5610

32.4.1.2 Imported items

The rate comparison of supply order placed on two firms revealed that there were variations in price of purchase of javelins with same specifications shown as under:

Table 32.4 – Comparison of purchase prices for javelins

Name of Items	Rate as per supply order issued to	
	Gill Athletic Inc	Nordic Sports
Javelin 600 gms carbon	68121	83241
Javelin 800 gm carbon	91149	83241
Javelin 800 gm 70 M range	34243	40804

In response, SAI stated that they had followed the stipulated process in letter and spirit for procurement of “preferred items” (i.e. specific brands of equipment), which were communicated to them by the SAI technical committee². The need for items covered under single tender arose due to very special reasons on account of their quality, performance and the preference of sports persons.

While we note that preferred items may be identified from out of the list of brands approved by the concerned international sporting federations, we are unable to derive assurance that the prices paid for these brands are reasonable, in the absence of competitive tension. This is compounded by situations where multiple brands of equipment are all selected as price items, with wide variations in prices.

32.4.2 Contract Management

Due to procurement on nomination basis, SAI was bound by the terms and conditions offered by the vendor which resulted in the following:

- Waiver of earnest money, bank guarantee and warranty periods etc in 17 cases
- In purchase of full bore rifle against the original condition of 85 percent payment on shipment and balance 15 per cent after the acceptance of goods, SAI changed its mode of payment as 100 per cent advance payment.
- In case of procurement of athletic equipment from Nordic Sports, Sweden,

² Including representatives of SAI, the sporting federation, national observer, and coach

SAI initially blacklisted an agent and later in January 2007 declared it as an agent with objectionable conduct contravening business ethics. However, in April 2010 both the orders were withdrawn to accommodate the said agent instead of asking the original manufacturer to change its agent.

Further, SAI did not levy penalty of Rs. 2.20 crore in 12 cases of procurement of sports equipment/material, on account of delay in supply. In one particular case, SAI could not levy penalty of Rs. 1.44 crore on the supplier due to ambiguity³ in the contractual clauses.

32.4.3 Unfruitful expenditure of Rs 40.12 crore due to delayed procurement of sports equipment

Although the scheme was introduced in June 2008, the sports equipment to be procured were approved by the Finance Committee only in June 2009 and the process of procurement was initiated in August 2009. Thus, the elaborate mechanism for procurement merely resulted in delays without ensuring economy in procurement.

Further, the sport equipment which was crucial for imparting state of the art training to the core probables were received at the fag end of the training period/after completion of CWG 2010 at various SAI centres.

³ The clause 10 of the tender document provide that delivery should be completed within 15 days after the placement of contract and receipt and confirmation of letter of credit, whereas, the clause 16(vii) provides that “It may be ensured that delivery, installation and commission etc. of the system is completed within 90 days from the date of issue of letter of credit.

All the equipment was delivered only in 2010 as shown below:

- Equipment for Rs.4.88 crore was received just ten days ahead of the Games
- Equipment for Rs. 0.84 crore was received after the Games
- Equipment for Rs. 1.60 crore was received only one month ahead of the Games

- Equipment for Rs. 4.99 crore was received 2-3 months ahead of the games
- Equipment for Rs. 27.81 crore was received 6-9 months ahead of the games

A discipline -wise analysis is summarised below:

Table 32.5 – Delayed receipt of sports equipment

(Rs. in crore)

No.	Discipline	Equipment	Cost	Received on
1	Shooting	Ammunition	0.12	07.10.10
2	Shooting	Shooting Ammunition and consumable	4.03	19-09-2010 to 29.09.10
3	Shooting	Equipment	27.62	06.01.10
4	Hockey	Fitness Equipment	0.85	22.09.10
5	Hockey	body matrix equipment	0.01	Mar-10
6	Lawn Bowls	Sports equipment	0.49	17.09.10
7	Athletics	Athletic sports material	0.85	23.07.10
8	Athletics	-Do-	0.71	06.07.10
9	Athletics	-Do-	0.13	05.08.10
10	Athletics	-Do-	0.72	12.10.10
11	Athletics	-Do-	0.18	27.04.10
12	Wrestling	wrestling mats	0.39	07.07.10
13	Gymnastics	Gymnastic equipment	1.39	30.08.10
14	Weight Lifting	weight lifting equipment	1.39	23.07.10
15	Boxing	Punching bags Leather (Boxing)	0.13	06.07.10 to 08.07.10
16	Cycling	Cycles	1.11	17.09.10
		Grand Total	40.12	

Some extreme cases of delayed receipt of equipment costing Rs. 3.90 crore are discussed below:

32.4.3.1 Unfruitful expenditure of Rs. 1.11 crore on procurement of cycles for core probables:

As SAI could not procure cycles in time, the Steering Committee (June 2010) decided to

entrust the job to Indian Olympic Association (IOA). We noted that IOA obtained the signatures of various players and coaches on printed format in support of a particular brand and placed the supply order worth Rs.1.11 crore on Dolan Bikes Ltd. on the basis of a single quotation, with the request to supply the bikes latest by 4 September 2010. However, the cycles were handed over to the cyclists only on 18 September 2010, when only four days were remaining for the closure of the training camp.

32.4.3.2 Ammunition for Rifle/Pistol and Shotgun event:

The proposal for procurement of ammunition for Rifle/Pistol and Shotgun event from Fiocchi Munizioni SAP, Italy was initiated in March 2010 and the revised order of Rs. 0.83 crore was placed on the supplier in September 2010. The material was however, received finally on 28 September 2010 after the close of the shooting camp even after airlifting at an additional cost of Rs. 0.19 crore.

32.4.3.3 Ammunition for big bore rifles event:

SAI initiated the proposal for procurement of ammunition for big bore Rifles event from Winchester Australia Ltd., in March 2010 at a cost of Rs. 0.12 crore and placed the supply order in August 2010. However, the material was received only on 7 October 2010 at Karni Singh Shooting Range (KSSR) during the Games.

32.4.3.4 Non utilisation of additional equipment for shooting:

SAI decided to procure additional equipment⁴ from Sius AG, Switzerland in

January 2010 but placed the supply order for Rs. 1.85 crore only in August 2010. The equipment was delivered in September 2010 but could however, not be installed at the shooting range till 30 September 2010. As installation and commissioning required another two weeks after supply of equipment, it could not be utilised in time for training.

In response, SAI stated that a time consuming, though essential, process had to be followed for procurement. When it came to a choice between hasty decisions and financial prudence, SAI chose the latter. Further, procurement of imported items had a time cycle of 6-8 months, and one could not plan imports with the precision of a gold weighing machine. Also, all equipment imported were used by athletes for CWG, thereafter for the Asiad, and then for Olympic training.

While we note the time consuming process for procurement, this should have been factored in through timely and better planning, keeping in view such operational contingencies and lead times. Further, although the equipment procured would have considerable legacy value, it was procured in the first instance for use for training of core probables for CWG-2010, which was not fully achieved.

32.4.4 Non-procurement of sports materials worth Rs. 5.55 crore

Procurement of sports equipment costing Rs. 5.55 crore related to aquatics, archery, squash, tennis, table tennis and boxing could not be finalised due to various reasons like non receipt of tenders, not as per specification, rejection on technical terms etc and re-tendering was not done due to paucity of time.

⁴ for 6th bay of 25 mtr with electronic scoring board

32.4.5 Improper planning and assessment of requirement of sports material

32.4.5.1 Excess procurement for shooting

Scrutiny of the stock register for shooting discipline at KSSR revealed that SAI had made fresh purchases even when there was enough stock available in respect of various items. As a result, shooting ammunition/equipment costing Rs.1.21 crore remained unutilised even after the end of the Games.

32.4.5.2 Unfruitful expenditure of Rs. 1.39 crore on procurement of gymnastic equipment

SAI initiated a proposal for procurement of gymnastic equipment for two centres at

Patiala and Kolkata from Gymnova, France at a cost of Rs. 2.10 crore in October 2009 and placed the supply order in March 2010. Upon the request of foreign coaches (Pune centre) for immediate supply of three items (one floor exercise complete set, two vaulting tables with complete set with runway and four spring board for vaulting table), part of the supply was diverted to Pune in July 2010. As a result, the equipment at Patiala and Kolkata became inoperative and could not be utilised and remained in stock unissued. Thus, the equipment costing Rs. 1.39 crore could not be used at any one of the three centres. Out of this equipment, 65 gymnastics equipment and accessories costing Rs.0.58 crore were delivered in June 2010 at SAI, Kolkata after the camp for women core probables was shifted from Kolkata to Pune.



Unpacked gymnastics equipments for CWG 2010 lying at SAI Kolkata

32.4.5.3 Unfruitful expenditure of Rs. 0.28 crore on the procurement of weight lifting equipment and athletic sports material for Patiala Centre

SAI procured the weightlifting items⁵ from Eleiko AB, Sweden costing Rs. 1.39 crore for Patiala Centre in January 2010. We found that out of 24 Eleiko practice platforms procured for the Patiala centre received in July 2010, ten platforms costing Rs. 0.15 crore were transferred to Bengaluru in September 2010, where no weightlifting training camp was in existence at that point of time.

Similarly, a supply order was placed on Anand Track and Field equipment Pvt. Ltd., Meerut in June 2010 for athletics at a cost of Rs. 0.13 crore for Patiala without any requisition. The equipment was diverted to SAI, Bengaluru in August 2010. In September 2010 at Bengaluru, it was noticed that one discus 2 kg gold was short and four pole vaulting boxes were not as per IAAF specifications. The supplier was asked after completion of CWG 2010, to rectify the supply in respect of pole vault boxes, which was not rectified as of November 2010.

32.4.5.4 Infructuous expenditure of Rs. 0.51 crore on athletic equipment - Pole vault pits

SAI procured two imported pole vault pits for SAI Patiala and Kolkata centres for athletics and transported them to the respective centres in October 2009. One complete unit of pole vault pit consists of

four separate segments to be joined together. SAI Patiala received double sets of segments 3 and 4, while Kolkata received double sets of segments of 1 and 2. As a result, both the pole vault units costing Rs. 0.51 crore could not be utilised at either Kolkata or Patiala. However, SAI stated that these procurements were not made out of CWG funds.

32.4.5.5 Purchase of hockey ball throwing machine costing Rs 2.21 lakh after shifting of hockey camp

SAI, Bengaluru placed order on Ha-Ko Enterprises, Bombay for a hockey throwing machine costing Rs. 2.21 lakh. The machine was received at Bengaluru in July 2009 after the camp was abruptly shifted to SAI, Bhopal in May 2009 due to insufficient infrastructural facilities.

32.4.6 Stock of Rs. 1.25 crore remained unutilized

A scrutiny of stock register of equipment of SAI Patiala and Bhopal revealed that most of the imported equipment procured under the scheme was received at the fag end of the training camps and remained unissued to the campers. The details are in Table 32.6.

⁵ Electronic Score Board, Reference decision light system, Barbell sets, Eleiko Practice Platform (3.06m x 2.58m) and Competition Platform (4m x 4m)

Table 32.6 – Unutilised equipment in stock

(Rs. in Lakh)

No.	Discipline	Firm from which material procured	Date of receipt of material at centre	Balance (as on November 2010)	Cost of unissued items
Patiala Centre					
1	Athletics	Gill Athletic Inc., USA	08.07.2010	76	59.98
2	Athletics	UCS, USA	22.04.2010	37	30.19
3	Athletics	Nemeth, Hungary	08.07.2010	21	10.86
4	Boxing	Budoland Sportartikel Vertrieb GmbH	09.06.2010	296	9.43
5	Hockey	Patiala Sports Industries	08.08.2010	104	1.14
Bhopal Centre					
6	Hockey	R.K. International, RK Sports	11.02.2009	255	11.19
7	Hockey	Amitco Khel Centre, Meerut	--	69	0.66
8	Hockey	Beat all Sports	21.01.2010	3	0.86
9	Table Tennis and Football	Amitco Khel Centre, Meerut	06.01.2010	315	0.46
Total					124.77



Unused boxing gloves, head guard and javelins at Patiala centre

Thus, sports equipment worth Rs. 1.25 crore pertaining to athletic, hockey, boxing and table tennis remained unissued at Patiala and Bhopal centres as of November 2010 which indicates that assessment of the requirement for procurement of equipment was not properly done. Clearly, the assessment of requirement at different centres was handled in an abysmal manner by SAI, resulting in chaotic movement and receipt of equipment at centres.

32.5 Other Deficiencies

32.5.1 Inadequate programmes and seminars for doping

National Anti Doping Agency (NADA) was assigned the task of conducting dope tests, seminars, workshop and training sessions for athletes/coaches/supporting personnel/officials, for enhancing their knowledge levels, professional skills, code of conduct and awareness of anti doping policy and programmes, either directly or through SAI/IOA/NSFs etc. Further, samples of athletes were to be taken and checked

on a regular basis in these training centres to familiarize them with the rules and regulations and to educate them about the harmful effects of doping, banned substances, etc.

We observed that NADA delivered 26 lectures (during 2009 and 2010) and conducted 697 dope tests (during 2010) at various venues/SAI centres. However, deficiencies were observed in the following centres:

- **SAI Gandhinagar:** A seminar was conducted on 15 and 16 of July 2010 but no core probable/sports persons participated in the above seminar. Only coaches and supporting staff took part in the seminar. Further, no samples of the athletes were taken/ collected for checking the status of banned substances.
- **SAI Guwahati:** Lawn bowl camps were conducted during March 2009 to April 2010 (288 days) at SAI Guwahati. However, only one seminar/workshop was conducted for awareness of the doping and only nine samples (random) were taken.
- **SAI Sonapat:** Only one lecture was delivered in March 2010 at Sonapat regional centre, where incidentally two probables were weeded out during random collection of sample in November 2009 as the blood sample had Furosemide (diuretic).

Further, fourteen core probables (six weightlifters, four wrestlers, three swimmers and one athlete) tested positive. A penalty of Rs. 2.28 crore was imposed by the international body on 'Indian Weightlifting Federation' and Rs. 0.14 crore on the individual players.

32.5.2 Delay in providing medical insurance coverage to core probables

Medical insurance was to be provided to each core probable for safeguarding against any injury, medical support, etc, which could occur during training/camps/foreign exposure. Accordingly, SAI initiated a proposal for insurance cover (medical/personal accident) in November 2008 for 1673 core probables. We observed that:

- United India Insurance Company offered a tailor made insurance policy for the core probables as per the specific requirement of SAI. However, SAI opted for the standard Insurance policy of New India Assurance Company, which did not include OPD facilities or medical/personal insurance during foreign exposure.
- SAI finalised the insurance policy for the period November 2009 to October 2010 at a cost of Rs 0.25 crore for 1600 core probables in October 2009. However, we noted that documentation work was not completed even till July/Sep 2010.

Further, a large number of 'Medical Identity Cards' were not received by SAI till August 2010. All the identity cards pertaining to probables of netball, boxing disciplines were not received till July/August 2010, although SAI, in response, stated that the certified list of core probables was sent to the insurance company. 216 medical cards out of 324 core probables were not received till August 2010 at SAI Pune (Balewadi).

32.6 Delay in establishment of infrastructure and procurement of related equipment

32.6.1 Establishment of Infrastructure

SAI identified ten regional centres/ sub-centres for creation and up-gradation of infrastructure at an estimated cost of Rs. 85 crore. This included:

- Construction of hostels, modern fitness centres⁶ and sports science centres at eight regional centres, and

- Renovation/up-gradation of existing facilities at five regional centres.

SAI entrusted execution of these works to CPWD. The works were started from October 2008 to August 2009 by CPWD although the training camps for core probables for CWG 2010 were initiated from August 2008. Upto January 2011, SAI had incurred an expenditure of Rs. 74.35 crore on infrastructure for CWG 2010. However, we found that the status of the construction/renovation/up-gradation of existing facilities of various regional centres was as given below:

Table 32.7 – Status of renovation/ construction/ upgradation of facilities at SAI regional centres

(Rs. in crore)

No.	Location of SAI Centre	Actual Expenditure	Actual date of completion	Status of utilisation
Hotels				
1	Lucknow	7.50	May 2010	Not utilised
2	Gandhinagar	7.05	July 2010	Not utilised
3	Bengaluru	7.25	August 2010	Not utilised
4	Kolkata	8.75	In progress	Not utilised
5	Bhopal	2.74	In progress	Not utilised
6	Imphal	4.54	In progress	Not utilised
7	Thiruvananthapuram	8.35	In progress	Not utilised
8	Aurangabad	3.14	In progress	Not utilised
Total		49.32		
Sports Science Centre				
1	Lucknow	0.49	February 2010	Not utilised
2	Bengaluru	0.46	May 2010	Utilised
3	Bhopal	0.98	April 2010	Not utilised
4	Sonepat	0.99	August 2010	Not utilised
5	Aurangabad	1.11	September 2010	Not utilised
6	Kolkata	2.00	In progress	Not utilised
7	Thiruvananthapuram	0.97	In progress	Not utilised
8	Gandhinagar	1.00	In progress	Not utilised
Total		8.00		

⁶ with facilities such as sauna bath, steam bath, two massage rooms, whirlpool unit, aerobics hall, yoga hall and change room with shower facility etc.

No.	Location of SAI Centre	Actual Expenditure	Actual date of completion	Status of utilisation
Modern Fitness Centre				
1	Bhopal	1.37	August 2010	Not utilised
2	Sonepat	1.33	August 2010	Not utilised
3	Lucknow	1.35	March. 2010	Not utilised
4	Aurangabad	1.45	September 2010	Not utilised
5	Imphal	2.11	In progress	Not utilised
6	Gandhinagar	1.27	In progress	Not utilised
7	Kolkata	1.57	In progress	Not utilised
8	Thiruvananthapuram	1.50	In progress	Not utilised
Total		11.95		
Renovation/up-gradation of existing facilities				
	Patiala ⁷	5.49	August 2010	Not utilised
	Sonepat ⁸	3.17	In progress	Not utilised
	Bengaluru ⁹	0.70	March, 2010	Not utilised
Total		9.36		
Grand total		78.63*		

*Rs. 78.63 – Rs.4.28 crore to be refunded by regional centre =74.35 crore)

Further, construction of hostels, sports science centres and modern fitness centres at Thiruvananthapuram, Aurangabad and Lucknow was taken up at a cost of Rs. 25.86 crore, although no training camp for any discipline for core probables of CWG 2010 was scheduled at any of these centres.

Thus, SAI failed to fill the gap of insufficient infrastructure at its centres, as none of the hostels, fitness centres, sports science centres could be utilised for CWG 2010 despite an expenditure of Rs. 74.35 crore.

32.6.2 Procurement of Sports science equipment

The scheme envisaged a complete scientific backup with the help of doctors, psychologists, physiologists and recovery experts on full time basis to be introduced

for each sport discipline. Sports science equipment was envisaged for conduct of tests including anthropometric, psychological, physiological, biochemical, biomechanical, nutritional and other medical tests to monitor the progress of each athlete on a regular basis during the training.

Sports Science Centres at four regional centres of Gandhinagar, Kolkata, Thiruvananthapuram and Aurangabad could not be completed. Centres at Lucknow and Bhopal, though completed, could not be taken over by SAI.

Regarding procurement of equipment related to Sports Science Centres, we found that negligible procurement was actually made although procurement was initiated for Rs. 9.20 crore. Further, we found that:

⁷ Repair/renovation of 4 halls i.e. weightlifting, wrestling, TT and Boxing with provision of air conditioners.

⁸ Air conditioners for hostel rooms and dining hall including civil and electrical work, false ceiling and Air Conditioning of Multi Purpose Hall

⁹ Flooring, lighting and Replacement of roof (Galvanizing Aluminium)

- SAI had to abandon the procurement of Rs. 6.33 crore on various science equipment due to paucity of time.
- Out of total procurement of Rs. 2.87 crore, equipment worth Rs. 1.95 crore were not delivered to regional centres till January 2011; equipment worth Rs. 0.38 crore were received after the CWG 2010 in October 2010; and equipment worth Rs. 0.06 crore were received at regional centres during the Games.

SAI failed to provide world class state of art sports science backup to athletes as none of the eight Sports Science centres could be utilised for training. Further, most of the scientific equipment procured could not be used for the training of core probables as either these were received after the close of the CWG 2010 or their supply was still awaited as of January 2011.

32.7 Monitoring by MYAS/SAI

32.7.1 Inadequate monitoring

The Steering Committees and Review Committees for each discipline at the level of MYAS were to be constituted for each discipline to monitor the preparation and progress of the core group of elite sports persons, coaches and supporting personnel. The Steering Committees (for each discipline) were to meet once every month. In this regard, we found that:

- The steering committees for different disciplines met just seven to eleven times during June 2008 and September 2010.
- The Review Committees constituted to review the progress in performance levels of the core group of sports

persons, coaches etc. was formed in respect of only five disciplines and met only once/twice during the entire period of implementation of the scheme.

MYAS stated that it was not practicable to hold monthly meetings of the Steering Committee as there would have been 18 meetings in a month, and also that one month's period was too short for the NSFs to evaluate performance of the athletes. It also confirmed that review committee meetings could not be held regularly. It may be noted that MYAS itself put in place a monitoring mechanism which it now finds impractical.

32.7.2 Non-appointment of personnel in the CWG cell

SAI was to set up a cell, to be known as 'Commonwealth Games Cell' (Cell) which would have a Programme Officer (PO) and a Programme Assistant (PA) for each of the 17+1 disciplines of the Games having specialised knowledge and expertise of their respective disciplines. However, we found that SAI had appointed only eight POs and one PA as against the sanctioned posts of 18 each. Out of the eight POs, one PO was appointed for audit, two for infrastructure and two for equipment sports division. Thus, effectively only three POs for sports disciplines were appointed and the CWG cell could not be appropriately operationalised.

32.8 Legacy plan for SAI Stadia

In September 2006, the Expenditure Financial Committee (EFC) suggested exploring the Public-Private Partnership (PPP) model while recommending the

proposal for sanction of budget for redevelopment of five¹⁰ stadia.

- This was approved by the Cabinet in March 2007 and SAI was authorised to manage the entire process of planning and implementation of the PPP model for management and operation of these stadia post CWG.
- Inter-ministerial correspondence was made between March 2007 and November 2008 between MYAS, MoF and SAI.
- SAI though selected Feedback Ventures as the transaction advisor in October 2009, the agreement at a cost of Rs.0.84 crore was signed in February 2010. However, no effective action had taken place.

Further, MYAS was yet to bring out a legacy plan for utilisation and maintenance of the SAI stadia as of March 2011. As a result, the stadia were not being utilised by either sportspersons or others which is evident from the notice of MYAS (dated 1 March 2011) that 'regular coaching/pay and play scheme has not yet started in the stadium'.

32.9 Financial management

In this regard, we observed that:

- SAI was yet to refund the unutilised Rs 45.40 crore under the various sub heads of the CWG scheme, which was required to be refunded within one month of the conclusion of the Games.
- Unadjusted advances of Rs. 1.14 crore

¹⁰ Jawaharlal Nehru Stadium Complex (JNS), Indira Gandhi Sports Complex (IGS), Dr. Shyama Prasad Mukherjee Swimming Pool (SPM), Major Dhyana Chand National Stadium Complex (MDCS) and Dr. Karni Singh Shooting Ranges (KSSR).

were pending with the two agencies i.e. IOA and Bowling Federation of India.

- Utilisation certificate for Rs. 34.75 crore given for procurement of Time Scoring and Results equipment was still awaited from the OC.
- Utilisation Certificates for Rs. 1.08 crore were yet to be received from seven sports federations.
- Advances of Rs. 0.94 crore for 12 training camps at SAI Pune centre were yet to be settled even after lapse of three to six months from the date of completion of the camp. Also, the accounts of the Rugby camp held during September 2010 were not even submitted by the Director of Sports, Pune.

32.9.1 Diversion of funds for construction of SAI Headquarter building

Funds of Rs. 19.00 crore under this scheme were irregularly diverted for construction of the administrative Block of SAI Headquarters at Jawahar Lal Nehru Stadium Complex, New Delhi.

32.10 Other point of interest

The Haryana Government incurred a total expenditure of Rs. 1.87 crore (including cost of land of Rs. 0.85 crore), out of Rs. 3.27 crore released by MYAS in December 2009 for widening and strengthening of existing road from Badshahpur to Kadarapur to Group Centre, CRPF, Gurgaon for CWG 2010. However, the work remained incomplete as of November 2010. The entire advance of Rs 3.27 crore should be recovered from the Government of Haryana as it was not utilised for the Games.

It is acknowledged that India hosted the largest and among one of the most successful Commonwealth Games in Delhi in October, 2010. India also acquitted itself remarkably by securing more than 100 medals in a broad spectrum of sporting events in which it participated. It is indeed a remarkable commentary on the nation's managerial and sporting capabilities that despite a multitude of adversities leading to the actual conduct of the games, India emerged successful both as hosts and as competitors.

It may be recalled that while submitting a study done by this Department in July, 2009, we had commented that establishment of basic infrastructure and putting in place support services for facilitating the games was lagging far behind. Consequently, we had strongly recommended that Government should revisit the model of governance for a smooth and successful delivery of the games. This report was prepared 15 months in advance as an "aid to the administration" as an objective commentary on the stage of preparedness. The governance model was tweaked, but without due authority. Audit continues to feel that serious cognizance was not taken of the issues pointed out in that report, as timely remedial action may have mitigated some of the adverse attention that the conduct of the Games attracted.

The Commonwealth Games 2010 were not the first event of this magnitude being held in India. The nation had the benefit of organizing the Asian Games in 1982. Further, a sufficiently large contingent of administrators, sports managers and other experts were deputed to Melbourne CWG-2006 to closely observe and study the

governance model, infrastructure requirements as also other support services, which provided a period of four years to take any remedial action necessary.

This report has commented upon the model of governance adopted for CWG-2010, in which authority was dissipated, accountability was defused and unity of command was not provided for or followed. It was also misplaced confidence to have placed such huge public funds at the disposal of non-government officials, who were not willing to heed to any advice from informed government officials.

The modus operandi observed over the entire gamut of activities leading to the conduct of the Games was: inexplicable delays in decision making, which put pressure on timelines and thereby led to the creation of an artificial or consciously created sense of urgency. Since the target date was immovable, such delays could only be overcome by seeking, and liberally granting, waivers to laid down governmental procedures. In doing so, contracting procedures became a very obvious casualty. Many contracts were then entertained based on single bids, and in fact, some of them were even awarded on nomination basis. Taking liberties with governmental procedures of the aforementioned kind led to elimination of competition. The conclusion in fact is inescapable that this could indeed have even been an intended objective. Eliminating competition led to a huge avoidable burden on the exchequer. It can most confidently be concluded that due to the perceived sense of urgency and resultant lack of competition, the country had to pay a higher price for the same

activities, equipment and infrastructure. Further, it is yet to be conclusively established that the end product was of the desired quality.

While the governance model certainly suffered from inadequacies, with a key role for the Organising Committee, Audit observed that the personnel selected for shouldering critical responsibilities in the OC did not possess the requisite qualifications and experience to discharge responsibilities of this magnitude. Standard recruitment procedures such as advertising of posts, selection committees, security clearance/ reference checks etc. were given the go-by in most appointments made in the Organizing Committee.

As per established procedure in Government, whenever an outside entity makes a proposal to the Government involving budgetary commitments, the concerned departments are required to conduct an in depth and de novo examination of such proposals. However, such independent examination of proposals, especially regarding revenue generation by the OC and the expenditures likely to be

incurred as also the total financial liabilities to be borne by the Government, were conspicuous in their absence. There is evidence to indicate that the revenue generation figures were enhanced to remain in tandem with the rapidly burgeoning expenditure of the OC. Appropriate due diligence was conspicuously absent at all levels, while scrutinising and according approvals to expenditure proposals.

A basic canon of financial propriety is that the expenditure should not prima facie be more than what the occasion demands, and officials charged with stewardship of Government funds must exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money. Further, not only should transparency and fair play be exercised, the public at large should perceive that Government monies have been expended in a fair and transparent manner and officials will be held accountable for lapses. Government needs to take appropriate measures to live up to the high expectations in this regard.

Dated : 31 May, 2011
Place : New Delhi



(K.R. SRIRAM)
Principal Director of Audit
Economic and Service Ministries

Countersigned

Dated : 20 June, 2011
Place : New Delhi



(VINOD RAI)
Comptroller and Auditor General of India

Annexes



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Annexe to Chapter 1

Annexe 1.1

LIST OF COMPETITION VENUES

Sl. No.	Discipline	Venue
1.	Aquatics	S.P. Mukherjee Swimming Pool
2.	Archery	Yamuna Sports Complex
3.	Athletics	J.N. sports Complex
4.	Badminton	Siri Fort Sports Complex
5.	Boxing	Talkatora Indoor Stadium
6.	Cycling	Velodrome, I.G. Sports Complex
7.	Gymnastics	I.G. Indoor Stadium
8.	Hockey	MDC National Stadium
9.	Lawn Bowls	J.N. Sports Complex
10.	Netball	Thyagaraj Sports Complex
11.	Rugby	Delhi University
12.	Shooting	Dr. Karni Singh Shooting Range
13.		CRPF Centre, Kadarapur - Big Bore Shooting
14.	Squash	Siri Fort Sports Complex
15.	Table Tennis	Yamuna Sports Complex
16.	Tennis	R.K. Khanna Tennis Complex
17.	Weightlifting	J.N. Sports Complex
18.	Wrestling	I.G. Sports Complex

LIST OF TRAINING / PRACTICE VENUES

Sl. No.	Discipline	Training Venue
1.	Aquatics	Siri Fort Sports Complex
2.		Yamuna Sports Complex
3.		Games Village (Practice Area)
4.	Athletics	Thyagraj Sports Complex
5.		Chhatarsal Stadium
6.		Games Village (Practice Area)
7.		DU – Polo Ground
8.	Archery	Yamuna Sports Complex
9.	Badminton	Siri Fort Sports Complex
10.		Saket Sports Complex
11.	Boxing	Delhi University
12.	Cycling	Velodrome, IG Indoor Stadium
13.	Gymnastics	I.G Indoor Stadium
14.		Yamuna Sports Complex (Rhythmic)
15.	Hockey	MDC National Stadium Complex

16.		Yamuna Sports Complex
17.	Lawn Bowls	Delhi Public School, R. K. Puram
18.		Yamuna Sports Complex
19.	Net Ball	Thyagraj Sports Complex
20.		Delhi University
21.		St. Stephen's College
22.		Hindu College
23.		Khalsa College
24.	Rugby 7s	Ramjas College
25.		Kirorimal College
26.		Sri Ram College
27.		Daulatram College
28.		Jamia Millia Islamia University
29.	Shooting	Dr. Karni Singh Shooting Range
30.	Squash	Siri Fort Sports Complex
31.	Table Tennis	Yamuna Sports Complex
32.		Jamia Millia Islamia University
33.	Tennis	R. K. Khanna Stadium
34.		Siri Fort Sports Complex
35.	Weight Lifting	Games Village (Practice Area)
36.	Wrestling	Games Village (Practice Area)
37.		Sri Ram College Hall (Women)
38.		Ludlow Castle Hall (Men)

Annexe to Chapter 2

Annexe 2.1 - Executive Summary of CAG's Study Report on 'Preparedness for XIX Commonwealth Games 2010'

The XIX Commonwealth Games are scheduled to be held in October 2010 at Delhi. The Games are being organised with the objectives of delivering the best Commonwealth Games ever, building state of the art sporting and city infrastructure, showcasing the culture and heritage of India, and projecting India as an economic power and Delhi as a global destination.

We conducted a performance audit of 'Preparedness for XIX Commonwealth Games 2010' to gain an understanding of the progress of various projects and preparedness of different agencies for organizing the Games, and to identify significant risks that needed to be addressed. We intend this report to provide an aid to the Government and the organizers in monitoring progress and in making mid-course corrections. We hope that the report, which has been prepared by independent auditors who have an arm's length approach from any of the implementing agencies, will serve as a checklist and a ready reckoner to benchmark further progress towards preparing the infrastructure and in staging the Games.

Towards the close of our audit engagement, we were happy to witness renewed vigour and redoubled efforts by the agencies. At the same time, the audit also helped us identify major challenges facing the organizers. Much time has been lost and it is imperative to move forward with the

new-found sense of urgency tempered by the realization that crashing of timelines and bunching of decisions carry with it the potential of heightened risk of compromising transparency, accountability and safety. Slackness in addressing these challenges may create major embarrassments for the country not being able to deliver the objectives as stated above.

The salient challenges are mentioned below:

- While the Ministry of Youth Affairs and Sports (MYAS) is the nodal ministry of GOI for the Games Project, a large number of organizations and agencies are involved in different facets of planning and implementation. There is an immediate need to qualitatively improve the co-ordination and synchronization of activities among different agencies. The scope for further delays and slippages in milestones no longer exists, given the immovable deadline of October 2010. In the light of the lessons learnt, MYAS should take up the undisputed leadership and ownership of the entire Games project and assume a proactive role.
- While we recognise the dynamic and ever-evolving nature of specifications for such a complex project, freezing all specifications (howsoever minor) in all respects for all projects and works should no longer be delayed.

- We are happy to take note of faster pace of the activities relating to the development of games venues. However, the SPM Aquatics Complex continues to be graded 'high risk' in our risk assessment index. In our opinion, even the latest deadline of February/ March 2010 for the Aquatics Complex would be challenging, considering the poor progress of work till date. Thirteen other venues are at medium risk. Attention should be focused on these venues.
- The Games Village Project, which will provide accommodation to the athletes, has run into several hurdles – notably the financial difficulties faced by the private partner in completing and delivering the residential complex, noise minimization measures, and the unresolved issue of access roads from the NOIDA link road. The DDA has attempted to address the issues of the private partner through a “bail-out” package in May 2009. The Village Project requires close monitoring and oversight to ensure successful and timely completion.
- Civic infrastructure projects are essentially intended to facilitate movement of the Games family as well as spectators across venues. Out of 20 critical bridge and flyover projects, we have assessed 9 projects as high risk and 2 projects as medium risk, on account of slow progress. Failure to address these risks in time would lead to traffic overload on roads being managed through sub-optimal solutions e.g. reduction/ diversion/ restriction of non-Games traffic, with possible inconvenience to the general public. The position is compounded by the delinking of three projects from the 20 bridges assessed as critical for the Games project.
- Considerable work remains to be done in key areas of outsourcing arrangements for HDTV production and broadcasting, and construction of the International Broadcasting Centre; pre-Games HDTV programming; finalizing of the domestic broadcasting rights agreements, as well as rights for Pay TV, DTH, mobile and Internet; and finalization of rate cards for Right Holding Broadcasters.
- The Games project is envisaged as a revenue neutral project. The Governmental funding for the OC is in the form of loans, to be repaid through suitable revenue generation. The OC is confident of the Games being revenue neutral. However, given the state of documentation supporting revenue generation estimates and the fact that a majority of the sponsorship revenue is expected in the form of “value-in-kind”, we could not obtain assurance that the Games would, in fact, be revenue neutral.
- Work also needs to be done by the OC and the venue owners on planning for legacy utilization of the sporting infrastructure being created, and necessary funding for operation and maintenance.

Annexe to Chapter 3

Annexe – 3.1 Details of audit process and methodology

Agency	No. of half margins/audit memos issued	Date of issue of SOF	Date of Exit meeting
Government of India			
Ministry of Youth Affairs and Sports	13	9 February 2011	28 January 2011
Ministry of Home Affairs/ECIL	9	15 February 2011	With MHA – 15 February 2011 With ECIL – 9 February 2011
Central Public Works Department	147	10-15 February 2011	2 February 2011
Government of National Capital Territory of Delhi			
Public Works Department	185	28 January 2011	1 February 2011 (AN) 2 February 2011 (FN)
Department of Health and Family Welfare	22	28 January 2011	1 February 2011
GB Pant Hospital	5	28 January 2011	1 February 2011
Hedgewar Hospital	1	28 January 2011	1 February 2011
Lok Nayak Hospital	3	28 January 2011	1 February 2011
Ram Manohar Lohia Hospital	4	28 January 2011	1 February 2011
GTB Hospital	7	28 January 2011	1 February 2011
Safdarjung Hospital	1	28 January 2011	1 February 2011
Department of Information Technology	27	8 February 2011	11 February 2011
Department of Forest and Wildlife	1		
Delhi Jal Board	15	20 January 2011	24 January 2011
Delhi Transport and Tourism Development Corporation	9	1 February 2011	3 February 2011
Delhi Transco Ltd.	14	21 January 2011	20 January 2011
Delhi Transport Corporation	20	24 January 2011	28 January 2011
Others			
Organising Committee	68	27 January 2011	31 January 2011
Prasar Bharati	24	10 February 2011	18 January 2011
Sports Authority of India	57	17 February 2011	21 January 2011
MTNL	9	15 February 2011	-
ITDC	21	-	30 December 2011
Delhi Development Authority	219	27 January 2011	2 February 2011
Municipal Corporation of	2	24 January 2011	28 January 2011

Agency	No. of half margins/audit memos issued	Date of issue of SOF	Date of Exit meeting
Delhi			
New Delhi Municipal Corporation	12	15 February 2011	17 February 2011
Delhi Parks and Gardens Society	2		
Delhi University	6	28 January 2011	19 January 2011
Jamia Millia Islamia University	1	25 January 2011	Auditee did not schedule the meeting despite reminder.
Government of Maharashtra			
Director of Sports & Youth Services Balewadi, Pune	76	1 February 2011	23 February 2011
Principal Secretary, Department of School Education and Sports	01		
Commissioner of Police, Pune	18		
Pimpri Chinchwad Municipal Corporation	19		
Pune Municipal Corporation	32		

Annexe to Chapter 4

Annexe-4.1 - Reduction in the percentage of planned work through revision of timelines

Sl. No	Name of the agency – venue- sports discipline	Planned work before revising the timeline		Planned work after revision of timeline	
		Month	percentage	Month	percentage
Competition Venues					
1	AITA-RK Khanna-Tennis	1 Dec,09	84.97	30 Dec,09	80.35
2	CPWD-IG-Cycling	Feb,09	56.06	Mar,09	34.80
		Sep,09	70.23	Nov,09	63.97
3	CPWD-IG-Gymnastics	Jun,09	66.34	Jul,09	52.89
4	CPWD-IG-Wrestling	Oct,08	39.48	Nov,08	11.37
		Sep,09	93.68	Nov,09	75.25
5	CPWD-JNS-Athletics	Mar,10	98.28	Aprl,10	95.79
6	CPWD-JNS-Weightlifting	May,09	74.94	Jun,09	63.62
		Sep,09	92.64	Nov,09	70.48
		Mar,10	100.00	Aprl,10	96.21
7	CPWD-KSSR-Shooting	Oct,08	29.71	Nov,08	1.00
		Sep,09	92.58	Nov,09	86.60
8	CPWD-MDC-Hockey	May,09	90.05	Jun,09	77.52
		Sep,09	94.35	Nov,09	89.30
9	CPWD-SPM-Aquatics	May,09	92.50	Jun,09	45.68
		Mar,10	98.71	Aprl,10	95.83
10	DDA-Siri Fort-Badminton & Squash	Aprl,09	62.36	May,09	46.12
		Sep,09	79.03	Nov,09	62.92
		Feb,10	95.61	Mar,10	88.86
11	DDA-Yamuna-Archery	Aprl,09	44.03	May,09	6.24
		Nov,09	64.03	Dec,09	51.23
		Feb,10	100.00	Mar,10	94.56
12	DDA-Yamuna-TableTennis	Aprl,09	64.36	May,09	46.69
		Sep,09	77.82	Nov,09	61.14
		Feb,10	95.19	Mar,10	85.43
13	GNCTD-Thyagaraj-Netball	1 Dec,09	100.00	30 Dec,09	90.93
14	NDMC-Talkatora-Boxing	Nov,08	70.66	Dec,08	55.49
Training Venues					
1	AITA-RKKhanna TRG-Tennis	1 Dec,09	84.97	30 Dec,09	80.35
2	CPWD-MDC TRG-Hockey	Oct,08	53.14	Nov,08	46.97
		May,09	90.05	Jun,09	77.52
		Sep,09	94.35	Nov,09	89.30
3	DDA-GameVillage TRG-Athletics	Sep,09	84.43	Nov,09	31.27
		Feb,10	86.14	March,10	75.13
4	DDA-GameVillage TRG-Swimming	Sep,09	57.99	Nov,09	23.30
5	DDA-Saket-TRG-Badminton	Aprl,09	44.03	May,09	3.12
		Sep,09	57.41	Nov,09	16.83
		Feb,10	83.47	March,10	71.57
6	DDA-Siri Fort-TRG-Badminton	Aprl,09	44.03	May,09	3.13
		Sep,09	29.75	Nov,09	15.54
		Feb,10	89.06	March,10	77.49
7	DDA-Siri Fort-TRG-Squash	Aprl,09	44.03	May,09	2.88
		Sep,09	52.61	Nov,09	10.23
		Feb,10	85.87	March,10	72.23
8	DDA-Siri Fort-TRG-Swimming	Aprl,09	40.89	May,09	4.32
		Sep,09	27.00	Nov,09	10.95
		Feb,10	86.72	March,10	69.84

Sl. No	Name of the agency – venue-sports discipline	Planned work before revising the timeline		Planned work after revision of timeline	
		Month	percentage	Month	percentage
9	DDA-Siri Fort-TRG-Tennis	Aprl,09	44.26	May,09	3.81
		Sep,09	30.83	Nov,09	21.12
		Feb,10	90.64	Mar,10	73.65
10	DDA-Yamuna TRG-Gymnastics	Aprl,09	39.85	May,09	9.20
		Sep,09	81.25	Nov,09	48.61
		Feb,10	87.18	Mar,10	69.12
11	DDA-Yamuna TRG-Hockey	Sep,09	76.14	Nov,09	10.37
		Feb,10	76.33	Mar,10	69.44
12	DDA-Yamuna TRG-Lawn Bowls	Aprl,09	44.03	May,09	8.64
		Sep,09	76.14	Nov,09	20.39
		Feb,10	82.18	Mar,10	77.67
13	DDA-Yamuna TRG-Swimming	Aprl,09	40.89	May,09	11.58
		Sep,09	49.81	Nov,09	38.45
		Feb,10	89.91	Mar,10	71.01
14	DDA-Yamuna TRG-Archery	Aprl,09	44.26	May,09	8.64
		Sep,09	53.30	Nov,09	47.04
15	DU-Polo Ground TRG-Athletics	Jun,09	75.19	Jul,09	62.88
		Mar,10	99.22	Aprl,10	59.75
16	DU-SRCC TRG-Wrestling(W)	Jan,09	18.87	Feb,09	7.83
		Mar,10	96.09	Aprl,10	82.52
17	GNCTD-Chhatrasal TRG-Athletics	Aprl,09	89.07	May,09	20.92
18	GNCTD-Ludlow Castle TRG-Wrestling(M)	Aprl,09	75.96	May,09	9.19
		1 Dec,09	100.00	30 Dec,09	89.54
19	GNCTD-ThyagarajTRG-Athletics	1 Dec,09	100.00	30 Dec,09	90.98
20	JMI-Rugby7sTRG	Jan,10	100.00	Feb,10	88.52
21	JMI-Table Tennis TRG	May09	39.23	Jun,09	26.12
		Jan,10	100.00	Feb,10	88.52
22	NDMC-Shivaji TRG-Hockey	Mar,10	100.00	Aprl,10	85.58

Annexes to Chapter 6

Annexe 6.1 - Category List of projects approved from Ministry of Finance ,D/o Expenditure

(Rs. in crore)						
Sl. No.	Name of the Project/ Proposal	Type of grant/loan	Date of initial proposal	Amount proposed	Date of final approval	Amount approved
Ministry of Youth Affairs and Sports						
1.	Development & Up-gradation/ renovation of SAI stadia for CWG	Plan Grant	28.08.2006	1300.00	15.03.2007	1000.00
			23.01.2009	2497.00	08.05.2009	2460.00
2.	Operational Budget of Organisation Committee of CWG-2010	Approved as Non-plan Loan	30.11.2005	896.04	15.03.2007	767.00
			16.06.2009	1857.89	05.11.2009	1620.00
3.	Budget of OC for overlays of CWG-2010	Plan Grant	28.07.2009	400.00	19.03.2010	687.00
4.	Scheme for preparation of Indian team for CWG-2010	Plan Grant	12.02.2008	802.00	10.06.2009	678.00
5.	Development and up-gradation/renovation of competition training venues of DU, JMI and DPS, RK Puram, New Delhi.	Plan Grant	19.12.2007	258.29	27.03.2008	257.41
			11.02.2009-JMI	304.41	08.10.2009	350.71
			23.02.2009-DU	41.57		
6.	Budget of MTNL as telecom service provider for CWG-2010	Plan Grant	21.10.2009	182.00	10.02.2010	182.00
7.	Procurement of (i) Timing scoring & result system (TSR) (ii) Sports equipments for various competition venues of CWG-2010	Plan Grant	24.09.2009	87.25	18.11.2009	87.25
8.	Development & Up-gradation Training Venues of Lawn Tennis	Plan Grant	02.11.2006	30.00	22.09.2009	65.65
9.	Electronic target securing system & other related equipment at Dr. Karni Singh Shooting Range.	Plan Grant	14.07.2009	30.15	23.08.2009	30.15
10.	Construction of full bore shooting range of CRPF Group centre, Kadarapur, Gurgaon.	Plan Grant	07.05.2008	20.20	01.08.2008	15.00
			27.05.2009	30.36	08.10.2009	28.50
11.	Procurement of fitness	Plan Grant	23.03.2010	14.45	Not processed in MOF.	

Sl. No.	Name of the Project/ Proposal	Type of grant/loan	Date of initial proposal	Amount proposed	Date of final approval	Amount approved
	equipment for various sports infrastructure projects of SAI for CWG-2010				Approved by the concerned Ministry	
Ministry of Urban Development						
12.	Construction of game village & sports venues by DDA	Plan Grant	12.07.2006	474.70	15.10.2009	827.85
Ministry of Information and Broadcasting						
13.	Host Broadcasting International Broadcasting Centre & Main press Centre	Plan Loan + grant	18.12.2007	542.00	03.10.2008	463.00
			16.11.2009	482.57	14.12.2009	473.52
Ministry of Home Affairs						
14.	Integrated security system for installation of CCTVs & access control equipments at all training venues of CWG-2010	Plan Grant	09.09.2009	374.82	04.02.2010	375.00
15.	Development of Traffic communication network in NCR & Mega cities.	Plan Grant	29.12.2008	200.00	13.08.2009	200.00
Ministry of Health and Family Welfare						
16.	National Programme for prevention of Burn Injuries at Safdarjung Hospital, New Delhi.	Plan Grant	09.04.2010	29.20	Not processed in MOF. Approved by the concerned Ministry	
17.	Sports Injury Centre, Safdarjung Hospital, New Delhi	Plan Grant	25.06.2008	70.72	14.07.2008	70.72

Annexe 6.2 – Category-wise profile of approvals/ sanctions by GNCTD

Category/ Activity	Amount (in Rs. Crore)
Flyovers, Roads & Bridges	3,670
Power Projects	1,100
DTC Augmentation	1,071
Stadiums	747
CP Restoration	615
Bus Parking	458
StreetScaping	455
Road Improvement	394
Street Lighting	347
RUB/ROB	216
IGIA Terminal 3	206
Signages	94
Construction of Depots	82
Water Supply	63
Health	46
Communication & IT	28
Greening of Venues	28
Cultural Events	28
Bus Q Shelter	20
Fire Station	3
Grand Total	9,672*

**This includes funding from Gol – (a) components of JNNURM: Rs. 761 crore and (b) Additional Central Assistance for CWG-related projects: Rs 2800 Crore.*

Annexes to Chapter 7

Annexe -7.1

Approval obtained in Indian currency but payment in foreign currency					
Sl. No.	Functional Area	Name of Contract	Approval amount (Rs. in crore)	Payment amount	Remarks
1	Technology	Games Management Service	21.02	USD 4,797,669	
2	Technology	Timing, Scoring & Results	112.45	CHF 24,990,000	
3	Press Operation	Games News Service	9.06	USD 20.60 million	Excess payment of Rs.58 lakh
4	Catering	Caterer for Games Village (Mgt Fees)	7.35	AUD 1.79 million	Excess payment of Rs.49 lakh

Annexe 7.2

Outstanding Advances as on 25 February 2011

S No	Name to whom advance given	(Amount in Rs)	(Functional Area Total, in Rs.)
	Accommodation Key Personnel		
1.	<i>IN Sailor Institute Sagar</i>	28,000	
2.	<i>La passage to India Tours & Travels .P Ltd</i>	7,91,424	8,19,424
	Accommodation		
3.	<i>Hotel RAZA Motels & Hotels India P Ltd</i>	81,000	
4.	<i>Hotel Apeejay Surrendra Park</i>	90,300	
5.	<i>Hotel Corporation of India Ltd</i>	96,852	
6.	<i>Hotel Country Inn & Suites, Sahibabad</i>	1,73,250	
7.	<i>Hotel Radisson, Delhi</i>	3,69,797	
8.	<i>ITDC Unit Hotel Janpath</i>	5,80,557	
9.	<i>New Delhi YMCA Tourist Hostel</i>	8,07,751	
10.	<i>Hotel Claridges Hotels Pvt Ltd</i>	29,16,867	
11.	<i>Hotel Radisson Marina</i>	31,50,000	
12.	<i>Hotel-The Oberoi, New Delhi</i>	42,64,922	
13.	<i>ITDC Ltd. Unit Ashok Hotel</i>	1,00,49,752	
14.	<i>Hotel-The Indian Hotels Co. Ltd</i>	1,19,68,212	
15.	<i>Hotel Queen Road Pvt Ltd</i>	1,82,01,036	
16.	<i>ITDC</i>	2,00,00,000	
17.	<i>The Lalit</i>	7,38,01,720	14,65,52,016
	Catering		
18.	<i>Ms. Sharayu Almelkar, PO-Catering</i>	20,000	
19.	<i>Taste Buds</i>	20,68,707	
20.	<i>Delhi Tourism & Tran. Development Corp. Ltd</i>	58,50,000	
21.	<i>AFP Manufacturing Co. Pvt Lt</i>	2,62,50,000	
22.	<i>Delaware North Companies, (Australia)</i>	44,14,31,256	47,56,19,963
	Ceremonies		
23.	<i>Nandakumar R S</i>	40,851	
24.	<i>Awesome Brand Product)</i>	1,25,000	
25.	<i>Prachi Sharma- Ceremonies</i>	1,49,740	
26.	<i>Ms. Priyanka Bhatia, APO (Ceremony)</i>	1,85,625	
27.	<i>Ms. Purnima Pendse, DDG</i>	2,23,876	
28.	<i>Surya Recreational Travels Pvt Ltd</i>	5,52,104	
29.	<i>Delhi Metro Rail Corporation-DMRC</i>	10,00,000	
30.	<i>Delhi Transport Corporation-DTC</i>	1,80,00,000	2,02,77,196
	Communication, Image & Look		

31.	Ms. Shruti Tekriwal(APO Publicity)	26,000	
32.	Priya Paul Singh,ADG-Comm.	50,000	
33.	Spring Box Films Pvt Ltd	13,80,000	14,56,000
	Finance & Accounts		
34.	Prasant Rath-PO & Cashier	43,980	43,980
	Games Vill. Dev. & Op.		
35.	Adarsh Junega-Games Village	40,000	
36.	A.S & Company	2,02,725	
37.	Diamond Fabcare Pvt Ltd-Mobilization	3,87,432	6,30,157
	Logistics		
38.	Varun Mahajan,APO-Logistics Imprest Adv	20,000	
39.	India Trade Promotion Organisation-ITPO	2,28,777	
40.	Executive Engineer Vigyan Bhawan CPWD	11,41,500	13,90,277
	Medical & Doping Control		
41.	Dr. Munish Chander Dir Dope Control	52,829	
42.	Ms.Jyoti Mittal, PO-Doping Control	52,829	1,05,658
	Office Admn.		
43.	Gp.Capt.N.L.Khan-Director Admn	10,000	
44.	Raj Singh, Director-CS	33,600	
45.	Amar Singh, Dir.Admin	42,508	
46.	Directorate of Audio Visual Publicity - DAVP	65,116	
47.	Alisha Travels Pvt Ltd.	6,00,000	7,51,224
	Overlays		
48.	TIM Delhi Airport Advt Pvt Ltd	24,05,720	24,05,720
	Press Operations		
49.	Manish Kumar, Director-Press Operation	1,65,000	1,65,000
	Protocol & CGF Rel.		
50.	B.B.Kaura	69,100	
51.	Md Aslam Khan	4,64,400	
52.	Balmer Lawrie & Co. Ltd.	4,09,64,120	
53.	Air Travel Grant	10,56,21,055	14,71,18,675
	QBR		
54.	Young Friends & Co.	15,680	
55.	Dr. Kaarthikeyan(Member Sub Committee)	23,761	
56.	Ms.Sangeeta Welinker, JDG	23,875	
57.	Tapasu Ming Leung Wai	27,197	
58.	Kemp & Co. Ltd	30,048	
59.	Ms. Avny Lavasa, APO-YBR	30,841	
60.	Event Travel Office	56,936	
61.	Capt Chetan Chauhan, PO-QBR	1,00,935	

62.	Ms. Louis Rosa-QBR	1,47,415	
63.	Ashish Maitra, QBR	1,49,890	
64.	Akhilendra Pratap Singh, APO-QBR	2,00,620	
65.	Vijay Ingale	2,97,069	
66.	Director,N.Zone,Cultural Centre	5,50,000	
67.	Ankit Rampal, APO-QBR	5,78,583	
68.	Lt.Col.K.S.Banshtu, Director	8,14,287	
69.	Shivansh Bhatnagar, Admn.Asst.	10,28,581	
70.	Ms.Subie Issac	13,33,296	
71.	Ms. Priyanka Negi, AA-QBR	15,46,512	
72.	M.Jeychandren, Addl DG	50,49,652	
73.	Sanjay Mohindroo, DDG	67,58,578	
74.	AM Car & Van Hire.	1,05,34,374	
75.	AM Films UK Ltd.	1,11,98,746	4,04,96,877
	Security		
76.	Shamsher Singh, DDG-Security	22,000	
77.	DG NCC Camp Fund	1,95,360	2,17,360
	Sports		
78.	Athletic Federation of India	6,828	
79.	Visa Fees	22,800	
80.	Bowling Federation of India	52,705	
81.	S.R.Singh, Mgr.Sports Operation-Boxing	73,948	
82.	Cuddikotta Valson, Competition Manager	1,07,600	
83.	Bharat Refrigeration Works	1,46,000	
84.	Manpreet Kandhari, Comp Manager-Tennis	1,75,000	
85.	Gehmann Gmb H +Co. K.G.-Germany	1,87,762	
86.	V.N Singh,Manager-Sports Operations	1,93,369	
87.	Fiocchi Munizioni S.P.A.Italy	2,48,326	
88.	Netball Federation of India	3,00,000	
89.	Heritage Sporting Prdts.Pty Ltd., Australia	3,47,387	
90.	Crescent Comms Ltd.UK	4,62,582	
91.	Nammo Lapua Oy	4,68,952	
92.	UCS,USA	4,88,984	
93.	Ruag Ammotec GmbH,Germany	5,36,624	
94.	Lapua Gmbh-Germany	5,43,880	
95.	Eley Ltd.,UK	5,43,881	
96.	KOPOJIS	5,85,000	
97.	RC Eximport S.R.L-Italy	7,84,066	
98.	S.P.Pillai, Director	8,65,515	
99.	Agentur"M" Sports-Germany	9,76,619	

100.	Free Church-Sansad Marg	11,11,111	
101.	Indian Rugby Football Union	13,20,514	
102.	Archery Association of India	15,00,000	
103.	Badminton Association of India	15,90,000	
104.	Indian Boxing Federation	20,00,000	
105.	Gymnastic Federation of India	20,63,683	
106.	National Rifle Association of India	25,42,776	2,02,45,912
	Technology		
107.	Razaullah Khan, PO	4,400	
108.	G.Rajaraman, Consultant-Web	5,000	
109.	Aksh Optifibre Limited	12,000	
110.	S C Naik, PO	24,800	
111.	Bharti Airtel Ltd.	4,13,906	
112.	National Informatics Centre Ser. Inc - NICSI	4,94,343	
113.	MTNL	10,01,768	
114.	Telecommunication Consultants India Ltd.	18,39,137	
115.	Hungama Digital Entertainment P Ltd-Mobil	29,50,000	
116.	TCIL-Cable TV Service	31,38,134	
117.	TCIL-Data Cabinet	34,05,551	
118.	MTNL(Test Event at Various Venues)	60,00,000	
119.	Radius Infratel Pvt Ltd-Mobilization	87,66,933	
120.	TCIL-Cabling System	1,18,79,496	
121.	TCIL-Office Automation	1,48,72,424	
122.	TCIL-Network Equipment	5,78,98,180	11,27,06,072
	Venue Dev. & Operations		
123.	Pushpinder Dillon-Badminton	587	
124.	G S Mander, Venue Administrator-IGW	928	
125.	Dr. Clement Rajkumar, Vice Principal	10,000	
126.	Dr. Mustaq Ali, Prof-Uni Polytecnic	10,000	
127.	Jai Inderpal Singh, Prof-Hindu College	10,000	
128.	Munesh Chakravorty, Prof-Ramjas College	10,000	
129.	Noor Mohammad, Dir-Phy Edu	10,000	
130.	N Suresh, DPS	10,000	
131.	Parveen Kaur Sahni, Prof-Khalsa College	10,000	
132.	Surinder Singh, Coach-DU	10,000	
133.	Dr. Kuljeet Kaur, Prof-Shri Ram College	20,000	
134.	Narendra Batra, Venue Administrator-NSH	25,000	
135.	Krishnapoojan Sharma-Siri Fort	40,000	
136.	D C Dey, Venue Administrator-Flats-VK	73,800	
137.	Ashok Gangopadya-Sansad Marg	75,000	

138.	M C Mahapatra, Venue Administrators-IGC	75,000	
139.	Zafar Iqbal, Venue Administrator-NSH	75,000	
140.	G S Shekhawat, Venue Administrator-IGC	79,064	
141.	AVM Ajit Singh, Venue Administrator-JNC	99,950	
142.	Ajeet Shekhawat, Venue Administrator-JNB	1,00,000	
143.	DK Sharma, Venue Administrator-JNW	1,00,000	
144.	Harish Kumar, Venue Administrator-SFB	1,00,000	
145.	Khazan Singh, Venue Administrator-SMA	1,00,000	
146.	Maj Gen U Bhattacharya, Venue Admin-ITPO	1,00,000	
147.	Maj OP Bhatia, Venue Administrator-THN	1,00,000	
148.	Manmeet Singh, Venue Administrator-KSS	1,00,000	
149.	M S Rawat, Venue Administrator-KFB	1,00,000	
150.	M S Upadhyay, Venue Administrator-TSB	1,00,000	
151.	Qamar Ahmed, Venue Administrator-JNA	1,00,000	
152.	S N Jha, Venue Administrator-NEC	1,00,000	
153.	S P Gupta, Venue Administrator-YCT	1,00,000	
154.	Sudershan Pathak, Venue Administrator-DUR	1,00,000	
155.	Umesh Kumar Katna, Venue Administrator-IGG	1,00,000	
156.	V K Batra, Venue Administrator-RKT	1,00,000	
157.	KDS Dullat, Venue Administrator-SFS	1,00,000	
158.	Brig N B Singh, Venue Administrator, YCA	1,98,000	
159.	Mathew Todd Jankowski, Director	13,29,171	37,71,500
	Workforce		
160.	Col.Dhanraj, Archery-Yamuna Sports Complex	10,000	
161.	Imprest with Amar Singh, Director Admn	10,000	
162.	Ms Payal-Training Wing	10,800	
163.	Ms.Uma Badve, Director-Volunteer Prog	14,852	
164.	Brig.UK Dhar, DDG-Volunteers Prog	99,724	
165.	Rent	2,92,700	
166.	Captain Baldev Singh	3,00,000	
167.	Nikita Saigal-Workforce	24,27,600	
168.	Reebok India Ltd	3,60,42,480	3,92,08,156
	Grand Total	1,01,39,81,166	1,01,39,81,166

Annexe- 7.3**Deficiencies in Contract Management****A. Contracts awarded on nomination basis**

Sl. No.	Functional Area	Contract and Vendor	Contract amount (in Rs. crore)
1.	QBR	QBR Launch Ceremony (AM Films)	1.17
2.	QBR	QBR Launch Ceremony (AM Car & Van Hire Ltd.)	1.90
3.	Catering	Kitchen Equipment (PKL London)	8.63
4.	Catering	Venue Caterers (19 Nos.)	13.00
5.	Ceremony	Ground Leveling (Hortus Consultants)	0.48
6.	Catering	Caterer at airport (Global Gourmet)	0.33
7.	Catering	Caterer at airport (Premium Port Lounge Management Company)	0.41
8.	Ticketing	Ticketing consultant (Bruce Wilkie)	1.19
9.	Communication	Production and broadcast of celebrity endorsement film (CNN)	0.48
10.	Communication	Production and broadcast of celebrity endorsement film (NDTV)	0.24
11.	Communication	Production and broadcast of special episodes on development of games (CNN)	2.50
12.	Communication	Promotion of QBR in India (NDTV) and G.Next Media	0.31
13.	Communication	NDTV (Greenathon)	0.25
14.	Communication	Publication of 'Go Delhi' book (Rush Entertainment Ltd.)	0.14
15.	Communication	Outdoor advertising on Youth Baton Relay, Pune (M/s Billboard and M/s JC Decaux advertising Ltd.)	0.44
16.	Communication	Promotion of CWG through schools, colleges and music concerts (SPIC-MACAY)	0.20
17.	Communication	Spread awareness about CWG in CHOGM 2009 (First Magazine UK & M/s Publications UK Ltd)	0.11
18.	Procurement	Uniform (Hastkala)	0.08
19.	Procurement	Supply of suitcases (Young Friend & Co)	0.23
20.	Procurement	Supply of shirts (Young Friend & Co)	0.05

Sl. No.	Functional Area	Contract and Vendor	Contract amount (in Rs. crore)
21.	Technology	Turnkey Implementation Agency (TCIL)	92.17
22.	Technology	IPTV, Wi-fi, High Speed Internet, fax, phone, GVN, enabling of Network Services (Radius Infratel Pvt. Ltd.)	2.95
23.	Venue Development	Project Scheduling, Review and Monitoring, Part C (EKS)	14.50
24.	Venue Development	Venue Brief, Preparation of Site Plan, Part A (EKS)	5.20
25.	Sports	Sports Presentation (Great Big Events -1st contract)	2.25
26.	Sports	Sports Presentation (Great Big Events -2nd contract)	3.82
27.	Technology	High speed bandwidth (TCL) & Bharti Airtel	11.80
28.	Technology	Data cards (MTNL, Reliance, Tata)	0.80
29.	Technology	IPTV Services (Bharti Airtel)	0.60
30.	Technology	Audio/Video Equipment (Samsung Electronics)	3.79
31.	Technology	Purchase of desktop (Agmatel, CIPL)	5.79
32.	Games Village	Employment of lift man at residential towers of Games Village (Schindler India Pvt. Ltd)	0.40
33.	Ceremonies	Theme song (A R Rahman)	5.04
34.	Ceremonies	Band Stand (Mark Fisher)	2.90
35.	Ceremonies	Props (Omung Kumar- Blue Lotus)	16.49
36.	Ceremonies	Creative Director (Bharat Bala)	3.00
37.	Ceremonies	Aerostat (K-events)	35.82
38.	Ceremonies	Costume Suppliers (Anna Singh, Leena Ashima and Seerath Narendra)	6.98
39.	Ceremonies	Choreographer (Santosh Shetty)	1.33
40.	Ceremonies	Choreographer (Devendra Shiller)	1.33
41.	Ceremonies	Cast Management (Rang Puhar)	0.95
42.	Ceremonies	Music Arranger (Ranjit Barot)	1.93
43.	Ceremonies	Segment Director (Kalpesh Dalal)	0.40
44.	Ceremonies	Rigging Equipment (Stage One)	1.32
45.	Ceremonies	Cast Provider (Rangbhoomi)	1.06
46.	Ceremonies	AGNI Segment (Samudra)	1.58
47.	Ceremonies	Cast & Dancer (Shiamak Davar)	2.82
48.	Ceremonies	Production Designer (Mark Fisher)	0.90
49.	Ceremonies	Technical and Staging Manager (Andrew Garrod)	0.49
50.	Ceremonies	Master Scheduler (Sarah Grubb)	0.18
51.	Ceremonies	Audio Designer (Scott Willsallen)	0.33
52.	Ceremonies	CAD Manager (Aaron Felker)	0.43

Sl. No.	Functional Area	Contract and Vendor	Contract amount (in Rs. crore)
53.	Ceremonies	Technical Director (Piers Shepperd)	0.72
54.	Ceremonies	Lighting Designer (Durham Marengi)	1.58
55.	Ceremonies	Technical System Manager (Ian Baldwin)	0.47
56.	Ceremonies	Production Rigging (James Lee)	0.26
57.	Ceremonies	Scenic Engineer and Rigging Manager (Richard Hartman)	0.54
58.	Ceremonies	Communication Designer (Larry Estrin)	0.76
59.	Ceremonies	Roof Loading Study (Knut Stockhusen)	0.03
60.	Ceremonies	Show Caller (Laura Thatcher)	0.11
61.	Ceremonies	Technical Director (Ola Melzig)	0.39
62.	Ceremonies	Rigging Consultant (Stage One)	0.37
63.	Ceremonies	Electrical System Consultant (Linus Lopez)	0.41
64.	Accreditation	Consultant (Thomas C. Cisewski)	0.04
65.	Catering & cleaning and waste management	Consultant (David Payne)	1.82
66.	Finance	Ernst & Young	0.40
67.	Venue Development	Lary Sengstock	0.04
68.	Sports	Consultant (Greg Bowman)	0.77
69.	Sports	Tsogas Achillefs	0.32
70.	Image and Look	Matt Burton & Simon Dietsch	0.05
71.	Administration	Chief Advisor (BS Ojha)	0.04
72.	Broadcasting	Consultant (Patrick Thomas Furlong)	2.80
73.	Catering	Legal Consultant (Abraham M Pattiyani)	0.02
74.	QBR/BCI	Consultant (Saba Ali)	0.17
75.	Communication	Consultant (Anupam Gulati)	0.13
76.	Coordination	Consultant, International Relation (Shashi Tharoor)	0.13
77.	Finance	Consultant (Nishigandha Mathur)	0.02
78.	Finance	Pr. Advisor, Taxation (Anita Sahani)	0.07
79.	Games Village	Consultant (John Lade)	0.92
80.	Legal	Advisor (Shivani Chopra)	0
81.	Legal	Advisor (Sushil Salwan)	0.28
82.	Legal	Advisor (Lovekesh Sahani)	0.04
83.	Media	Advisor (R. Ramachandran)	0.15
84.	Media	Advisor (Sandeep Mehta)	0
85.	Media	Consultant, Communication (V. Krishnaswamy)	0.03
86.	Media	Advisor (Sandhya Mulchandani)	0.11
87.	Venue Development	Advisor, Infrastructure (Lt. Gen. Yash Malhotra)	0.09
88.	Media	Consultant, Main Press Centre (BS Khosla)	0

Sl. No.	Functional Area	Contract and Vendor	Contract amount (in Rs. crore)
89.	Protocol	Advisor, Revenue & Marketing (Vikram Kaul)	0.11
90.	Security	Advisor (RK Das)	0.08
91.	Security	Advisor (BKR Rao)	0
92.	Sponsorship	SMAM (Pune)	3.36
93.	Technology	Consultant (Brian Nourse)	0.95
94.	Venue Development and Overlays	Consultant (Bhoop Singh)	0.04
95.	Venue Development and Overlays	Consultant (GP Singh)	0.02
96.	Venue Development and Overlays	Consultant (Radhesh Gupta)	0.02
97.	Venue Development and Overlays	Consultant (Nawal Kant Sethi)	0.01
98.	Venue Development and Overlays	Consultant (Dhruv Kapur)	0.01
99.	Venue Development and Overlays	Architect/Consultant (B. Uma Shankar)	0.02
100.	Venue Development and Overlays	Architect /Consultant (Prema Joshi)	0.01
101.	Venue Development and Overlays	Architect /Consultant (Nitin Srivastava)	0.02
102.	Venue Development and Overlays	Architect /Consultant (Nidhi Gupta)	0.02
103.	Venue Development and Overlays	Architect /Consultant (Bushra Jung)	0.01
104.	Venue Development and Overlays	Architect /Consultant (Shamin Akhtar)	0.01
105.	Venue Development and Overlays	Architect /Consultant (Divya badhan)	0.02
106.	Administration	Advisor, Transport & Security (Rajiva Srivastava)	0.40
107.	Technology	Official Telecom service provider (MTNL)	30.00
Total			310.68

B. Contracts awarded on single tender

Sl. No.	Functional Area	Name of the Contract	Rs. in crore	Remarks
1	Ceremonies	Ground Cloth for Opening Ceremonies (Geofabrics)	1.74	Open Tender
2	Ceremonies	Ground Cloth for Closing Ceremonies (Lalit Art Studio)	0.97	Open Tender
3	Ceremonies	Turf Replacement (Hortus Consultants)	7.26	Open Tender
4	Catering	Master caterer for Games Village(DNC)	66.50	Open Tender
5	Catering	Transportation of Kitchen Equipment from Airport to Games Village (Balmer Lawrie & Company)	0.15	Limited Tender
6	Communication	Appointment of Sports Promotion consultant (Percept Ltd)	1.90	Open tender
7	Sport	Under water sound system, under water speaker (Swatantra Stores)	0.08	Open Tender
8	Sport	Warm up roller (Swatantra Stores)	0.05	Open Tender
9	Sport	Boundary scope (Swatantra Stores)	0.04	Open Tender
10	Sport	Boxing competition rings (Swatantra Stores)	0.18	Open Tender
11	Sport	Boxing gloves (Swatantra Stores)	0.26	Open Tender
12	Sport	Boxing Headgears (Swatantra Stores)	0.10	Open Tender

Sl. No.	Functional Area	Name of the Contract	Rs. in crore	Remarks
13	Sport	Punching bag stand/tower heavy duty (Swatantra Stores)	0.02	Limited Tender
14	Sport	Hook & Jab Pad (Swatantra Stores)	0.02	Limited Tender
15	Sport	Punching bag (Swatantra Stores)	0.07	Limited Tender
16	Sport	Boxing glove, head gear, punching glove rack stand (Swatantra Stores)	0.01	Limited Tender
17	Sport	Power lifting equipment- M/s Eleiko Sports, (Swatantra Stores)	0.27	Open Tender
18	Sport	Automatic Electronic Scoring Target system (SIUS ASCOR, Switzerland)	1.01	Open Tender
19	Sport	Long throw equipment retriever tele controller (M/s Vinex Enterprises Pvt. Ltd.)	0.12	Open Tender
20	Sport	Badminton equipment (M/s Sunrise PT Ltd. Singapore)	0.54	Open Tender
21	Technology	Games Management System (Gold Medal System)	21.02	Open Tender
22	Technology	Timing, Scoring and Results (Swiss Timing)	112.45	Open Tender
23	Games Planning and Project Management	Games Planning and Project Management (Consortium of E&Y and EKS)	29.66	Open tender

Sl. No.	Functional Area	Name of the Contract	Rs. in crore	Remarks
24	Venue Development & Overlays	Providing and Installing of Signage at Pragati Maidan and JNL (Meroform)	0.86	Open Tender
25	Work Force	Work Force Consultancy (Consortium of E&Y and EKS)	22.36	Open Tender
26	TV Rights	International Broadcast Rights Consultant (Fast Track Events)	29.44	Open Tender (Commission Charges)
27	Sponsorship	International Consultant (SMAM)	50.00	Open Tender (Commission Charges invoice submitted by SMAM)
28	Press Operation	Games News Agency (Info Strada)	9.06	Open tender
		Total	356.14	

C. Ineligible vendors

Sl. No.	Functional Area	Name of the Work	Value of Contract (in crore)
1	Venue Development & Overlays	Contract for overlays	630.00
2	Sponsorship	Consultant (SMAM)	450.00 ¹
3	Catering	Food Stalls at Games Venues (Fast Trax)	0.92
4	Catering	Master Caterer (DNC)	66.50
5	Catering	Kitchen equipments supplier and installer (Constellations)	9.50
6	Ceremonies	Ground Cloth for Opening Ceremony (Geofabrics)	1.74
7	Ceremonies	Ground Cloth for Closing Ceremony (Lalit Arts Studio)	0.97
8	Games Village	Housekeeping for Games Village (Kalpataru Hospitality)	3.44
9	Technology	Games Management System (Gold Medal System)	21.02
10	Merchandising & Licensing	Licensee (PBL)	4.52
11	Work Force	Work Force Consultancy(EKS in consortium with Ernst & Young)	22.36
12	Cleaning & Waste Management.	Cleaning Services	21.29
13	Catering	Venue Catering (AFP Manufacturers Pvt. Ltd)	8.75
14	Ceremony	CYG-2008, Pune (Wizcraft)	12.77
		Total	1253.78

¹Sponsorship target of SMAM as per contract.

D. Restrictive Clauses

Sl. No	Functional Area	Name of the Contract	Restrictive conditions	Amount (in crore)
1	Ceremonies	Ground Cloth for Opening Ceremony (Geo-Fabrics)	Experience in Olympics, CWG and Asian Games	1.74
2	Catering	Master caterer for Games Village (DNC)	Experience in Olympics, CWG and Asian Games	66.50
3	Ceremonies	Communication Systems (Reidel Communications)	Experience in Olympics, CWG and Asian Games	1.57
4	Ceremonies	CYG-2008, Pune (Wizcraft)	Annual turnover of Rs. 125 crore	12.77
5	Ceremonies	Lighting & Search Light (PRG Belgium)	Experience in Olympics, CWG and Asian Games	15.75
6	Accreditation	Procurement of lanyard (Tristar Enterprises)	Resistance upto 800 degree Celsius	0.68
7	Communication	Appointment of Sports Promotion consultant (Percept Ltd)	Higher turnover of Rs. 250 crore	1.90
8	Sports	Hiring of audio/video equipments for Sports Presentation (Modern Stage)	Experience of providing audio/video equipments in Olympics, Asian games, CWG and World Mega Sports competition	6.75
9	Technology	Games Management System (Gold Medal System)	Experience in Olympic, CWG and Asian Games during last five years	21.02
10	Technology	Timing, Scoring and Results (Swiss Timing Omega)	Experience in Olympic, CWG and Asian Games during last five years	112.45
11	Venue Development & Overlays	Overlays (Turnkey Contract)	Exorbitant turnover (Rs. 1075 crore) Experience of CWG/Asian Games/Olympics	630.18
12	Image and Look	Games Look Provider	Annual turnover of Rs. 4 crore for allotment-one cluster, 8 crore for second cluster etc.	25.94
13	Work Force	Work Force Consultant	Annual turnover of more than Rs. 50 crore or equivalent in foreign currency from consulting fees in each of the preceding years. Experience of providing advisory services to at least two multi-sport events of the stature of Olympics, Asian Games and CWG	22.36
14	Games Planning & Venue Development	Games Planning & Project Management Consultant	Experience of only CWG/Asian Games/Olympics was considered for qualification	29.66
15	Technology	Official Website Provider	Work experience of	2.95

Sl. No	Functional Area	Name of the Contract	Restrictive conditions	Amount (in crore)
			Olympics/CWG/Asian Games, PAN American Games or any other international multi sport events	
16	Cleaning & Waste Management	Cleaning Services	Annual turnover of Rs 5 Crore in each of the last financial year to undertake one tender package, and for venues having seating capacity of greater than 500, annual turnover should be Rs. 10 Crore or more for at least the last 3 yrs	21.29
		Total		973.51

E: Retendering due to non submission of EMD

Sl. No.	Name of the Functional Area	Name of the Contract/work	Value of Contract (in crore)	Remarks
1	Catering	Master Caterer for Games Village	72.00	Though EMD was not obtained, the commercial bid was opened. Subsequently, re-tendering was ordered.
2	Ceremony	Turf Replacement	7.26	Rs.7.26 crore after retendering. The Retendering was done, as no EMD was received.

F: EMD not obtained

Sl. No.	Name of the Functional Area	Name of the Contract	Value of Contract/Tender Value (Rs in crore)	Remarks
1	Ceremony	Signature Fencing	8.22	EB authorised Chairman to waive off the EMD
2	Sponsorship	SMAM	On commission basis	No EMD
3	TV Rights	International Broadcast Rights Sales consultant Service agreement	On commission basis	No EMD
4	Ceremony	Video Content	3.80	No EMD
5	Ceremony	Stage Safe	0.34	No EMD

G. Negotiation held with Vendors other than L1

Sl. No.	Functional Area	Name of the work	Parties with which negotiations held	Contract awarded to (L2, L3, L4 etc)	Value of contract (in crore)
1	Ceremonies	Video Contents	L3 (highest Bidder)	L3	3.80
2	Image and Look	Graphic Design Agency	L2	L2	2.81
3	TV Rights	International Broadcast Rights Consultancy	L2	L2	29.44
4	Games Village	House Keeping Contract	L1 & L2	L1 & L2 (Divided among L1 & L2)	3.44
5	Catering	Venue Catering	L1, L2 & L3	L1, L2 & L3	5.99
6	Administration	Renovation of NDCC building (2nd to 6th floor)	L1, L2 & L3	L1, L2 & L3	19.66
7	Administration	Renovation of NDCC building (7th to 9th floor)	L1, L2	L1, L2	8.89
Total					74.03

H. Sufficient time not given for bidders to respond to RFP

Sl. No.	Functional Area	Name of the work/contractor	Value of work (in crore)	Time allowed to Respond to RFP
1	Technology	Official Games Website Provider	2.95	10 Days
2	Technology	Games Management	21.02	3 weeks
3	Technology	Supply of Audio Video Equipments	3.79	2 weeks
4	Venue Development and Overlays	Providing and Installing of Signages at Pragati Maidan and JLN	0.86	5 days

Sl. No.	Functional Area	Name of the work/contractor	Value of work (in crore)	Time allowed to Respond to RFP
5	Venue Development and Overlays	Glazing black out of glass	0.32	5 days
6	TV Rights	International Broadcast Rights Consultancy	29.44	2 weeks
7	Sports	Hiring of audio/video equipment	6.75	10 days
8	Ceremonies	Lighting and search lighting	15.75	2 weeks
9	Ceremonies	Pyrotechnic	3.38	3 weeks
10	Ceremonies	Audio System	5.18	2 weeks
11	Ceremonies	Communication System	1.57	2 weeks
12	Ceremonies	Ground protection	7.87	2 weeks
13	Ceremonies	Ground cloth for Opening Ceremony	1.74	2 weeks
14	Ceremonies	Ground cloth for Closing Ceremony	0.97	2 weeks
15	Ceremonies	Turf replacement	7.26	2 weeks
16	Ceremonies	International consultant	10.33	19 days
17	Ceremonies	Event Management Firm	21.49	2 weeks
18	Sponsorship	Consultant	50.0	2 weeks
19	QBR	QBR consultant	8.00	2 weeks
20	QBR	QBR Launch	1.81	2 weeks
21	QBR	QBR International uniform	0.19	10 days
22	Administration	Interior designer consultant	1.27	2 weeks
23	Administration	Renovation of NDCC building (2nd floor to 6th floor)	19.66	2 weeks

Sl. No.	Functional Area	Name of the work/contractor	Value of work (in crore)	Time allowed to Respond to RFP
24	Administration	Renovation of NDCC building (7th floor to 9th floor)	8.89	2 weeks
25	Catering	Food stalls (venue catering)	0.93	10 days
26	Catering	Lounge catering (venue catering)	13.93	7 days
27	Catering	Food packets (venue catering)	9.00	7 days
28	Catering	Installation and supply of kitchen equipment	9.50	10 days
Total			263.85	
Less time allowed to respond after taking approval of Chairman				
Sl. No.	Functional Area	Name of the work/contractor	Value of work (in crore)	Time allowed to Respond to RFP
1	Press Operation	Games News Agency	9.06	2 weeks
2	Image & Look	Games Look Provider	25.94	2 weeks
3	Sports FA	Hiring of audio video equipment	6.75	2 weeks
Total			41.75	

I. RFP/EOI Cancelled and Retendering resorted to

Sl.No	Functional Area	Name of the contract
1	Catering	Games Village Catering (DNC)
2	Catering	Venue Catering
3	Games village development & Operation	House Keeping Contract Games Village
4	Merchandising & Licensing	Merchandising & Licensing
5	Technology	Purchase of Audio Video equipment
6	Sports	Sports Presentation- 2nd Contract
7	Ceremony	Turf Replacement
8	Ticketing	Ticketing Agency
9	Risk Management	Insurance consultant

J. Value of unused items

Sl. No.	Functional Area	Name of work/items	Value of Items Purchased (in Rs crore)	Items remained un-used (in Rs crore)
1	Ceremonies	Properties for Ceremonies (Ground Protection)	7.87	2.02
2	Ceremonies	Ground Cloth for Opening Ceremony	1.74	0.20
3	Ceremonies	Props for Closing Ceremony	4.04	2.83
4	Ceremonies	Props for Opening Ceremony	12.45	0.36
5	Sports	Sports equipment	2.27	2.27
6	Procurement	Purchase of Laptops	1.00	0.26
7	Ticketing	Printing of Raw tickets	1.86	0.78
8	Communication	Provide creative strategy & creative Plan (audio visual)	1.34	1.27
9	Procurement	Men Shirt(Peter England)	0.05	0.01
10	Procurement	Saree/Blouse Petticoat	0.08	0.01
11	Procurement	Ladies Shoes (Bata)	0.02	0.00
12	Procurement	Men Shoes (Bata)	0.04	0.01
13	Procurement	Suitcase(Tourists)	0.23	0.03
14	Procurement	Shera (Resin)	0.11	0.05
15	Procurement	Shera (Resin)	0.01	0.00
16	Procurement	Acrylic Mementos	0.24	0.08
17	Procurement	Mega Phone	0.03	0.01
18	Procurement	Souvenir Mug	0.05	0.03
19	Procurement	Souvenir Pen	0.01	0.01
20	Procurement	Souvenir Umbrella	0.09	0.05
21	Procurement	Commemorative Medals	3.49	2.64
22	Procurement	Souvenir -Tie	0.32	0.22
23	Procurement	Laptop stickers	0.03	0.02
24	Procurement	Lapel-Pin	0.34	0.23
25	Procurement	Scarf	0.09	0.01
26	Procurement	Commemorative Plate	0.25	0.15
27	Procurement	Commemorative Coins	0.00	0.00
28	Procurement	Commemorative Coins	0.00	0.00
		Total	38.05	13.55

K. Detailed Scope of work not defined in the agreement

Sl.No	Functional area	Name of Consultant	Criteria of appointment whether nomination or through RFP	Designation/Broad Scope of Work
1.	Administration	BS Ojha	Nomination	Chief advisor
2.	Broadcasting	Goverdhan Sharma	Search committee	Broadcasting advisor
3.	Catering	Sunil Khanna	Search Committee	Establishment of village kitchen
4.	Catering	Ajay Grover	Search committee	Catering Consultant
5.	Catering	Abraham M Pattiyani	Nomination	Legal
6.	CBC/BCI	Saba Ali	Nomination	Additional manpower to deliver the Baton Launch
7.	Communication	Ms. Geetanjali Aiyer	Search committee	Communication consultancy
8.	Communication	Rajiv Desai	Search committee	Communication consultancy
9.	Communication	Arun Shaw	Search committee	Increase of work load in FA
10.	Coordination	Shashi Tharoor	Nomination	Engaging city, national and international communities
11.	Finance	Nishigandha Mathur	Nomination	Drafting of Games Time financial policies, setting up of insurance desk at OC during Games Time
12.	Finance	Anita Sahani	Nomination	Principal Advisor Taxation (part time)
13.	Finance	Ernst & Young	Nomination	Revalidated budget
14.	Legacy and CGA relation	Asha Nayar Basu	Search committee	Legacy and Communication (part time)
15.	Legal	Shivani Chopra	Nomination	Legal Advisor
16.	Legal	Sushil Salwan	Nomination	Legal Advisor
17.	Legal	Lovekesh Sahani	Nomination	Legal Advisor
18.	Media	Sandeep Mehta	Nomination	Media Advisor
19.	Media	Sandhya Mulchandani	Nomination	Advisor Media
20.	Medical/ Protocol	Sujata Khanduja	Search committee	Consultancy in Medical/ Protocol

Sl.No	Functional area	Name of Consultant	Criteria of appointment whether nomination or through RFP	Designation/Broad Scope of Work
21.	Venue Development	Lt. Gen. Yash Malhotra	Nomination	Infrastructure Advisor
22.	Venue Development	Lary Sengstock	Nomination	Review of Competition Schedule
23.	Media	BS Khosla	Nomination	Main Press Centre
24.	Accommodation	Shobha Narain	Search committee	Hospitality (Part time)
25.	Protocol	Stuti Mishra	Search committee	Protocol consultancy
26.	Protocol	Vikram Kaul	Nomination	Advisor for revenue, marketing and communication (but later shifted to hospitality)
27.	QBR	Ashutosh Sharma	Search Committee	Advisor, QBR
28.	QBR	Satish Pardhan	Search Committee	Advisor, QBR
29.	Risk Management	Marsh India Private Limited and Trinity Insurance Brokers Pvt. Ltd.	RFP	Consultancy for insurance
30.	Security	RK Das	Nomination	Security Advisor
31.	Security	BKR Rao	Nomination	Security issues
32.	Technology	Rajiv Arora	Search committee	Audio-video (part time)
33.	Technology	Brian Nourse	Nomination	I st phase: Not defined; II nd phase: Assistance in preparation of scope of work for different aspects of technology FA
34.	Ticketing	Mohan Phadke	Search committee	Ticketing Advisor

Sl.No	Functional area	Name of Consultant	Criteria of appointment whether nomination or through RFP	Designation/Broad Scope of Work
35.	Workforce	Surendra Kumar Chopara	Search committee	Training consultancy in workforce
36.	Workforce	Nivedita Saboo	Search Committee	Increased of work load in Uniform FA
37.	Venue development and overlays	Bhoop Singh	Nomination	Verification of quantities of various venues for different vendors.
38.	Venue development and overlays	GP Singh	Nomination	Verification of quantities of various venues for different vendors.
39.	Venue development and overlays	Radhesh Gupta	Nomination	Verification of quantities of various venues for different vendors.
40.	Venue development and overlays	Nawal Kant Sethi	Nomination	Verification of quantities of various venues for different vendors.
41.	Venue development and overlays	Manohar Lal	Search committee	Quantity surveyor
42.	Venue development and overlays	Rohit Bisht	Search committee	Architect consultant
43.	Venue development and overlays	R. Sangeetha	Search committee	Architect consultant
44.	Venue development and overlays	Mohd. Quasim Ali Mirza	Search committee	Architect consultant
45.	Venue development and overlays	Nikesh Jain	Search committee	Architect consultant
46.	Venue development and overlays	Meenakshi Bhagat	Search committee	Architect consultant

Sl.No	Functional area	Name of Consultant	Criteria of appointment whether nomination or through RFP	Designation/Broad Scope of Work
47.	Venue development and overlays	T. Saravanan	Search committee	Architect consultant
48.	Venue development and overlays	Dhruv Kapur	Nomination	Consultant Overlays
49.	Venue development and overlays	B. Uma Shankar	Nomination	Architect consultant
50.	Venue development and overlays	Prema Joshi	Nomination	Architect consultant
51.	Venue development and overlays	Nitin Srivastava	Nomination	Architect consultant
52.	Venue development and overlays	Nidhi Gupta	Nomination	Architect consultant
53.	Venue development and overlays	Bushra Jung	Nomination	Architect consultant
54.	Venue development and overlays	Shamin Akhtar	Nomination	Architect consultant
55.	Venue development and overlays	Divya Badhan	Nomination	Architect consultant
56.	Technology	G Rajaraman	Search committee	Web-designing
57.	Technology	Dimakh Sahasrabuddhe	Search committee	Web-designing
58.	Workforce	Rajiva Srivastava	Nomination	Principal Advisor

L. Scope of work in Agreement different from RFP/EOI

Sl. No.	Functional Area	Name of Contract	Amount (in crore)	Remarks
1	Ceremonies	Lighting & Search Lighting	15.75	Two RFPs issued, but later merged one contract signed
2	Ceremonies	Ground Protection	7.87	Earlier plan to procure on hire, converted to purchase
3	Merchandising Licensing	Providing revenue from sale of merchandise	4.52	Category wise licensing changed to single master licensee
4	Sports	Sports presentation workshop and basic music/video pack service agreement	3.82	EOI was floated for 17 sports presentation managers and 3 victory ceremony producers but in the agreement this was changed to sports presentation workshop and basic music/video pack service agreement
5	Technology	Technology services	2.95	Scope of work enhanced/changed to include IPTV, Wi-fi, High Speed Internet, fax, phone, GVN enabling Network services
6	Image and Look	Games Look Provider	25.94	Out of the 9 clusters, scope of work decreased in 7 clusters and increased in 2 clusters after the award of the contract
7	Work Force	Work Force consultancy	22.36	Schedule for delivery of services not included in the contract.
8	Technology	Timing, Scoring and Results	112.45	Due to clarification issued after the issue of RFP, cost of test events was called for separately. Test events were later excluded from the scope of work.
9	Catering	Games Village Catering	79.00	Scope of work reduced and changed
10	QBR	QBR Launch Ceremony	1.87	Scope reduced but price enhanced
Total			276.53	

M. Conflict of Interest

Sl. No.	Functional Area	Name of the Contract	Value of Contract (in Rs.crore)	Remarks
1	Catering	Installation of Kitchen Equipment	9.5	Mr. Sunil Khanna, Consultant for the work was involved with Aster Technologies (in consortium with Constellations)
2	Ceremonies	Aerostat	35.82	Spectak Productions (Shri Ric Birch) and K Events (Aerostat supplier) with part of the Film Master Group
3	Sports	Sports presentation	2.25	Mr. Greg Bowman was engaged as the consultant for sports presentation. Finally he involved his company Great Big Event for the job.
4	Ceremonies	Piers Shepperd	0.72	They earlier submitted their consent to work with Wizcraft. However later individually appointed by OC on nomination basis on recommendation of Ric Birch (International consultant).
5	Ceremonies	Mark Fisher (Production Designer)	0.90	do
6	Ceremonies	Durham Mereghi	1.58	do
7	Ceremonies	Richard Hurtman	0.54	do
8	Ceremonies	Lawrence Estrin	0.76	do
9	Ceremonies	Mark Fisher (Band Stand)	2.90	do
Total			54.97	

N. Advance paid in excess of the limit of 30 per cent for private parties and 40 per cent for Govt. firm

Sl. No.	Name of the Functional Area	Contract and Contractors	Value of Contract (in Rs. crore)	Amount of Advance (in Rs. crore)	Percentage of Advance
1	Catering	Kitchen Equipment (PKL)	8.63	8.63	100
2	Ceremonies	Designing of Bandstand (Mark Fisher)	2.90	2.90	100
3	Communication	To provide creative strategy & media plan for launch of 1000 days to go campaign (JWT)	1.20	0.60	50
4	Image and Look	Games Look Provider	25.94	12.02	50
5	QBR	AM Films	1.17	1.17	100
6	QBR	Indian Hotels	0.76	0.76	100
		Total	40.60	26.08	

Annexe 7.4 – List of consultants and advisor

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	Whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
1.	Accreditation	Thomas C. Cisewski	Nomination	Accreditation consultancy	Yes	Yes	Yes	14.10.09	
2.	Administration	BS Ojha	Nomination	Chief advisor	No	No	No	07.07.08	Earlier DG up to July 2008. Thereafter, appointed as chief advisor from the same day.
3.	Administration	Sunil Kumar	Search committee	Supervision of interior work	Yes	No	No	15.09.08	
4.	Administration	MIS	RFP	Interior design consultant	Yes	Yes	Yes	09.06.08	
5.	Venue Development	Bhoop Singh	Nomination	Verification of quantities of various venues for different vendors	No	No	No	23.08.10	
6.	Broadcasting	Goverdhan Sharma	Search committee	Broadcasting advisor	No	No	No	29.12.07	His fees was upgraded to the scale of ADG w.e.f April 2008, however later on appointed as ADG broadcasting w.e.f 31.12.09.
7.	Broadcasting	Patrick Thomas Furlong	Nomination	Broadcasting and media consultancy	Yes	No	No	23.03.07	
8.	Catering	Sunil Khanna	Search Committee	Establishment of village kitchen	No	No	No	14.05.10	He resigned from his post, as he was associated with one of the firm who got a contract in

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
									catering.
9.	Catering	Ajay Grover	Search committee	Catering Consultant	No	No	No	05.11.09	
10.	Catering	Abraham M Pattiyan	Nomination	Legal	No	No	No	28.06.10	
11.	Catering & cleaning and waste management	David Payne	Nomination	Consultancy in catering & cleaning and waste management	Yes	Yes	No	01.04.09	
12.	CBC/BCI	Saba Ali	Nomination	Additional manpower to deliver the Baton Launch	No	No	No	28.04.09	Appointed only up to Nov.09. However, the contract was extended in Feb 2010 up to Nov. 2010.
13.	Ceremony	Bharat Bala	Nomination	Creative consultant for opening and closing ceremony	Yes	Yes	No	Mar-10	
14.	Ceremony	Spectak Productions (Ric Birch)	RFP	Advisory and consultancy service to make ceremonies spectacular	Yes	Yes	No	03.12.09	
15.	Ceremony	Mark Fisher	Nomination	Production designer	Yes	Yes	No	15.04.10	
16.	Ceremony	Piers Shepperd	Nomination	Technical production	Yes	Yes	No	16.04.10	
17.	Ceremony	Andrew Garrod	Nomination	Technical and staging	Yes	Yes	No	04.05.10	
18.	Ceremony	Sarah Grubb	Nomination	Master scheduler	Yes	Yes	No	10.07.10	
19.	Ceremony	Scott Willsallen	Nomination	Audio director	Yes	Yes	No	25.05.10	
20.	Ceremony	Aaron Felkar	Nomination	CAD manager	No	No	No	16.04.10	
21.	Ceremony	Durham Marengi	Nomination	Lighting designer	Yes	Yes	No	02.03.10	
22.	Ceremony	Ian	Nomination	Technical systems	Yes	Yes	No	02.05.10	

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
		Baldwin							
23.	Ceremony	James Lee	Nomination	Production rigging	Yes	Yes	No	01.05.10	
24.	Ceremony	Richard Hartman	Nomination	Scenic rigging and scenic rigging manager	Yes	Yes	No	15.04.10	
25.	Ceremony	Laurence Estrin	Nomination	Communication design	Yes	Yes	No	17.04.10	
26.	Ceremony	Knut Stockhusen	Nomination	Roof loading study	Yes	Yes	yes	04.03.10	
27.	Ceremony	Laura Thatcher	Nomination	Show caller and stage manager	Yes	Yes	No	11.09.10	
28.	Ceremony	Ola Melzig	Nomination	Technical requirement of the ceremonies	Yes	Yes	No	25.08.10	
29.	Ceremony	Stage One	Nomination	Rigging	Yes	Yes	No	30.09.10	
30.	Ceremony	Stage Safe	RFP	Health and safety	Yes	Yes	No	13.08.10	
31.	Ceremony	Linus Lopez	Nomination	Electrical service consultancy	Yes	Yes	No	24.07.10	
32.	Communication	M/s Percept Ltd.	RFP	Sport promotion and sponsor communication sport	Yes	Yes	No	17.07.10	
33.	Communication	Geetanjali Aiyer	Search committee	Communication consultancy	No	No	No	26.03.10	
34.	Communication	Rajiv Desai	Search committee	Communication consultancy	No	No	No	18.08.10	
35.	Communication	Arun Shaw	Search committee	Increase of work load in FA	No	No	No	23.08.10	
36.	Communication	Anupam Gulati	Nomination	Communication advisor	Yes	No	No	12.08.08	Appointed for one year later extended his term and fees on the recommendation of Chairman.
37.	coordination	Shashi Tharoor	Nomination	Engaging city, national and international communities	No	No	No	24.07.08	

Annexes to Chapter 7

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	Whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
38.	Finance	Nishigandha Mathur	Nomination	Drafting of Games Time financial policies, setting up of insurance desk at OC during Games Time	No	No	No	15.04.10	
39.	Finance	Anita Sahani	Nomination	Principal Advisor. Taxation (parttime)	No	No	No	31.12.07	
40.	Finance	Ernst & Young	Nomination	Revalidated budget	No	No	No	17.03.07	
41.	Finance	P Aggarwal & Sons	RFP	Provide services on taxation, advisory and regulatory matters	Yes	No	Yes	01.10.08	
42.	Games Village	John Lade	Nomination	Review of overlays proposal and village operational planning	Yes	Yes	No	27.10.09	
43.	Legacy and CGA relation	Asha Nayar Basu	Search committee	Legacy and communication (part time)	No	No	No	05.11.09	
44.	Legal	Shivani Chopra	Nomination	Legal	No	No	No	03.09.10	
45.	Legal	Sushil Salwan	Nomination	Legal advisor	No	No	No	13.12.07	
46.	Legal	Lovekesh Sahani	Nomination	Legal advisor	No	No	No	13.12.07	
47.	Legal	R. Ramachandran	Nomination	Media advisor	Yes	No	No	27.03.08	Nominated by Sandeep Mehta, PRO IOA. He mentioned that he will work with close coordination with Sandeep Mehta, who was not employee of OC.
48.	Media	Sandeep Mehta	Nomination	Media advisor	No	No	No	29.04.10	He was PRO of IOA and appointed without salary but OC agreed

Annexes to Chapter 7

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
									to pay other perks.
49.	Media	V. Krishnaswamy	Nomination	Media/website/communication consultant	Yes	No	No	15.05.07	Terminated contract from October 2007
50.	Media	Sandhya Mulchandani	Nomination	Advisor media	No	No	No	29.09.06	
51.	Medical/Protocol	Sujata Khanduja	Search committee	Consultancy in Medical/ Protocol	No	No	No	11.03.10	
52.	Accommodation	Shobha Narain	Search committee	Hospitality (Part time)	No	No	No	21.04.10	
53.	Venue Development	Lt. Gen. Yash Malhotra	Nomination	Infrastructure advisor	No	No	No	18.08.07	
54.	NA	Lary Sengstock	Nomination	Review of competition schedule	No	No	Yes	24.3.08	Nominated by Mike Hooper
55.	Press Operation	BS Khosla	Nomination	Main press centre	No	No	No	19.09.10	
56.	Protocol	Stuti Mishra	Search committee	Protocol consultancy	No	No	No	28.04.10	
57.	Protocol	Vikram Kaul	Nomination	Advisor for revenue, marketing and communication but later shifted to hospitality	No	No	No	16.11.09	He was chairman, sub-committee (revenue, marketing and communication) and member of OC CWG 2010. He was appointed as advisor (revenue, marketing and communication) but later shifted

Annexes to Chapter 7

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
									to hospitality
58.	QBR	Maxxam	RFP	All baton planning and operations services for QBR	Yes	Yes	Yes	Feb-2008	
59.	QBR	Ashutosh Sharma	Search Committee	Advisor QBR	No	No	No	16.04.10	He is honorary secretary of JK Olympic association. Appointed as coordinator Venue operation on 16.4.2010
60.	QBR	Satish Pardhan	Search Committee	Advisor QBR	No	No	No	05.06.10	Ex- MP Rajya sabha
61.	Risk Management	Marsh India Private Limited and Trinity Insurance Brokers Pvt. Ltd.	RFP	Consultancy for Risk Management	No	Yes	No	June 2008	
62.	Risk Management	RK Das	Nomination	Security advisor	No	No	No	17.07.09	
63.	Security	BKR Rao	Nomination	Security issues	No	No	No	12.07.07	
64.	Sponsorship	SMAM (Pune)	Nomination	Consultancy for sponsorship and licencing	Yes	Yes	Yes	26.10.07	
65.	Sponsorship	SMAM (CWG 2010)	RFP	Consultancy for sponsorship and licencing	Yes	Yes	Yes	25.07.07	
66.	Sports	Greg Bowman	Nomination	Delivery of sports presentation programme	Yes	Yes	No	06.10.09	
67.	Sports	Tsogas Achillefs	Nomination	Sports advisor	Yes	Yes	No	08.04.10	
68.	Sustainability & Environment	IL&FS	RFP	Green games consultant	Yes	Yes	Yes	05.01.08	
69.	Technology	Rajiv Arora	search committee	Audio-video (part time)	No	No	No	08.12.09	

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	Whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
70.	Technology	Brian Nourse	Nomination	Ist phase: Not defined; IInd phase: Assistance in preparation of scope of work for different aspect of Technology FA	No	Yes	No	23.12.07	
71.	Ticketing	Mohan Phadke	Search committee	Ticketing advisor	No	No	No	15.04.10	
72.	Ticketing	Bruce Wilkie	Nomination	Preparation of ticketing strategy and programme development for Games	Yes	Yes	Yes	Sept-09	
73.	Workforce	Surendra Kumar Chopara	Search committee	Training consultancy in workforce	No	No	No	09.04.10	
74.	TV Rights	Fast Track Event London	RFP	International broadcast rights consultancy	Yes	Yes	Yes	22.03.07	
75.	Workforce	Nivedita saboo	Search Committee	Increased of work load in Administration FA	No	No	No	02.03.10	
76.	Venue Development	Consortium of EYS & EKS	RFP	Games planning and risk management	Yes	Yes	No	12.7.07	Tender document not submitted
77.	Venue development and overlays	GP Singh	Nomination	Verification of quantities of various venues for different vendors	No	No	No	01.09.10	
78.	Venue development and overlays	Radhesh Gupta	Nomination	Verification of quantities of various venues for different vendors	No	No	No	23.08.10	
79.	Venue development and overlays	Nawal Kant Sethi	Nomination	Verification of quantities of various venues for different vendors	No	No	No	04.09.10	
80.	Venue development and overlays	Manohar Lal	Search committee	Quantity surveyor	No	No	No	20.05.09	Earlier consultant but later on appointed as APO wef 31.10.2009
81.	Venue	Rohit	Search	Architect consultant	No	No	No	20.05.09	Earlier

Annexes to Chapter 7

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
	development and overlays	Bisht	committee						consultant but later on appointed as APO wef 31.10.2009
82.	Venue development and overlays	R. Sangeetha	search committee	Architect consultant	No	No	No	20.05.09	Earlier consultant but later on appointed as APO wef 31.10.2009
83.	Venue development and overlays	Mohd. Quasim Ali Mirza	search committee	Architect consultant	No	No	No	20.5.09	Earlier consultant but later on appointed as APO wef 31.10.2009
84.	Venue development and overlays	Nikesh Jain	Search committee	Architect consultant	No	No	No	20.5.09	Earlier consultant but later on appointed as APO wef 31.10.2009
85.	Venue development and overlays	Meenakshi Bhagat	Search committee	Architect consultant	No	No	No	20.5.09	Earlier consultant but later on appointed as APO wef 31.10.2009
86.	Venue development and overlays	T. Saravanan	Search committee	Architect consultant	No	No	No	20.05.09	Earlier consultant but later on appointed as APO wef 31.10.2009
87.	Venue development and overlays	Dhruv Kapur	Nomination	consultant Overlays	No	No	No	25.05.09	Earlier consultant but later on appointed as APO wef 31.10.2009
88.	Venue development and overlays	Samantha Cotterell	Search committee	Scoping, designing and delivery of overlays	Yes	Yes	No	20.5.09	
89.	Venue development and overlays	Vasileios P. Klaitzis	Search committee	Scoping, designing and delivery of overlays	Yes	Yes	No	26.2.09	

Annexes to Chapter 7

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
90.	Venue development and overlays	John Pauline	Search committee	Scoping and design of Phase I of the Overlays for non competition venues	Yes	Yes	No	26.2.09	
91.	Venue development and overlays	Yiannis Roussakis	Search committee		Yes	No	No		Only draft agreement dated 5.5.2009 was found in record
92.	Venue development and overlays	Alexander Louvris	Search committee		Yes	No	No		
93.	Venue development and overlays	EKS Part A	Nomination	Preparation of venue brief	Yes	Yes	No		
94.	Venue development and overlays	EKS Part C	Nomination	Project scheduling, review and monitoring	Yes	Yes	No	Jun-06	
95.	Venue development and overlays	B. Uma shankar	Nomination	Architect consultant	No	No	No	04.06.09	Earlier consultant but later on appointed as PO wef 31.10.2009
96.	Venue development and overlays	Prema Joshi	Nomination	Architect consultant	No	No	No	09.06.09	Earlier consultant but later on appointed as APO wef 31.10.2009
97.	Venue development and overlays	Nitin Srivastava	Nomination	Architect consultant	No	No	No	04.06.09	Earlier consultant but later on appointed as PO wef 31.10.2009
98.	Venue development and overlays	Nidhi Gupta	Nomination	Architect consultant	No	No	No	4.6.09	Earlier consultant but later on appointed as PO wef 31.10.2009
99.	Venue development and overlays	Bushra Jung	Nomination	Architect consultant	No	No	No	21.07.09	Earlier consultant but later on appointed as

Annexes to Chapter 7

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
									APO wef 31.10.2009
100.	Venue development and overlays	Shamin Akhtar	Nomination	Architect consultant	No	No	No	09.06.09	Earlier consultant but later on appointed as APO wef 31.10.2009
101.	Venue development and overlays	Divya Badhan	Nomination	Architect consultant	No	No	No	04.06.09	Earlier consultant but later on appointed as PO wef 31.10.2009
102.	Technology	G Rajaraman	Search committee	Web-designing	No	No	No	27.08.09	
103.	Technology	Dimakh Sahasrabudhe	Search committee	Web-designing	No	No	No	03.03.10	
104.	Workforce	ABC consultancy	RFP	Executive search	Yes	Yes	Yes	27.10.08	
105.	Workforce	Lease People strong consortium	RFP	Executive search	Yes	Yes	Yes	27.10.08	
106.	Workforce	Ma Foi management consortium	RFP	Executive search	Yes	Yes	Yes	27.10.08	
107.	Workforce	Consortium of E&Y & EKS	RFP	Workforce consultancy	Yes	Yes	No	24.03.08	
108.	Workforce	Rajiva Srivastava	Nomination	Principal Advisor	No	No	No	20.03.07	DG till 20.3.2007. Later appointed as principal advisor from the same day.

Annexes to Chapter 9

Annexe: 9.1 - Instances of Different Rates across vendors and across clusters

(Amount in Rs.)

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
1.01	MARQUEE - Workforce Check-in(Footprint:20mx30.0m) with counter type shuttered window	71,96,162	1,46,69,962
1.02	MARQUEE - Athletes Room(Footprint:25.0mx10.0m)	29,14,474	47,03,034
1.03	MARQUEE - Venue Operations Centre(Footprint:12.0mx12.0m)	18,18,640	34,29,350
1.04	MARQUEE - Press (Footprint:25.0mx35.0m) with acoustical treatment	1,62,97,192	2,48,16,424
1.05	MARQUEE - Press Conference(Footprint:16.0mx16.0m)	33,49,748	52,24,587
1.06	MARQUEE - Press Conference(Footprint:20.0mx35.0m)	68,76,757	1,31,82,887
1.07	MARQUEE - Games Family(Footprint:20.0mx35.0m)	94,47,950	1,84,82,806
1.08	MARQUEE - Sports Federation Offices (Footprint: 16.0mx48.0m) with 12 glass windows.	1,12,89,440	2,13,65,181
1.09	MARQUEE - Call Room (Sports)(Footprint:16.0mx16.0m)	37,90,223	73,67,430
1.10	MARQUEE - Press Conference(Footprint:20.0mx8.0m)	22,78,844	41,07,135
1.11	MARQUEE - Venue Command Center(Footprint:36.0mx6.0m)	31,21,711	47,53,561
1.12	MARQUEE - Workforce Break Area(Footprint:12.0mx15.0m)	23,07,536	35,13,783
1.13	MARQUEE - Workforce Area(Footprint:12.0mx15.0m)	23,37,283	38,37,187
1.14	MARQUEE - Games Family Lounge(Footprint:10.0mx10.0m)	13,99,883	32,13,849
1.15	MARQUEE - Press Conference(Footprint:5.0mx10.0m)	7,52,707	26,17,890
1.16	MARQUEE - Athletes Lounge / Reception(Footprint:10.0mx15.0m)	18,95,662	29,79,603
1.17	MARQUEE - Look of Games Storage(Footprint:5.0mx5.0m)	3,62,703	5,52,304
1.18	MARQUEE - Technical Officials(Footprint:25.0mx10.0m)	33,13,287	57,78,336
1.19	MARQUEE - Press Area(Footprint:25.0mx10.0m)	35,86,259	60,46,880

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
1.20	MARQUEE - BIO / CCR(Footprint:5.0mx5.0m)	4,18,068	12,68,253
1.21	MARQUEE - Site Management Office(Footprint:5.0mx5.0m)	4,53,414	7,22,158
1.22	MARQUEE - Protocol Assistant / Waiting Area & Reception / Ceremonies / Athletes first / final call room(Footprint:5.0mx10.0m)	8,70,412	15,36,626
1.23	MARQUEE - Catering Preparation(Footprint:5.0mx10.0m)	7,79,854	11,87,517
1.24	MARQUEE - Contractors Office and Workshop / Press Lounge / Physiotherapy (Footprint:5.0mx10.0m)	7,39,325	22,21,272
1.25	MARQUEE - Venue Operations(Footprint:21.0mx6.0m)	17,32,380	35,11,038
1.26	MARQUEE - Technology Operations(Footprint:27.0mx6.0m)	28,90,829	58,11,217
1.27	MARQUEE - Equipment Repair Room(Footprint:10.0mx5.0m)	6,75,241	10,57,928
1.28	MARQUEE - Team Pits / Technical Official Work Area(Footprint:5.0mx5.0m)	3,00,915	4,58,215
1.29	MARQUEE - Technology Operations(Footprint:25.0mx15.0m)	45,92,911	87,22,830
1.30	MARQUEE - Media Centre - Squash and Badminton(Footprint:20.0mx15.0m)	33,84,742	64,84,055
1.31	MARQUEE - Press Conference(Footprint:10.0mx15.0m)	14,36,560	34,58,360
1.32	MARQUEE - Athletes Lounge(Footprint:20.0mx10.0m)	32,48,500	60,97,515
1.33	MARQUEE - Ceremonies(Footprint:20.0mx25.0m)	65,56,219	97,23,486
1.34	MARQUEE - Ceremonies(Footprint:15.0mx25.0m)	39,40,336	77,24,905
1.35	MARQUEE - Ceremonies(Footprint:8.0mx12.0m)	13,33,812	23,30,032
1.36	MARQUEE - Ceremonies(Footprint:15.0mx10.0m)	20,22,359	32,32,391
1.37	MARQUEE - Press Conference(Footprint:25.0mx15.0m) of 3.5m height	35,94,609	72,30,736
1.38	MARQUEE - Asymmetrical lightweight fabric structures of 3.5m height	10,41,916	36,15,497
1.39	MARQUEE - Work force check-in and Break area(Footprint:12.0mx12.0m)	15,56,287	26,65,600
1.40	MARQUEE - Protocol office and Transport office(Footprint:6.0mx6.0m)	4,36,804	7,59,246
1.41	MARQUEE - Athletes Lounge(Footprint:15.0mx10.0m)	27,85,390	39,34,352
2 1	Venue Accreditation Help Office (VAHO) - SMALL(Footprint:5.0mx5.0m)	5,01,694	13,29,195

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
2 2	Venue Accreditation Help Office (VAHO) - MEDIUM(Footprint:5.0mx8.0m)	6,93,423	13,66,170
2 3	Venue Accreditation Help Office (VAHO) - LARGE(Footprint:5.0mx10.0m)	9,13,115	51,40,785
2 4	Catering Preparation(Footprint:5.0mx10.0m) - with water provision which must be fit for human consumption - gas connection provision - with heat sustenance and adequate ventilation	8,65,033	20,72,763
2 5	Catering Preparation (Footprint:10.0mx30.0m) - with water provision which must be fit for human consumption - gas connection provision - with heat sustenance and adequate ventilation	7,79,695	67,93,020
2 6	Spectator Food Concessions(Footprint:5.0mx5.0m) - 2 no. service counters at 1.1m high - Floor : 10cm raised timber floor, covered in plywood and vinyl (linoleum)	4,09,193	8,90,588
2 7	Logistics Bulk Storage(Footprint:10.0mx30.0m)	1,40,884	48,02,955
2 8	First Aid Station(Footprint:6.0mx6.0m) - open able glazing in accordance with the drawings	3,81,490	10,60,111
2 9	First Aid Station (Footprint:6.0mx10.80m) - Open able Window : 5no. 0.9m x 1.1m = 0.99m ² at three locations on the tent including - The examination room is to be furnished with a sink connected to the existing water and drainage system	3,81,185	17,98,542
2.010	Spectator Merchandising Concessions(Footprint:5.0mx5.0m) - 2 no. serving counters at 1.1m high - Floor : 10cm raised timber floor, covered in plywood and vinyl (linoleum) - 1 PSTN Line credit card	4,52,702	9,25,721
2.011	Spectator Merchandising Concessions (Footprint: 8.0mx19.0m) - Central room fully open able from one side. - Service counters to be provided and concessions to be catered uniformly on site as per contractors specs and in accordance with drawings - Floor : 10cm raised timber floor, covered in plywood and vinyl (linoleum) - 1 PSTN Line credit card	14,09,385	29,64,540
2.012	Media Lounge / Look of Games storage(Footprint:5.0mx5.0m)	4,49,394	26,12,194
2.013	Press Work Area(Footprint:15.0mx15.0m)	20,79,714	50,26,965
2.014	Mag and Bag Security -	81,985	57,21,795

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	Athletes(Footprint:3.0mx3.0m)		
2.015	Mag and Bag Security - Games Family / VIP(Footprint:3.0mx3.0m)	81,985	83,95,648
2.016	Mag and Bag Security - Media and Technical Official AND GAMES FAMILY(Footprint:5.0mx5.0m)	2,03,804	42,68,342
2.017	Mag and Bag Security - Work Force and Spectators(Footprint:5.0mx5.0m)	2,03,804	27,88,575
2.018	Mag and Bag Security - Work force (BOH)(Footprint:4.0mx6.0m)	1,96,190	56,31,764
2.019	Vehicle Check point - SINGLE POINT - TRUCKS(Footprint:6.0mx10.0m) Height 4.5m	4,20,718	9,19,319
2.020	Vehicle Check point - TWO POINT - VEHICLES(Footprint:6.0mx15.0m) Height 4.5m	5,65,336	13,35,380
2.021	Vehicle Screening point - TWO POINT - VEHICLES - PARALLEL(Footprint:10.0mx10.0m) Height 4.5m	1,52,686	14,83,150
2.022	Vehicle Check point - FOUR POINT - VEHICLES - PARALLEL(Footprint:10.0mx15.0m) Height 4.5m	1,56,731	21,20,343
2.023	Security Break Area / Security Retiring Room(Footprint:6.0mx18.0m)	1,53,121	19,25,831
2.024	Security Retiring Room(Footprint:15.0mx20.0m)	1,54,427	68,95,319
2.025	Security Break Area - Footprint:15.0mx8.0m	17,97,417	45,98,253
2.026	Security Break Area/ Work Force Break Area-Footprint:25.0mx15.0m	7,19,129	59,70,037
2.027	Security Break Area- Footprint:24.0mx18.0m	30,02,544	98,90,001
2.028	Security Break Area- Footprint:15.0mx15.0m	11,99,209	37,58,495
2.029	Security Break Area- Footprint:24.0mx18.0m	8,15,126	75,38,368
2.030	Security Break Area- Footprint:15.0mx10.0m	7,99,521	25,94,675
2.031	Security Break Area- Footprint:6.0mx5.0m	5,25,911	13,09,467
2.032	Staff Check-in / Check-out- Footprint:15.0mx20.0m	30,30,363	69,54,587
2.033	Security Break Area / Workforce Area- Footprint: 40.0mx10.0m - 65.8m internal partitions. The internal partitions divide the tent into 10 rooms with different usage - 10 windows of size 0.8m x 0.8m	30,01,806	1,42,37,353
2.034	Security Break Area / Worker Rest Area-Footprint:10.0mx5.0m	9,65,441	13,09,762
2.035	Golf Cart Storage & Charging Tents	2,36,710	15,75,343
2.036	Site Management Office / Media Lounge-Footprint:10.0mx15.0m	26,00,854	29,05,533
2.037	Site Management Office- Footprint:10.0mx10.0m	17,36,955	27,76,100

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
2.038	Sponsor Showcasing Concession- Footprint:5.0mx5.0m - 2 no. serving counters at 1.1m high	5,96,380	27,38,035
2.039	Sponsors Hospitality Lounge- Footprint:10.0mx10.0m	18,98,128	22,63,401
2.040	Sponsors Hospitality Lounge- Footprint:7.5.0mx15.0m - 15.0m x 2.5m balcony extension in front of tent	17,43,253	33,49,974
2.041	Spectator Ticket Rips	86,351	63,49,755
2.042	Spectator Info Desk- Footprint:3.0mx3.0m	79,461	2,59,114
2.043	Spectator Info Desk- Footprint:3.0mx3.0m	1,43,464	3,91,202
2.044	Stroller Storage for Spectators- Footprint:3.0mx3.0m	77,030	2,29,477
2.045	Athletes Lounge - <u>WARM UP AREA</u> - Footprint:15.0mx15.0m	34,10,348	41,25,257
2.046	<u>Athlete -Warm-up Area (COMPETITION MANAGEMENT)</u> - Footprint:10.0mx5.0m	10,64,857	12,32,256
2.047	Competition Management Room / Venue Result Room- Footprint:5.0mx5.0m	5,41,038	6,50,728
2.048	Athletes Rest Room- Footprint:5.0mx5.0m	5,07,685	5,71,192
2.049	Trampoline Height 6m - removable stairs with entry platform - Open able Window : 3no. 0.9m x 0.6.m = 0.54m ² at three locations on the tent The examination room is to be furnished with a sink connected to the existing drainage sewer system. Structural base: 90 cm above ground level.	24,21,880	31,31,905
2.050	Athletes Lounge / Athletes First Call Room- Footprint:10.0mx15.0m	23,15,160	26,99,706
2.051	Athletes Lounge- Footprint:20.0mx15.0m - 2 no. 5m internal glazed partition, - 1 no. 15m length internal partition of same height - 2 no. clear glass doors on the longer internal partition	40,99,728	52,06,025
2.052	Radio Distribution - Floor : provided with 'Pirelli' type antistatic flooring material	18,08,654	23,96,203
2.053	Technology - Floor : provided with 'Pirelli' type antistatic flooring material	10,03,155	14,73,325
2.054	Drivers Lounge- Footprint:5.0mx5.0m	4,45,560	5,02,313
2.055	Driver Lounge- Footprint:6.0mx15.0m	5,07,934	5,70,958
2.056	Drivers Lounge- Footprint:6.0mx5.0m	5,07,934	5,70,958
2.057	Drivers Lounge- Footprint:5.0mx10.0m	7,78,043	10,84,185
2.058	Drivers Lounge- Footprint:5.0mx15.0m	11,26,259	14,25,090

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
2.059	Drivers Lounge- Footprint:10.0mx15.0m	18,19,965	23,64,112
2.060	Drivers Lounge- Footprint:10.0mx25.0m	32,43,821	38,83,704
2.061	Workforce Break Area/ Athletes Lounge- Footprint:15.0mx10.0m	26,02,136	28,84,097
2.062	Staff Check-in / Check-out- Footprint:15.0mx15.0m - 2 no. 5m internal glazed partition, - 1 no. 15m length internal partition of same height - 25m internal partitions	32,72,365	42,71,644
2.063	Workforce / Site Management Office / Security Command Centre- Footprint:5.0mx10.0m	9,54,544	14,49,797
2.064	Staff Check-In- Footprint:5.0mx10.0m - Open able Window : 2 no. 0.9m x 1.1m + 1.2m x 1.1m at long side of tent	16,75,837	21,02,337
2.065	Work Force Area- Footprint: 10.0mx10.4m - 10.3m internal partitions length. This partition divides tent into 2 rooms with different usage. - 5 windows of size 0.8m x 0.8m	15,45,069	18,97,556
2.066	Workforce Break and Check-in-Area- Footprint:15.0mx5.0m	11,94,614	13,55,398
2.067	Catering Preparation- Footprint:15.0mx10.0m - with water provision which must be fit for human consumption - gas connection provision - with heat sustenance and adequate ventilation - 15A electrical sockets - 12 nos.	31,45,265	38,53,255
2.068	Catering Preparation- Footprint: 10.0mx10.0m - 1 No. Transportable Gable end - with water provision which must be fit for human consumption - gas connection provision - with heat sustenance and adequate ventilation - 15A electrical sockets - 10 no.	18,93,821	24,28,040
2.069	Workforce Satellite Break Area- Footprint:5.0mx5.0m - 2 no. service counters at 1.1m high - Floor : 10cm raised timber floor, covered in plywood and vinyl (linoleum)	3,26,453	5,27,466
2.070	First Aid Station- Footprint:5.0mx5.0m - open able glazing in accordance with the drawings	5,80,007	8,54,832
2.071	Spectator Merchandising Concessions- Footprint:10.0mx25.0m - Service counters to be provided and concessions to be catered uniformly on site as per contractors specs and in accordance with drawings - Floor : 10cm raised timber floor, covered in plywood and vinyl (linoleum)	32,65,489	49,49,677

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	- 1 PSTN Line credit card		
2.072	Media Lounge- Footprint:10.0mx15.0m	24,58,339	33,53,328
2.073	Press Work Area / Staff Work Area / Venue Operations- Footprint:15.0mx8.0m	28,49,788	45,22,093
2.074	Press Conference- Footprint:10.0mx15.0m	9,74,428	17,31,239
2.075	Security Break Area / Security Retiring Room- Footprint:5.0mx15.0m - 4 no. windows	11,84,892	13,34,437
2.076	Security Retiring Room- Footprint:15.0mx10.0m	20,01,232	33,91,073
2.077	Security Retiring Room- Footprint:15.0mx10.0m	21,55,255	23,93,874
2.078	Security Break Area/ Work Force Break Area- Footprint:20.0mx10.0m	34,29,372	37,53,318
2.079	Security Break Area- Footprint:10.0mx10.0m	15,48,620	16,25,261
2.080	Staff Check-in / Check-out- Footprint:10.0mx10.0m	14,92,177	18,38,147
2.081	Games Family Arrival Desk- Footprint:3.0mx3.0m	1,20,982	2,30,877
2.082	Weight Training room / FOP Equipment Storage- Footprint:15.0mx15.0m	24,82,914	34,35,584
2.083	Athletes Medical Area- Footprint:15.0mx25.0m	51,08,827	58,25,736
2.084	Athletes Medical Area- Footprint:15.0mx60.0m	1,16,39,054	1,64,32,322
2.085	Drivers Lounge- Footprint:6.0mx15.0m	12,81,058	16,04,825
2.086	Staff break area- Footprint:20.0mx10.0m Height 3m	33,59,355	38,04,539
2.087	Staff Check-In- Footprint:10.0mx10.0m - Transparent Gable End - Open able Window : 2 no. 0.9m x 1.1m + 1.2m x 1.1m at long side of tent	19,69,887	27,93,455
2.088	Timing & Scoring Control Room- Footprint: 10.8mx6.0m - Ceiling and Sides: Insulated Metal Sandwich Panel. - Floor : provided with 'Pirelli' type antistatic flooring material	12,74,300	27,25,969
2.089	Press Conference- Footprint:10.0mx15.0m Height 3.5m	30,19,349	34,49,103
2.090	Catering Preparation Area- Footprint:5.0mx5.0m - with water provision which must be fit for human consumption - gas connection provision - with heat sustenance and adequate ventilation - Floor : 10cm raised timber floor, covered in plywood and vinyl (linoleum) - 15A Sockets - 5 nos.	8,17,733	13,76,986
2.091	Bike Storage Area / Catering Storage- Footprint:10.0mx10.0m - 15A electrical sockets - 5 nos.	15,36,712	16,22,117

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
2.092	Golf Cart Storage & Charging Tents- Footprint:3.0mx3.0m	1,14,891	3,48,355
2.093	Drivers Lounge- Footprint:10.0mx10.0m	13,82,950	17,42,114
2.094	Press Work Area- Footprint:15.0mx25.0m	45,64,573	66,44,633
2.095	Athletes Shade Tents / Equipment Check / FOP Equipment Storage- Footprint:5.0mx3.0m	3,24,635	3,92,356
2.096	Director of Shooting- Footprint: 5.0mx3.0m Base raised 1.5m high.	3,24,635	3,92,356
2.097	Security Break Area/ Work Force Break Area- Footprint:10.0mx20.0m	26,38,992	45,73,685
2.098	Drivers Lounge (Footprint:10.0mx10.0m)	12,48,690	22,19,697
2.099	Drivers Lounge- Footprint:10.0mx10.0m	12,85,103	22,72,415
2.100	Athletes Lounge- Footprint: 10.0mx15.0m - 5 no. open able windows of size 0.8m x 0.8m to be allowed for. - Ceiling and Sides : Insulated Metal Sandwich panel	29,56,038	36,29,454
2.101	Workforce Break Area/ Athletes Lounge- Footprint:15.0mx10.0m	26,96,803	30,64,659
2.102	Staff Check-in / Check-out- Footprint:15.0mx8.0m - 2 no. 5m internal glazed partition, - 1 no. 15m length internal partition of same height - 12m internal full height partitions	15,19,964	32,97,962
2.103	Catering Preparation- Footprint: 10.0mx15.0m Height 3m - with heat sustenance & adequate ventilation - 16A electrical sockets - 5 no. - Air changing unit to be provided Structural base: 50 cm above ground level.	9,35,483	15,67,248
2.104	Venue Accreditation Help Office (VAHO) - MEDIUM- Footprint:15.0mx5.0m	6,74,622	10,67,310
2.105	Physiotherapy / Contractor Office / Press Lounge- Footprint:4.0mx9.0m - with water provision which must be fit for human consumption	7,36,561	15,13,566
3.01	Commentary Control Room (CCR)(Footprint:5.0mx10.0m)	7,76,439	12,06,418
3.02	Broadcast Information Office (BIO)(Footprint:3.60mx6.0m)	7,72,452	12,06,418
3.03	Timing & Scoring Control Room(Footprint:3.6mx6.0m)	8,47,538	30,88,626
3.04	Caterers Office / Logistic Office / Merchandising Office / Site Management Office / Cleaning & Waste Office / Broadcast / Venue Management Office(Footprint:15.0mx8.0m)	1,38,894	12,06,418
3.05	Ceremonies (double storey prefabricated office units)	8,01,224	18,48,779

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	connected with external staircase)(Footprint:15.0mx8.0m)		
3.06	Doping Control (Footprint:6.0mx14.40m)	24,03,671	48,25,673
3.07	Doping Control with 5 WC cubicle and sink in each(Footprint:10.6mx14.4m)	11,59,244	85,25,357
3.08	Athletes Doping & Medical Block with 4WC cubicles(Footprint:14.7mx11.7m)	8,83,141	96,06,107
3.09	Games family with 3WC, 2washbasins and 1 urinals.(Footprint:10.0mx40.0m)	12,93,378	2,23,41,083
3.10	Logistic Manager Office(Footprint:3.6mx6.0m)	8,01,224	12,06,418
3.11	Athletes Medical - SMALL with concertina door and sink(Footprint:6.0mx7.20m)	16,95,076	24,12,837
3.12	Athletes Medical - LARGE(Footprint:6.0mx10.80m)	25,42,614	36,19,255
3.13	Athletes First Aid / Doping Area with 3WC pans and 3 sinks(Footprint:10.0mx12.2m)	47,87,020	68,14,030
3.14	Press Operations(Footprint:10.0mx45.0m)	21,06,297	2,51,33,718
3.15	Sentry Post(Footprint:1.5mx1.5m)	88,285	1,25,668
3.16	Site Management Office / Competition Manager / Venue Results / Sports Volunteers(Footprint:3.6mx6.0m)	8,47,538	12,06,418
3.17	Athletes Change Room - LARGE with 5 shower cubicles(Footprint:7.20mx9.0m)	25,42,614	36,19,255
3.18	Athletes block(Footprint:55.0mx25.0m)	5,95,93,273	7,67,97,471
3.19	Athletes Block(Footprint:55.0mx25.0m)	73,25,317	1,04,27,142
3.20	Sports Presentation Room(Footprint:47.7mx12.7m)	8,47,538	12,06,418
3.21	Technical Officials / Time Scoring / Sports Volunteers(Footprint:3.6mx9.0m)	12,71,307	18,09,628
3.22	Ticket booth - SMALL (x 2) with 4nos open able glazing(Footprint:3.6mx4.2m)	5,93,277	8,44,493
3.23	Ticket booth - MEDIUM (x 4)(Footprint:3.6mx6.6m)	9,32,292	13,27,060
3.24	Ticket booth - LARGE (x 8)(Footprint:3.6mx11.4m)	16,10,322	22,92,195
3.25	Management Offices - Transport Manager office / Load Zone Supervisor(Footprint:3.6mx6.0m)	8,47,538	12,06,418
3.26	Venue Operation's (Footprint:5.0mx10.0m)	19,61,893	27,92,635
3.27	Venue Operations(Footprint:15.25mx45.0m)	2,69,26,986	3,83,28,920
3.28	Venue Operations(Footprint:30.0mx40.0m)	4,70,85,440	6,70,23,248
3.29	Work Force(Footprint:10.0mx40.0m)	1,55,43,004	2,23,41,083
3.30	Work Force Area(Footprint:8.0mx10.0m)	31,37,079	44,68,217
3.31	Sponsor Showcasing Concession with 2no serving counter 1.1 high(Footprint:5.0mx5.0m)	9,80,947	13,96,318
3.32	TSR / Sports Presentation (double storey prefabricated office units connected with external staircase) with 15 nos 15A electrical	16,17,723	30,99,800

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	sockets(Footprint:3.6mx9.6m)		
3.33	Ceremonies / Federation Offices / Games Family Lounge (double storey prefabricated office units connected with external staircase) (Footprint:17.2mx10.0m)	61,63,913	1,44,29,083
3.34	Venue Operations (Footprint:8.0mx20.0m)	62,78,059	89,36,433
3.35	Technical Officials Block (Footprint:18.0mx10.0m)	70,62,816	1,00,53,487
3.36	Timing & Scoring Control Room(Footprint:10.8mx6.0m)	25,42,614	36,19,255
3.37	Ticket booth - LARGE (x 10)(Footprint:3.0mx13.8m)	16,24,448	23,12,302
3.38	Ticket booth - LARGE (x 10)(Footprint:3.6mx12.0m)	16,95,076	24,12,837
4.01	Waterless toilets(Footprint:1.35mx1.35m) Supply, erection and dis-assembling of Waterless Toilets of a) Footprint - 1.35m x 1.35m with minimum internal height of 2.5m - 1 no. single door, - 1 no. WC pan and sink b) Material: - Ceiling and Sides: Insulated Metal Sandwich Panel. - Floor : provided with vinyl flooring throughout	57,813	5,14,625
4.02	Accessible Waterless toilets(Footprint:2.0mx2.5m) Supply, erection and dis-assembling of Waterless Toilets (for Physically Challenged) of a) Footprint - 2.0m x 2.5m with minimum internal height of 2.5m - 1 no. door - 1 no. WC pan and sinks - external accessible temporary ramp b) Material: - Ceiling and Sides: Insulated Metal Sandwich Panel. - Floor : provided vinyl flooring throughout	1,58,986	10,65,802
4.03	Prefabricated WC unit(Footprint:3.5mx3.0m) Supply, erection and dis-assembling of prefabricated WC unit of a) Footprint - 3.5m x 3.0m with minimum internal height of 2.5m - 2 no. external doors - 2 no. internal doors - 2 no. WC pans and 2 no. sinks - external accessible temporary ramp - necessary drainage and sewage connection to existing systems b) Material: - Ceiling and Sides: Insulated Metal Sandwich	5,01,348	7,27,448

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	Panel. - Floor : provided vinyl flooring throughout		
4.04	Prefabricated WC unit(Footprint:3.5mx10.0m) Supply, erection and dis-assembling of prefabricated WC unit of a) Footprint - 3.5m x 10.0m with minimum internal height of 2.5m - 2 no. external doors - 12 no. internal doors - 10 no. WC pans and 6 no. sinks and 4 no. urinals - necessary drainage and sewage connection to existing systems upto 50m - external accessible temporary ramp b) Material : - Ceiling and Sides : Insulated Metal Sandwich Panel. - Floor : provided vinyl flooring throughout	5,14,625	13,44,198
4.05	Prefabricated WC unit(Footprint:8.3mx3.1m) Supply, erection and dis-assembling of prefabricated WC unit of a) Footprint - 8.3m x 3.1m with minimum internal height of 2.5m - 1 no. doors - 6 no. WC pan and 4 no. sinks - external accessible temporary ramp b) Material : - Ceiling and Sides : Insulated Metal Sandwich Panel - Floor : provided vinyl flooring throughout	6,16,006	14,58,020
4.06	Prefabricated WC unit(Footprint:12.0mx3.6m) Supply, erection and dis-assembling of prefabricated WC unit of a) Footprint - 12.0m x 3.6m with minimum internal height of 2.5m - 2 no. external doors - 13 no. internal doors - 13 no. WC pans and 7 no. sinks - external accessible temporary ramp b) Material: - Ceiling and Sides: Insulated Metal Sandwich Panel. - Floor : The prefabricated WC unit shall be provided vinyl flooring throughout	6,16,006	13,99,547
5.01	Container (6.0mx2.5m) 6.0m x 2.5m container with double doors at one end and removable accessible ramp. Fire extinguishers to be supplied in accordance with relevant building code	98,034	3,95,175

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	regulations.		
5.02	Refrigerated Containers 6.0m x 2.5m refrigerated container with double doors at one end and removable accessible ramp. Fire extinguishers to be supplied in accordance with relevant building code regulations.	3,07,338	14,48,625
5.03	Chilled Containers 6.0m x 2.5m refrigerated container with double doors at one end and removable accessible ramp. Fire extinguishers to be supplied in accordance with relevant building code regulations.	3,07,338	16,32,623
6.01	External Fences Supply and installation of external venue perimeter fence, 2.5m high fence, erected in accordance with security requirements and vertical supports at distances no wider than 2.5m apart. The contractor will ensure that the fence structure is adequately fixed into the ground in order to support IMAGE AND IDENTITY fence fabric and withstand subsequent wind loads. Wherever necessary, the Contractor should allow for concrete foundations and cross bracing.	2,511	3,725
6.02	Internal Fences Supply and installation of temporary internal fence, 2.0m high fence, erected with galvanized steel poles at distances no wider than 2.5m apart and with rolled barbed wire fence stretched and fixed between the poles. The contractor will ensure that the poles are adequately fixed into the ground in order to support IMAGE AND IDENTITY fence fabric and withstand subsequent wind loads. Wherever necessary, the Contractor should allow for concrete foundations and cross bracing.	2,422	3,137
6.03	Spectator on route fences - bamboo Supply and installation of perimeter fence, 1.5m high fence, erected in accordance with security requirements and vertical supports at distances no wider than 2.5m apart. The contractor will ensure that the fence structure is adequately fixed into the ground in order to support IMAGE AND IDENTITY fence fabric and withstand subsequent wind loads. Wherever necessary, the Contractor should allow for concrete foundations and cross bracing.	39	12,153
6.04	Gate - Vehicles (2 doors each 2.0m wide) Supply and installation of galvanised steel gates consisting of 2 doors each 2.0m wide (4.0m opening for vehicular access - BOOM GATES)	4,914	95,397

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
6.05	Gate - Pedestrian (single door each 1 m wide) Supply and installation of galvanised steel gate consisting of a single door each 1.0m wide (1.0m opening for pedestrian access)	3,822	46,965
6.06	Barricades – Seating	1,872	13,208
6.07	Rope Line / Games Look String Lines	365	6,838
7.01	Wooden Structures (<50 cm height) Removable timber platforms and timber raised floors up to 50cm height. The Contractor should allow for pedestrian loads on these platforms.	3,550	10,347
7.02	Wooden Structures (>50 cm height) Removable timber platforms and timber raised floors taller than 50cm height. The Contractor should allow for pedestrian loads on these platforms.	7,071	11,932
8.01	Temporary grandstand seating tribunes- width 5.5 m, length 15.2m	7,965	16,855
8.02	Temporary grandstand seating tribunes. Size 1.8m x 40m, 1st row seating starting at a height of 1 m	7,919	11,651
8.03	Temporary seating grandstand tribunes. Size 1.8m x 40m, 1st row seating starting at a height of 2.1 m	7,919	16,533
8.04	Temporary seating grandstand tribunes, Size 8.1m x 40m, 1st row seating starting at a height of 1 m.	7,919	21,176
8.05	Temporary seating grandstand tribunes. Size 8.1m x 40m, 1st row seating starting at a height of 2.1 m	7,919	21,176
8.06	Temporary grandstand seating tribunes, footprint 8.1m, total 1485 seats	7,539	20,196
8.07	Temporary grandstand seating tribunes, footprint width 8.1m, length 55.50m, 900 seats	7,539	15,104
8.08	Front passage temporary seating grandstand tribunes	7,919	17,816
8.09	Front passage temporary seating grandstand tribunes	7,919	19,436
8.10	Front passage temporary seating grandstand tribunes	5,385	17,816
8.11	Front passage temporary seating grandstand tribunes. 1st row seating starting at a height of 2.1 m	7,919	13,363
8.12	Front passage temporary seating grandstand tribunes	7,919	17,496
8.13	Corner stand temporary seating tribunes	7,919	24,292
8.14	Corner stand temporary seating tribunes	7,919	24,292
8.15	Front access temporary grandstand seating tribunes	7,919	17,816
8.16	Front access temporary grandstand seating tribunes	7,919	17,816
8.17	Front access temporary grandstand seating tribunes	7,919	16,522
8.18	Front access temporary grandstand seating tribunes	7,919	19,436
8.19	Retractable grandstand seating tribunes	24,726	48,611
8.20	Retractable grandstand seating tribunes	24,726	48,611
8.21	Retractable grandstand seating tribunes	24,726	48,611

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
8.22	Retractable grandstand seating tribunes	24,726	48,611
8.23	Retractable grandstand seating tribunes	24,726	48,611
8.24	Retractable grandstand seating tribunes	24,726	48,611
8.25	Retractable grandstand seating tribunes	24,726	48,611
8.26	Retractable grandstand seating tribunes	24,726	48,611
8.27	Retractable grandstand seating tribunes	24,726	48,611
8.28	Retractable grandstand seating tribunes	19,020	48,611
8.29	Retractable grandstand seating tribunes	24,726	48,611
8.30	Retractable grandstand seating tribunes	24,726	48,611
8.31	Broadcast tribune platforms (COM CAM positions)	10,620	49,107
8.32	Broadcast tribune (3 positions)	13,697	77,044
8.33	Press tribune (3 positions)	13,697	77,044
8.34	Press tribune (2 positions)	13,697	51,362
8.35	Press tribune (1 position)	13,697	38,904
8.36	Tribune Platforms Structural steel platforms constructed to support Broadcast and Press tribunes (H<1.0m) The Contractor should allow for pedestrian loads on these platforms.	7,292	15,077
8.37	Camera Platforms (H<1.0m) Structural steel platforms constructed to support Broadcast Camera personnel and their equipment (H<1.0m) The Contractor should allow for pedestrian loads on these platforms.	7,292	31,419
8.38	Camera Platforms (1.0m<H<2.0m) Structural steel platforms constructed to support Broadcast Camera personnel and their equipment (1.0m < H < 2.0m) The Contractor should allow for pedestrian loads on these platforms.	9,722	12,517
8.39	Camera Platforms (H>2.0m) Structural steel platforms constructed to support Broadcast Camera personnel and their equipment (H > 2.0m) The Contractor should allow for pedestrian loads on these platforms.	13,368	16,020
8.40	Ramps - 1.4m wide ramp constructed to cover a height difference of up to 0.5m Pedestrian	5,715	93,382
8.41	Ramps - 1.4m wide ramp constructed to cover a height difference of 0.5m - 1.0m, Volunteer	11,431	1,24,207
8.42	Staircase - Steel staircase width 1.2m to cover height up to 1.0m	17,147	1,10,340
8.43	Staircase - Steel staircase width 1.2m to cover height greater than 1.0m	28,578	1,89,334
8.44	Temporary metal structure supporting canvas fabric as shading device	11,827	5,56,644

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
8.45	Sentry Posts (14 m high) Temporary metal structure supporting upto 14 mtrs. High with sentry platform on top with shade and a climbing ladder, with concrete base. The complete structure shall designed to withstand the wind load.	1,61,881	7,88,943
8.46	Steel (Raised floor below tent structure- contours) SUB TOTAL	6,859	1,63,215
8.47	High Scaffold post	60,764	3,23,030
8.48	Time Keepers (Manual) - having 4 steps of (1.5 x 2) to be made in wood and carpeted	21,042	1,21,528
8.49	Temporary Bridge -2.5 x 50mts	6,07,638	26,61,632
8.50	FRAMED STEEL STRUCTURE (SUB TOTAL) Framed steel structure designed to raise the temporary seating upto 3 meters above the ground level. The steel structure should be designed in such a way that it has intermediate spans to accommodate prefabricated office structures measuring 3.6m x 6.9m and clear height of 2.5m.	11,719	73,889
8.51	JUDGES BLINDS Protective structures on FOP having 2 sides open. The structure should be designed to protect the penetration of arrow through walls.	36,458	13,64,086
8.52	FOP BLINDS Protective structures on FOP having 2 sides open. The structure should be designed to protect the penetration of arrow through walls.	36,458	13,64,086
8.53	BLINDS / BOXES Protective structures on FOP having 2 sides open. The structure should be designed to protect the penetration of arrow through walls.	36,458	13,64,086
8.54	JURY PLATFORM (4.4.x5.4, 600mm) 4.4 X 5.4, 600mm High in having RAMP of width 1200mm on right hand side and railing 900mm high on three sides.	91,146	8,46,009
8.55	JURY PLATFORM(6x3.5, 600mm High) 6 X 3.5, 600mm High in having RAMP of width 1200mm on backside and railing 900mm high on three sides.	91,146	7,55,175
8.56	JURY PLATFORM (1.8 mtr.x 3.6 mtr, 350 mm High) 1.8 mtr X 3.6 mtr, 350mm High having a Step with riser 175mm, on the longer back side	68,418	6,82,043
8.57	REFREE PLATFORM (1350mmx1800mm, 350mm High) 1350 mm x 1800mm, 350mm High having a Step with riser 175mm, 1800mm long.	25,657	2,72,817
8.58	Temporary grandstand seating tribunes	9,722	24,031

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
8.59	Temporary grandstand seating tribunes.1st row seating starting at a height of 1 m	9,722	24,031
8.60	Temporary grandstand seating tribunes	9,722	24,031
8.61	Temporary grandstand seating tribunes.1st row seating starting at a height of 1 m	9,722	24,031
8.62	Temporary seating grandstand tribunes.1st row seating starting at a height of 1 m	9,722	24,031
8.63	Temporary seating grandstand tribunes.1st row seating starting at a height of 1 m	9,722	24,031
9 1	Safe Small FOH	8,973	20,515
9 2	Safe Small BOH	7,473	20,515
9 3	Cupboard Pigeon Holes FOH	14,440	56,664
9 4	Cupboard Pigeon Holes BOH	8,342	56,664
9 5	Bookcase 4 shelves FOH	8,206	13,404
9 6	Bookcase 4 shelves BOH	7,655	13,404
9 7	Cabinet 1020 high FOH	8,314	11,667
9 8	Cabinet 1020 high BOH	6,926	11,667
9 9	Cabinet 1800 high FOH	11,076	21,446
9.010	Cabinet 1800 high BOH	9,225	19,659
9.011	Security Locker Single Tier FOH	4,103	11,233
9.012	Security Locker Single Tier BOH	4,103	9,829
9.013	Security Locker 2 Tier FOH	7,750	11,784
9.014	Security Locker 2 Tier BOH	7,750	10,723
9.015	Cabinet Filing 2 drawer FOH	5,927	9,829
9.016	Cabinet Filing 2 drawer BOH	5,468	9,829
9.017	Cabinet Filing 4 drawer FOH	7,112	13,404
9.018	Cabinet Filing 4 drawer BOH	6,870	13,404
9.019	Bench Change Rooms FOH	3,738	25,558
9.020	Bench Change Rooms BOH	3,738	21,273
9.021	Chair Sofa 3 seater (Fabric) FOH	19,071	35,743
9.022	Chair Sofa 3 seater (Fabric) BOH	19,071	36,458
9.023	Chair Sofa Swivel FOH	7,112	13,404
9.024	Chair Sofa Swivel BOH	7,112	12,152
9.025	Chair Sofa 1 seater (Fabric) FOH	10,030	15,304
9.026	Chair Sofa 1 seater (Fabric) BOH	10,030	18,229
9.027	Chair Sofa 2 seater (Fabric) FOH	12,323	24,487
9.028	Chair Sofa 2 seater (Fabric) BOH	12,323	24,216
9.029	Chair Office FOH	3,556	7,595
9.030	Chair Office BOH	1,318	4,535
9.031	Visitor Chair Stackable FOH	1,542	3,476

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
9.032	Visitor Chair Stackable BOH	1,178	2,192
9.033	Chair Patio FOH	1,276	12,244
9.034	Chair Patio BOH	1,276	10,254
9.035	Chair Folding – Padded FOH	1,459	3,306
9.036	Chair Folding – Padded BOH	1,374	3,217
9.037	FOP Bench 1FOHx 430 FOH	4,467	9,183
9.038	FOP Bench 1FOHx 430 BOH	4,467	8,936
9.039	Sink Running Water FOH	11,496	36,383
9.040	Sink Running Water BOH	9,533	18,191
9.041	Stool, Clinic FOH	1,541	6,839
9.042	Stool, Clinic BOH	1,541	6,839
9.043	Curtain, Medical FOH	2,392	6,382
9.044	Curtain, Medical BOH	2,348	6,382
9.045	Examination Light FOH	2,804	6,900
9.046	Examination Light BOH	1,402	6,900
9.047	Medical Dressing Trolley FOH	9,070	23,524
9.048	Medical Dressing Trolley BOH	8,903	25,099
9.049	Crash Carts Trolley FOH	4,535	35,559
9.050	Crash Carts Trolley BOH	4,451	35,559
9.051	Message / Examination FOH	6,032	22,038
9.052	Message / Examination BOH	6,032	21,062
9.053	Office Partition FOH	4,873	25,256
9.054	Office Partition BOH	4,486	25,256
9.055	Fan Pedestal FOH	2,594	7,736
9.056	Fan Pedestal BOH	2,431	7,881
9.057	Whiteboard Easel FOH	2,994	8,264
9.058	Whiteboard Easel BOH	2,994	8,264
9.059	Whiteboard Large FOH	4,038	13,869
9.060	Whiteboard Large BOH	3,365	13,869
9.061	Coat Stand 1800 high FOH	2,188	4,915
9.062	Coat Stand 1800 high BOH	1,963	4,915
9.063	Clothes Rail FOH	2,243	6,341
9.064	Clothes Rail BOH	1,963	6,224
9.065	Mirror Standing H:160 cm FOH	1,682	5,362
9.066	Mirror Standing H:160 cm BOH	1,402	5,347
9.067	Wall Clock FOH	701	2,000
9.068	Wall Clock BOH	603	2,000
9.069	Notice Board FOH	3,101	5,362

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
9.070	Notice Board BOH	3,101	4,535
9.071	Umbrella Patio FOH	1,542	5,719
9.072	Umbrella Patio BOH	1,304	5,137
9.073	Traffic Cone FOH	322	1,139
9.074	Traffic Cone BOH	266	1,608
9.075	Stanchion Velour Rope FOH	86	4,467
9.076	Stanchion Velour Rope BOH	88	4,467
9.077	Post and Chain FOH	922	7,595
9.078	Post and Chain BOH	911	7,595
9.079	Water Filled Barrier FOH	4,486	21,883
9.080	Water Filled Barrier BOH	3,785	22,294
9.081	Pedestrian Barricade FOH	4,206	9,036
9.082	Pedestrian Barricade BOH	3,505	9,036
9.083	Press Table FOH	4,012	14,583
9.084	Press Table BOH	4,012	14,583
9.085	Office Table FOH	3,507	8,723
9.086	Office Table BOH	3,507	7,956
9.087	Table Patio 1540x1000 FOH	2,994	10,774
9.088	Table Patio 1540x1000 BOH	2,664	10,774
9.089	Table 1000 dia. FOH	3,084	9,946
9.090	Table 1000 dia. BOH	2,524	9,946
9.091	Table Folding 1200x760 FOH	3,191	10,774
9.092	Table Folding 1200x760 BOH	3,191	10,774
9.093	Table Folding 1800x760 FOH	4,285	7,191
9.094	Table Folding 1800x760 BOH	4,285	7,191
9.095	Table Folding 2400x760 FOH	5,288	9,946
9.096	Table Folding 2400x760 BOH	5,288	9,946
9.097	Table Poseur H:110 cm FOH	3,556	19,266
9.098	Table Poseur H:110 cm BOH	3,556	19,266
9.099	Table Television 1FOH High FOH	9,829	14,386
9.100	Table Television 1FOH High BOH	9,829	14,386
9.101	Coffee Table 1200x400 FOH	3,830	8,042
9.102	Coffee Table 1200x400 BOH	3,830	7,595
9.103	Reception Counter 1800x460 H:1150 FOH	8,297	26,808
9.104	Reception Counter 1800x460 H:1150 BOH	7,010	24,127
9.105	Security Search Table 2000x400 FOH	4,377	13,404
9.106	Security Search Table 2000x400 BOH	4,377	13,404
9.107	Table Patio complete with umbrella FOH	7,145	62,595

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
9.108	Table Patio complete with umbrella BOH	7,145	52,035
9.109	Refrigerator Large FOH	13,129	56,210
9.110	Refrigerator Large BOH	13,129	49,864
9.111	Refrigerator Small FOH	9,848	38,261
9.112	Refrigerator Small BOH	9,848	22,957
9.113	Barricades FOH	2,019	13,404
9.114	Barricades BOH	1,682	13,404
9.115	Security Bed FOH	5,927	16,085
9.116	Security Bed BOH	5,927	16,085
9.117	Curtains/ Curtain strips FOH	639	2,449
9.118	Door Mats FOH	322	939
9.119	Rubbish Bins (Small 15 litre) BOH	245	7,618
9.120	Magnetic Board FOH	3,191	9,829
9.121	Bookcase FOH	4,518	12,153
9.122	Hand Held Golf Umbrella FOH	939	1,459
9.123	Safe Large BOH	14,020	26,442
9.124	Lockable Cage FOH	4,535	21,883
9.125	Equipment Racks BOH	5,986	34,435
9.126	Open Shelves FOH	3,556	24,306
9.127	Photo Benches FOH	2,553	8,417
9.128	Lectern BOH	6,729	48,611
9.129	Barricade Tape - Apprx. Contractor to site measure BOH	274	5,357
9.130	Whiteboard Dry Erase Kit FOH	109	1,541
9.131	Clothes Steamer FOH	1,402	10,426
9.132	Loud hailer BOH	2,103	9,027
9.133	Witches Hats - Transport BOH	547	1,787
9.134	Curtains - Black Out FOH	2,524	30,382
9.135	Bookcase,5 shelf,Beech,(1.8w*0.3d*0.9h) FOH	3,556	21,446
9.136	Lockers Half, lock, Grey,(0.545w*0.603d*1.78h) BOH	6,076	13,404
9.137	Fridges Bar 110L FOH	7,922	18,132
9.138	Front surface mirros FOH	1,402	3,932
9.139	ICE BOX, Large, 70L FOH	4,467	16,070
9.140	ICE BOX, Medium, 27L FOH	2,644	8,417
9.141	Fridge 450L Lockable FOH	26,808	1,53,044
9.142	Caution Tapes BOH	161	396
9.143	Country Board FOH	1,318	36,458
9.144	Country Flag FOH	1,234	18,229

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
9.145	Folding Bed BOH	1,612	9,722
9.146	Fan - Pedestal, Commercial, 46cm High BOH	1,915	7,149
9.147	Fan - Pedestal, Domestic, 40cm High, White BOH	1,550	4,468
9.148	Colour TV FOH	19,659	36,265
9.149	Plasma TV FOH	28,460	72,917
9.150	Washing Machine & Dryer FOH	13,940	61,218
9.151	Computer terminals with network connection FOH	32,861	81,596
9.152	Printer FOH	5,457	21,446
9.153	Steel Racks 180cm x 180 cm x 60cm (depth). With 6 racks BOH	9,027	17,567
10.01	Public Display System - Large Size - 30'x20' Pitch 16mm, Including structural stand	1,71,36,255	2,26,90,426
10.02	Public Display System - Medium Size - 22'x16' Pitch 16mm, Including structural stand	1,03,26,603	1,46,30,019
10.03	Public Display System - Small Size - 16'x12' Pitch 10mm, Including structural stand	67,14,397	1,00,35,244
10.04	Public Display System - 6M x 3.3M Pitch 16mm, Including structural stand	63,46,328	1,14,72,857
10.05	Public Display System - 5M x 3M Pitch 16mm, Including structural stand	56,21,034	79,75,145
10.06	Public Display System - 6M x 3.3M Pitch 10mm, Including structural stand	63,46,328	1,20,91,508
10.07	Public Display System - 5M x 3M Pitch 10mm, Including structural stand	45,96,779	86,98,517
10.08	Public Display System, Size - Pitch 7m x 4m – 16mm, Including structural stand	85,73,768	1,48,41,836
11.01	Press Conference - 0.5cm thick carpet, colour to be determined by representative of OC	317	972
11.02	0,5 cm thick carpet, colour to be determined (Games Family Lounge, VIP Lounge, Federation Office, VVIP Lounge, Doping Control, Reception Office, Processing Area, Athletes Lounge etc.)	379	1,185
11.03	Technology - Non static 'PIRELLI' type PVC flooring applied to technology spaces	985	1,823
11.04	Mopable linoleum flooring in break / dining areas (Workforce break Area , Security break Area)	628	1,823
12.01	Machinery - Fork lift truck	2,23,370	6,30,100
12.02	Machinery - Hydraulic palette	48,611	1,37,868
12.03	Machinery - Golf cart	3,03,819	4,46,811
12.04	Machinery - Digger	7,24,964	16,00,181
12.05	Machinery - Mini trolley	7,169	15,758
12.06	Machinery - Office trolley	12,254	89,830
12.07	Machinery - Drum trolley	6,286	42,202

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
12.08	Machinery - Office Trailers	38,104	2,00,421
12.09	Machinery - Golf cart for People	3,03,819	4,46,811
12.10	Machinery - Golf cart stretchers	4,46,811	7,03,371
12.11	Machinery - Tugger & Trailer	70,953	9,01,894
12.12	Machinery - Crane for Container Lifting	10,88,181	28,99,819
12.13	Machinery - Helicopter (Rented for 1 day from Air Force) (TO BE ARRANGED BY DELHI GOVT.)	1,66,352	1,30,41,515
12.14	Machinery - Open SUVs	1,21,528	7,94,078
12.15	Machinery - Open Heavy Vehicle	1,31,394	8,43,487
12.16	Machinery - High Speed Motorcycles	24,306	4,15,880
12.17	4 Wheeler CNG Operated Goods Carrier	3,28,485	9,66,606
13.01	6A, 1 phase, plug points	305	2,449
13.02	16A, 1 phase, plug points	342	3,673
13.03	20A, 1 phase, plug points	917	3,673
13.04	32A, 1 phase, plug points	977	18,219
13.05	32A, 3 phase, plug points	2,322	22,775
13.06	4 plug, 5A, 1 phase extension boards	486	4,441
13.07	Surge Protector	616	31,581
13.08	3C x 2.5 mm ² Cu Armoured Cable with connection	123	546
13.09	3C x 4.0 mm ² Cu Armoured Cable with connection	243	1,035
13.10	4C x 4.0 mm ² Cu Armoured Cable with connection	167	458
13.11	4C x 6.0 mm ² Cu Armoured Cable with connection	243	608
13.12	4C x 10.0 mm ² Cu Armoured Cable with connection	379	672
13.13	4C x 16.0 mm ² Cu Armoured Cable with connection	543	855
13.14	3.5C x 25.0 mm ² Cu Armoured Cable with connection	111	1,099
13.15	3.5C x 35.0 mm ² Cu Armoured Cable with connection	965	1,528
13.16	3.5C x 50.0 mm ² Cu Armoured Cable with connection	1,388	2,431
13.17	3.5C x 70.0 mm ² Cu Armoured Cable with connection	573	2,688
13.18	3.5C x 95.0 mm ² Cu Armoured Cable with connection	2,534	3,646
13.19	3.5C x 120.0 mm ² Cu Armoured Cable with connection	3,137	4,521
13.20	3.5C x 150.0 mm ² Cu Armoured Cable with connection	4,706	7,189
13.21	3.5C x 185.0 mm ² Cu Armoured Cable with connection	4,827	9,076
13.22	DG Sets 1 KVA - 415V, 50 Hz, 1500 RPM	48,720	1,82,291

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
13.23	DG Sets 2 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	58,043	1,82,291
13.24	DG Sets 5 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	88,152	2,32,173
13.25	DG Sets 10 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	1,82,291	2,53,991
13.26	DG Sets 15 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	1,82,291	5,87,747
13.27	DG Sets 20 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	2,43,055	3,52,608
13.28	DG Sets 40 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	2,90,217	5,58,380
13.29	DG Sets 62.5 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall	3,48,260	6,07,638

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	comply to CPCB norms.		
13.30	DG Sets 82.5 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	4,06,303	8,81,620
13.31	DG Sets 125 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	4,93,368	10,30,862
13.32	DG Sets 180 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	6,09,455	12,28,508
13.33	DG Sets 200 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	7,25,541	13,47,970
13.34	DG Sets 250 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base.	9,28,692	16,45,016
13.35	DG Sets 300 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	10,44,779	20,20,258
13.36	DG Sets 380 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall	10,22,864	23,90,195

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	comply to CPCB norms.		
13.37	DG Sets 500 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	18,22,913	29,29,651
13.38	DG Sets 1000 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	15,84,719	1,45,83,305
13.39	Fuel Oil Tank for Diesel Storage - Steel Tank 1500 lts. with motor and pipes to fill diesel in DG set.	25,497	1,17,550
13.40	Consumption of DG Power	11	73
13.41	Generator aux equipment	34,826	2,03,497
13.42	GI Pipe Earthing	5,040	9,496
13.43	Air conditioning HVAC - 2T	69,652	1,46,733
13.44	Air conditioning HVAC - 3T	92,869	2,64,120
13.45	Air conditioning HVAC - 5.5T	1,16,087	3,76,348
13.46	Air conditioning HVAC - 11T	2,03,151	7,47,005
13.47	Air conditioning HVAC - 150T	16,21,809	2,08,87,833
13.48	Power - 600VA Uninterruptible Power Supply -	2,371	60,688
13.49	Power - 1kVA Uninterruptible Power Supply -	5,581	1,13,790
13.50	Power - 2kVA Uninterruptible Power Supply -	60,764	2,57,924
13.51	Power - 5kVA Uninterruptible Power Supply -	1,82,291	4,93,089
13.52	Power - 10kVA Uninterruptible Power Supply -	4,86,110	11,27,726
13.53	Power - 20kVA Uninterruptible Power Supply -	6,03,795	10,48,760
13.54	Power - 40kVA Uninterruptible Power Supply -	10,36,653	14,99,000
13.55	Power - 60kVA Uninterruptible Power Supply -	12,13,758	17,46,715
13.56	Power - 180 kVA Uninterruptible Power Supply -	14,54,100	60,76,377
13.57	Power - 200kVA Uninterruptible Power Supply -	18,85,406	62,72,892
13.58	Power - 250kVA Uninterruptible Power Supply -	20,73,947	72,91,652
13.59	Power - 320kVA Uninterruptible Power Supply -	23,75,612	2,43,05,508
13.60	Power - 400kVA Uninterruptible Power Supply -	26,39,569	5,46,87,394
14.01	Portable Site Lighting Portable lighting units with flood lights for use at compounds	6,623	2,27,580
14.02	High Mast Site Lighting	3,03,440	16,21,881

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	30M high tubular Lighting Mast with raising / lowering lantern carriage consisting of Flood Lights		
14.03	Fixed Flood Lighting Poles Fixed lighting poles of 11M height with flood lights	65,697	3,22,404
14.04	Portable Fire Extinguishers	3,939	7,969
14.05	Desk Lamp plus Light globe	646	3,793
14.06	Lamp Adjustable, 1.35m High	646	22,758
14.07	Emergency Light	608	3,951
15.01	Gypsum Dry wall construction	1,765	3,082
15.02	Glazed office partitions	2,759	12,153
15.03	Block work Partition	98	5,078
15.04	Demolition of wall	98	13,368
15.05	DECKING Wooden platform / pathway raised 150mm above the ground constructed on steel base frame covered with plywood and finished with weatherproof material. The structure should be designed to take appropriate pedestrian live loads throughout. The steel should be painted or galvanized to protect it from rusting. Adequate steps should be taken to ensure that the decking supports do not punch in case of water logging.	3,416	7,671
15.06	FOP Matting	1,051	23,014
15.07	Minor Works - Carpentry, Painting, Venue Alterations etc	392	5,467
16.01	Phlebotomy Chair	39,238	1,18,526
16.02	Biohazard Waste Bags	6	3,068
16.03	Ice Making Machine 400 Kg	27,870	4,86,110
16.04	Ice Making Machine 50 Kg	32,220	1,45,833
16.05	Biodegradable Garbage Bags	6	3,068
16.06	Garbage Solid Waste Bags	4	3,068
16.07	Garbage Solid Waste Container 6' x 6'	7,194	1,16,446
17.01	Mist Station a) Each mist station consists of ten no. shower heads in sequence activated by sensors b) Connecting to existing water source c) Generator power to be provided	2,91,799	6,20,160
17.02	Hydrotherapy Pool Facilities Provision and installation of hydrotherapy pools at training venues a) The pools will be provided and connected to the existing water source.	7,22,666	11,85,148
17.03	Treadmill	4,03,603	8,83,953

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
17.04	Cross Trainer	1,46,765	8,01,066
17.05	Stepper	5,706	3,06,087
17.06	Multi Gym - 12 stations with pulley and leg extension cables	2,20,147	9,01,484
17.07	Adjustable Benches : Normal	24,306	1,23,621
17.08	Adjustable Benches : Inclined	24,306	1,38,456
17.09	Adjustable Benches : Declined	24,306	1,55,763
17.10	Weights, Dumbbells and Barbells	85	317
17.11	Vibrators	15,215	49,864
17.12	Twisters	3,803	29,353
17.13	Skipping Ropes	480	1,268
17.14	Gym Mirrors - Full Height	2,435	15,305
18.01	Specialized labour	135	435
18.02	Un-specialized labour	68	308
18.03	Site clearing of land fill, construction debris and other materials in order to create tent or pref. structure hard stand	51	486
19.01	MPC Custom Welcome Desk with Feature Wall	7,621	78,152
19.02	Long Range High Speed Laser Head with tripod	30,220	1,30,793
19.03	Environmental Unit	5,256	1,43,872
19.04	Ambient Air Temperature Sensor (wavelength compensation)	1,182	1,17,714
19.05	Material Temperature Sensor (machine thermal expansion compensation)	8,507	1,56,951
19.06	Optics - Linear, Angular, Flatness, Straightness (10' short range & 100' long range)	8,507	1,70,031
19.07	Precision Rotary Index Table AA GAGE Ultradex 360 degree x 1 degree increment.	12,088	1,83,110
19.08	Tissue Paper Boxes	84	295
19.09	Low Oxygen Hypoxia for 6 users in 1 room	2,61,586	2,57,84,558
20.01	3M or equivalent Black out film applied to skylight windows around FOP	263	1,841
20.02	Automatic shower sprinklers	13,140	1,82,291
20.03	Sports Information Display Board	6,076	34,307
20.04	Mosquito Repellent	114	188
20.05	Designated Lane Marker Tapes	365	1,580
20.06	First Aid Kit	938	6,711
20.07	Reflex Hammer	90	4,741
20.08	Light Angle poised on castors	1,215	15,804
20.09	Tissue Paper Towels	62	3,751
20.1	Tissue Rolls	22	3,751

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
20.11	Bathroom shelves	972	5,627
20.12	Concrete Boxes	1,215	9,379
20.13	Blue Paint	263	1,215
20.14	White Paint	263	1,215
20.15	Table Cloth - Green	328	1,903
20.16	Table cloth -White	328	1,903
20.17	Table cloth -Red	328	1,903
20.18	Table cloth -Yellow	328	1,903
20.19	Brush	65	1,841
20.2	Water Jug	152	1,944
20.21	Plastic Rope in 5m	38	2,762
20.22	Disposable Glasses	1	37
20.23	Toiletries	789	9,515
20.24	Office Stationary (Paper, Stapler, Resister, pens, pencils etc,)	657	9,246
20.25	Air Freshener	266	1,456
20.26	Tissue Paper Dispenser	654	4,652
20.27	Liquid Soap Dispenser	187	9,379
20.28	Water Dispenser - 20 Lts.	1,776	32,986
20.29	Canopy	1,944	37,086

(Amount in Rs.)

Vendors	Clusters	Value of the items at the lowest rate Items wise across the clusters	Contract Value	Avoidable Amount
ESAJV	Cluster V	49,49,81,023	84,25,86,312	34,76,05,289
PICO	Cluster I	75,18,88,124	1,23,95,97,128	48,77,09,004
PICO	Cluster VI	55,46,69,972	85,24,55,662	29,77,85,690
Nussli	Cluster II	37,08,21,436	57,47,77,574	20,39,56,138
Nussli	Cluster IV	50,12,00,455	70,42,21,779	20,30,21,324
GL	Cluster III	49,35,43,588	77,63,10,843	28,27,67,255
GL	Cluster VII	55,28,19,552	72,36,49,986	17,08,30,434
Total		3,71,92,85,339	5,71,35,99,284	1,99,36,75.134

Annexe - 9.2:

(Amount in Rs.)

Statement showing the difference in rate for power consumption & the excess expenditure thereto								
Sl. No.	Name of the Vendor	Cluster No.	Rate Quoted (in agreement)	Lowest Rate (in the agreement of Pico)	Total Unit as per Agreement	Total Expenditure (On the basis of the quoted rate of the vendor)	Expenditure based on the lowest rate	Excess Expenditure
1	M/s Pico-Deepali	I	14	11	26,26,083	3,67,65,162	2,88,86,913	78,78,249
2	M/s Nussli	II	73	11	5,17,360	3,77,67,280	56,90,960	3,20,76,320
3	M/s GL Meroform	III	27	11	1,89,936	51,28,272	20,89,296	30,38,976
4	M/s Nussli	IV	73	11	4,62,768	3,37,82,064	50,90,448	2,86,91,616
5	M/s ESAJV	V	68	11	1,67,100	1,13,62,800	18,38,100	95,24,700
6	M/s Pico - Deeplai	VI	11	11	71,100	7,82,100	7,82,100	0
7	M/s GL Meroform	VII	27	11	27,000	7,29,000	2,97,000	4,32,000
						1,26,316,678	4,46,74,817	8,16,41,861

Annexe 9.3: Instances of Different Rates charged by the same vendor**(Amount in Rs.)**

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
1.33	Ceremonies-s footprint-20.0mx25.0m	No.	1	77,87,077	0	65,56,219	12,30,858
1.34	Ceremonies- footprint-15.0mx25.0m	No.	2	46,80,091	0	39,40,336	14,79,510
1.35	Ceremonies Footprint-8.0mx12.0m	No.	1	15,84,220	0	13,33,812	2,50,408
1.36	Ceremonies- footprint-15.0mx10.0m	No.	2	24,02,035	0	20,22,359	7,59,352
1.37	Press Conference- Footprint-25.0mx15.0m	No.	2	42,69,458	0	35,94,609	13,49,698
2 1	Venue Accreditation Help Office (VAHO)-Footprint- 5.0mx5.0m	No.	1	5,26,523	8	5,01,694	24,829
2 2	Venue Accreditation Help Office (VAHO) Footprint- 5.0mx8.0m	No.	3	7,27,741	4	6,93,423	1,02,954
2 5	Catering Preparation-Footprint 10.0mx30.0m	No.	1	67,93,020	0	64,72,688	3,20,332
2 6	Spectator Food Concessions- Footprint-5.0mx5.0m	No.	10	6,47,170	17	6,16,652	3,05,180
2.010	Spectator Merchandising Concessions- Footprint-5.0mx5.0m	No.	15	5,63,329	7	5,36,765	3,98,460
2.019	Vehicle Check point-SINGLE POINT-TRUCKS- Footprint-6.0mx10.0m	No.	1	9,19,319	5	8,75,966	43,353
2.020	Vehicle Check point-TWO POINT-TRUCKS- Footprint-6.0mx15.0m	No.	4	13,35,380	7	12,72,408	2,51,888
2.024	Security Retiring Room- Footprint-15.0mx20.0m	No.	3	40,32,550	1	38,42,390	5,70,480
2.029	Security Break Area-Footprint-24.0mx18.0m	No.	2	75,38,368	0	71,82,887	7,10,962
2.033	Security Break Area/Workforce Area-	No.	1	79,77,256	0	76,01,078	3,76,178

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
	Footprint-40.0m x 10.0m						
2.036	Site Management Office/Media Lounge	No.	2	27,93,797	0	26,62,052	2,63,490
2.038	Sponsor Showcasing Concession- Footprint- 5.0m x 5.0m	No.	15	6,25,895	8	5,96,380	4,42,725
2.046	Athlete Warm-up Area (COMPETITION MANAGEMENT)	No.	1	12,32,256	0	11,74,147	5,81,09
2.047	Competition Management Room/Venue Result Room	No.	5	5,67,814	28	5,41,038	1,33,880
2.050	Athletes Lounge/Athletes First Call Room- Supply, erection and dis-assembling tent of Footprint-10.0m x 15.0m	No.	2	26,61,747	0	25,36,230	2,51,034
2.051	Athletes Lounge-Supply, erection and dis-assembling tent of Footprint-20 m x 15.0m	No.	1	43,02,623	0	40,99,728	2,02,895
2.054	Drivers Lounge-f Footprint-5.0.m x5.0m	No.	1	5,02,313	8	4,78,626	23,687
2.060	Drivers Lounge-Footprint-10.0m x 25.0m	No.	1	38,65,916	0	36,83,614	1,82,302
2.068	Catering Preparation-Footprint 10.0mx10.0m	No.	1	24,28,040	1	23,13,543	1,14,497
2.070	First Aid Station-Footprint-5.0m x5.0m	No.	7	6,34,992	5	6,05,048	2,09,608
2.073	Press Work Area/Staff Work Area/Venue Operations- Footprint-10.0m x 15.0m	No.	10	29,90,824	1	28,49,788	14,10,360
2.082	Weight Training room/FOP Equipment Storage- Footprint-15.0m x 15.0m	No.	2	31,74,227	0	30,24,542	2,99,370
2.083	Athletes Medical Area-Footprint-15.0m x 25.0m	No.	2	53,61,663	0	51,08,827	5,05,672
3.080	Athletes Doping & Medical Block	No.	1	96,06,107	0	80,50,697	15,55,410
3.130	Athletes First	No.	2	68,14,030	0	57,10,710	22,06,640

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
	Aid/Doping Area-Footprint 10.0m x 12.20m						
3.170	Athletes Change Room-LARGE Footprint - 7.20x9 m	No.	2	36,19,255	2	30,33,229	11,72,052
3.230	Ticket both-MEDIUM(x4)-prefabricated office unit	No.	2	13,27,060	4	11,12,184	4,29,752
3.250	Management Offices-Transport Manager Office/Load Zone-Footprint-3.6mx6.0m	No.	1	12,06,418	5	10,11,076	1,95,342
3.380	Ticket both-LARGE(x10) Footprint-3.6m x12.0m	No.	1	24,12,837	0	20,22,153	3,90,684
4.020	Accessible Waterless toilets-Footprint-2.0m x2.5m	No.	4	1,86,647	9	1,58,986	1,10,644
4.030	Prefabricated WC unit-Footprint-3.5mx3.0m	No.	6	7,27,448	20	6,19,644	6,46,824
4.050	Prefabricated WC unit-Footprint-8.3mx3.1m	No.	14	12,01,871	19	10,23,759	24,93,568
4.060	Prefabricated WC unit-Footprint-12.0mx3.6m	No.	18	13,99,547	7	11,92,140	37,33,326
6.01	External Fences	mtr	520	2,945	3,350	2,511	2,25,680
6.02	Internal Fences	mtr	5830	2,945	6,125	2,511	25,30,220
6.04	Gate-Vehicles	No.	49	5,763	85	4,914	41,601
6.05	Gate-Pedestrian	No.	44	4,482	66	3,822	29,040
7.01	Wooden Structure-removable timber platforms and timber raised floors up to 50 cm height	Sq. mtr.	1315	4,578	342	3,550	13,51,820
8.33	Press tribune (3 positions)	Sq. mtr.	175	77,044	91	64,564	21,84,000
8.36	Tribune Platform	Sq. mtr.	58	9,917	342	8,310	93,206
8.37	Camera Platform-Structural steel platforms constructed to support Broadcast and Press tribunes (H<1.0m)	Sq. mtr.	40	9,917	33	8,310	64,280
8.41	Ramps-height difference upto 1.0m, volunteer	No.	2	13,641	11	11,431	4,420
8.44	Temporary metal	No.	2	14,112	12	11,827	4,570

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
	structure supporting canvas						
8.45	Sentry Posts	No.	12	3,41,022	34	4,57,251	39,51,786
8.54	Jury Platform-4.4.x5.4, 600mm High in having RAMP width 1200mm on right hand side and railing 900 high on three sides	No.	1	3,38,173	0	2,83,395	54,778
8.55	Jury Platform-4.4.x5.4, 600mm High in having RAMP width 1200mm	No.	1	3,05,119	0	2,55,695	49,424
8.56	Jury Platform-1.8mtrx3.6mtr, 350mm High having a step with riser 175mm,1800mm long	No.	1	6,82,043	0	5,71,564	1,10,479
8.57	Referee Platform-1350mmx1800mm High having a Strip with riser 175mm, 1800mm long	No.	3	2,72,817	0	2,28,625	1,32,576
8.58	Temporary grandstand seating tribunes, footprint size 9.0mx40m with total number of 224 seats	per seat	176	24,031	0	20,907	5,49,824
8.59	Temporary grandstand seating tribunes, footprint size 9.0mx40m with total number of 192 seats	per seat	196	24,031	0	20,907	6,12,304
8.6	Temporary grandstand seating tribunes, footprint width 12.7m, length 40 with total number of 392 seats	per seat	392	24,031	0	20,907	12,24,608
8.61	Temporary grandstand seating tribunes, footprint size 9.0mx40m with total number of 288 seats	per seat	294	24,031	0	20,907	9,18,456
8.62	Temporary grandstand seating tribunes, footprint size 15.4mx40m with total number of 224 seats	per seat	448	24,031	0	20,907	13,99,552

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
8.63	Temporary grandstand seating tribunes, footprint size 8.7mx40m with total number of 112 seats	per seat	120	24,031	0	20,907	3,74,880
9 1	Safe Small FOH	No.	5	9,795	50	8,973	4,110
9 2	Safe Small BOH	No.	8	8,157	8	7,473	5,472
9 3	Cupboard Pigeon Holes FOH	No.	60	15,764	110	14,440	79,440
9 4	Cupboard Pigeon Holes BOH	No.	1	9,106	4	8,342	764
9 5	Bookcase 4 shelves FOH	No.	5	10,912	13	9,996	4,580
10.01	Display system large size- 30'x20' Pitch 16mm, inc. Stand	No.	4	2,26,90,426	8	1,06,73,920	4,80,66,024
10.04	Public Display System-6Mx3.3M Pitch 16mm, including structural stand	No.	1	76,85,467	0	63,46,328	13,39,139
10.05	Public Display System-5Mx3M Pitch 16mm, including structural stand	No.	1	68,07,128	0	56,21,034	11,86,094
10.7	Public Display System-5Mx3M Pitch 10mm, including structural stand	No.	2	68,43,725	1	56,51,254	23,84,942
11.01	PressConference-0.5 thick carpet	Sq. mtr.	530	767	342	637	68,900
11.02	0.5 cm thick carpet	Sq. mtr.	4125	1,185	2050	985	8,25,000
11.03	Technology- Non static ;PIRELLI' type	Sq. mtr.	470	1,185	1325	985	94,000
12.03	Machinery-Golf cart	No.	5	4,04,235	18	3,54,763	2,47,360
12.11	Machinery-Tugger & Traller	No.	2	80,847	6	70,953	19,788
13.01	6A, 1 phase, plug pints	No.	810	359	1,208	305	43,740
13.02	16A, 1 phase, plug points	No.	352	402	456	342	21,120
13.03	20A, 1 phase, plug points	No.	75	1,077	152	917	12,000
13.04	32A, 1 phase, plug points	No.	60	1,148	76	977	10,260
13.05	32A, 3 phase, plug points	No.	31	2,728	41	2,322	12,586
13.06	4 Plug, 5A, 1 phase extension boards	No.	780	646	981	550	74,880

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
13.07	Surge Protector	No.	230	31,581	421	26,883	10,80,540
13.31	DG sets 125 KVA-415V, 50Hz, 1500 RPM	No.	2	5,65,125	13	4,93,368	1,43,514
13.34	DG sets 250 KVA-415V, 50Hz, 1500 RPM	No.	3	10,63,765	9	9,28,692	4,05,219
13.35	DG sets 300 KVA-415V, 50Hz, 1500 RPM	No.	3	11,96,736	4	10,44,779	4,55,871
13.39	Fuel Oil Tank for Diesel Storage-Steel Tank 1500 lts with motor pipes	No.	19	39,891	24	34,826	96,235
13.4	Consumption of DG Power	kw	26,26,083	14	71100	11	78,78,249
13.41	Generator aux equipment	No.	53	39,891	40	34,826	2,68,445
13.42	GI Pipe Earthing	No.	98	6,648	128	5,804	82,712
13.51	Power-5kVA Uninterruptable Power Supply	No.	9	22,46,37	5	2,19,186	49,059
13.52	Power-10kVA Uninterruptable Power Supply	No.	3	5,62,300	4	5,48,654	40,938
13.53	Power-20kVA Uninterruptable Power Supply	No.	12	6,15,986	27	6,03,795	1,46,292
13.54	Power-40kVA Uninterruptable Power Supply	No.	6	10,96,344	9	10,36,653	3,58,146
13.55	Power-60kVA Uninterruptable Power Supply	No.	6	13,56,301	14	13,23,386	1,97,490
13.56	Power-180kVA Uninterruptable Power Supply	No.	2	15,25,839	6	14,80,104	91,470
13.57	Power-200kVA Uninterruptable Power Supply	No.	3	62,72,892	1	61,20,664	4,56,684
14.01	Portable Site Lighting	No.	30	9,482	32	7,884	47,940
14.05	Desk Lamp plus Light globe	No.	90	2,370	185	1,971	35,910
14.06	Lamp Adjustable, 1.35m High	No.	150	7,901	275	6,569	1,99,800
14.07	Emergency Light	No.	5	3,951	273	3,285	3,330
15.01	Gypsum Dry wall construction	Sq. mtr.	1,200	3,082	3650	2,562	6,24,000

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
15.02	Glazed Office partitions	Sq. mtr.	240	3,319	742	2,759	1,34,400
15.03	Block work Partition	Sq. mtr.	250	2,370	780	1,971	99,750
15.04	Demolition of wall	Cu.mtr	10	3,951	142	3,285	6,660
16.01	Phlebotomy Chair	No.	2	1,18,526	0	98,546	39,960
16.04	Ice Making Machine 50 Kg	No.	4	1,06,299	0	83,961	89,352
16.07	Garbage Solid Waste Container 6"x6"	No.	2	1,16,446	0	91,976	48,940
17.020	Hydrotherapy Pool Facilities	No.	2	8,41,741	6	7,22,666	2,38,150
17.030	Treadmill	set	2	5,35,654	14	4,59,879	1,51,550
17.040	Cross Trainer	set	2	2,65,531	14	2,27,968	75,126
17.050	Stepper	set	2	3,06,087	14	2,62,788	86,598
17.060	Multigym-12 stations with pulley and leg extension cables	set	2	5,89,219	14	5,05,867	1,66,704
17.070	Adjustable Benches: Normal	set	2	30,609	14	26,279	8,660
17.080	Adjustable Benches: Inclined	set	2	32,139	14	27,593	9,092
17.090	Adjustable Benches: Declined	set	2	33,670	14	28,907	9,526
17.100	Weights, Dumbbells and Barbells	kg	1000	153	7,000	131	22,000
17.110	Vibrators	Set	2	30,609	14	26,279	8,660
17.130	Skipping Ropes	set	2	559	14	480	158
17.140	Gym Mirrors-Full Height	set	17	15,305	14	13,140	36,805
19.050	Material Temperature Sensor (machine thermal expansion compensation)	No.	1	13,433	15	11,169	2,264
20.01	3M or equivalent Black out film applied to skylight windows around FOP	Sq. mtr.	300	316	5,469	263	15,900
20.05	Designated Lane Marker Tapes	No.	50	1,580	333	1,314	13,300
20.06	First Aid Kit	No.	4	4,741	120	3,942	3,196
20.09	Tissue Paper Towels	No.	25	1,580	208	1,314	6,650
20.11	Bathroom shelves	No.	100	1,580	2	1,314	26,600
20.22	Disposable Glasses	No.	25,000	2	0	1	25,000
20.23	Toiletries	No.	7	948	13	789	1,113
20.24	Office Stationary (Paper, Stapler,	Lot	7	790	22	657	931

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
	Register, Pens, Pencils etc.)						
20.25	Air Freshener	No.	30	790	244	657	3,990
20.26	Tissue Paper Dispenser	No.	45	1,897	340	1,577	14,400
20.27	Liquid Soap Dispenser	No.	45	1,501	290	1,248	11,385
20.28	Water Dispenser - 20 lts.	No.	500	11,852	845	9,855	9,98,500
						Total	11,06,31,180

Annexe- 9.4 Comparison of rates by CIF value**(CIF- Cost, Insurance, Freight, declared to customs)****(Amount in Rs.)**

Code	Items	Lowest Rate charged to OC	Mkt Rate/Cost declared to custom	Percentage	Vendor
9 003	Cupboard Pigeon Holes FOH	14,440	5,200	178	Pico
9 006	Bookcase 4 shelves BOH	7,655	2,840	170	Pico
9.101	Coffee Table 1200x400 FOH	3,830	1,500	155	Pico
9.102	Coffee Table 1200x400 BOH	3,830	1,500	155	Pico
9.060	Whiteboard Large BOH	3,365	1,420	137	Pico
9.062	Coat Stand 1800 high BOH	1,963	830	137	Pico
9.005	Bookcase 4 shelves FOH	8,206	3,470	136	Pico
9.007	Cabinet 1020 high FOH	8,314	3,520	136	Pico
9.001	Safe Small FOH	8,973	3,870	132	Pico
9.087	Table Patio 1540x1000 FOH	2,994	1,300	130	Pico
9.133	Witches Hats - Transport BOH	547	250	119	Pico
9.070	Notice Board BOH	3,101	1,420	118	Pico
9.103	Reception Counter 1800x460 H:1150 FOH	8,297	3,850	116	Pico
9.031	Visitor Chair Stackable FOH	1,542	720	114	Pico
9.059	Whiteboard Large FOH	4,038	1,890	114	Pico
9.061	Coat Stand 1800 high FOH	2,188	1,030	112	Pico
9.088	Table Patio 1540x1000 BOH	2,664	1,300	105	Pico
9 9	Cabinet 1800 high FOH	11,076	5,460	103	Pico
9.089	Table 1000 dia. FOH	3,084	1,550	99	Pico
9 8	Cabinet 1020 high BOH	6,926	3,520	97	Pico
9.063	Clothes Rail FOH	2,243	1,160	93	Pico
9.065	Mirror Standing H:160 cm FOH	1,682	870	93	Pico
9 2	Safe Small BOH	7,473	3,870	93	Pico
9.095	Table Folding 2400x760 FOH	5,288	2,800	89	Pico
9.096	Table Folding 2400x760 BOH	5,288	2,800	89	Pico
9.015	Cabinet Filing 2 drawer FOH	5,927	3,150	88	Pico
9.094	Table Folding 1800x760 BOH	4,285	2,300	86	Pico
9 4	Cupboard Pigeon Holes BOH	8,342	4,780	75	Pico
9.035	Chair Folding - Padded FOH	1,459	840	74	Pico

9.114	Barricades BOH	1,682	980	72	Pico
9.093	Table Folding 1800x760 FOH	4,285	2,500	71	Pico
9.064	Clothes Rail BOH	1,963	1,160	69	Pico
9.010	Cabinet 1800 high BOH	9,225	5,460	69	Pico
9.120	Magnetic Board FOH	3,191	1,890	69	Pico
9.092	Table Folding 1200x760 BOH	3,191	1,900	68	Pico
9.099	Table Television 1FOH High FOH	9,829	5,940	65	Pico
9.100	Table Television 1FOH High BOH	9,829	5,940	65	Pico
9.069	Notice Board FOH	3,101	1,880	65	Pico
9.032	Visitor Chair Stackable BOH	1,178	720	64	Pico
9.036	Chair Folding - Padded BOH	1,374	840	64	Pico
9.091	Table Folding 1200x760 FOH	3,191	2,000	60	Pico
9.130	Whiteboard Dry Erase Kit FOH	109	70	56	Pico
9.037	FOP Bench 1FOHx 430 FOH	4,467	2,900	54	Pico
9.038	FOP Bench 1FOHx 430 BOH	4,467	2,900	54	Pico
9.118	Door Mats FOH	322	210	53	Pico
9.142	Caution Tapes BOH	161	105	53	Pico
9.013	Security Locker 2 Tier FOH	7,750	5,130	51	Pico
9.115	Security Bed FOH	5,927	4,050	46	Pico
9.116	Security Bed BOH	5,927	4,050	46	Pico
9.082	Pedestrian Barricade BOH	3,505	2,470	42	Pico
9.119	Rubbish Bins (Small 15 litre) BOH	245	180	36	Pico
9.122	Hand Held Golf Umbrella FOH	939	695	35	Pico
9.074	Traffic Cone BOH	266	200	33	Pico
9.078	Post and Chain BOH	911	690	32	Pico
9.057	Whiteboard Easel FOH	2,994	2,310	30	Pico
9.058	Whiteboard Easel BOH	2,994	2,310	30	Pico
9.073	Traffic Cone FOH	322	250	29	Pico
9.083	Press Table FOH	4,012	3,260	23	Pico
9.077	Post and Chain FOH	922	820	12	Pico
9.124	Lockable Cage FOH	4,535	4,380	4	Pico
9.033	Chair Patio FOH	1,276	1,250	2	Pico
9.034	Chair Patio BOH	1,276	1,250	2	Pico

Annexe: 9.5 Differences between Rates of Subcontract and the Contract with OC**(Amount in Rs.)**

Sl. No.	Item Description	Unit	Min. Rate quoted by Pico for Cluster I & VI	Hiring Rate of Pico (Sub-Contract)	Rate of Other Vendors for other Clusters		Excess Rate in per cent
					Min. Rate charged to OC	Max. Rate to OC	
1	Power - 180 KVA Uninterruptible Power Supply -	No.	14.80 lakh	5.50 lakh	14.54 lakh	60.76 lakh	264% to 1105%
2	Power - 40kVA Uninterruptible Power Supply -	No.	10.36 lakh	1.80 lakh	10.37 lakh	14.99 lakh	576% to 833%
3	Power - 20kVA Uninterruptible Power Supply	No.	6.04 lakh	1.12 lakh	6.07 lakh	10.49 lakh	539% to 936%
4.	Power - 200kVA Uninterruptible Power Supply	No.	61.20 lakh	5.50 lakh	18.85 lakh	62.72 lakh	343% to 1140%
4	DG Sets 250 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor	No.	9.29 lakh	5 lakh	9.72 lakh	16.45 lakh	186% to 329%
5	DG Sets 180 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor.	No.	6.09 lakh	4 lakh	7.29 lakh	12.29 lakh	152% to 307%
6	DG Sets 125 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor.	No.	4.93 lakh	3.10 lakh	7.29 lakh	10.31 lakh	159% to 333%
7	DG Sets 82.5 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor	No.	4.06 lakh	2.5 lakh	6.55 lakh	8.82 lakh	162% to 353%
8	DG Sets 40 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor.	No.	2.90 lakh	1.90 lakh	4.25 lakh	5.58 lakh	152% to 293%

Annex: 9.6 Rental Price Vis a vis Construction Cost of Pre Fabricated Cabin Taking CPWD Rate

Code	Items	Per unit Area (Sq m)	Quantity cluster I	Quantity cluster II	Quantity cluster III	Quantity Cluster IV	Quantity Cluster V	Quantity cluster VI	Quantity cluster VII	Area Cluster I	Area Cluster II	Area Cluster III	Area Cluster IV	Area Cluster V	Area Cluster VI	Area Cluster VII
3.01	Commentary Control Room (CCR)(Footprint:3.6mx 6.0m)	21.6	0	0	0	0	0	1	0	0	0	0	0	0	21.6	0
3.02	Broadcast Information Office (BIO)(Footprint:3.60m x6.0m)	21.6	0	0	0	0	0	1	0	0	0	0	0	0	21.6	0
3.03	Timing & Scoring Control Room(Footprint:3.6mx 6.0m)	21.6	0	0	0	0	2	0	0	0	0	0	0	43.2	0	0
3.04	Caterers Office / Logistic Office / Merchandising Office / Site Management Office / Cleaning & Waste Office / Broadcast / Venue Management Office(Footprint:15.0m x8.0m)	21.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.05	Ceremonies (double storey prefabricated office units connected with external staircase)(Footprint:15 .0mx8.0m)	21.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.06	Doping Control (Footprint:6.0mx14.40 m)	86.4	0	1	1	1	1	1	0	0	86.4	86.4	86.4	86.4	86.4	0
3.07	Doping Control with 5 WC cubicle and sink in each(Footprint:10.6mx 14.4m)	152.64	0	0	0	1	0	0	0	0	0	0	152.64	0	0	0
3.08	Athletes Doping & Medical Block with 4WC cubicles(Footprint:14.7 mx11.7m)	171.99	1	0	0	0	0	0	0	171.99	0	0	0	0	0	0
3.09	Games family with 3WC, 2washbasins and 1	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Code	Items	Per unit Area (Sq m)	Quantity cluster I	Quantity cluster II	Quantity cluster III	Quantity Cluster IV	Quantity Cluster V	Quantity cluster VI	Quantity cluster VII	Area Cluster I	Area Cluster II	Area Cluster III	Area Cluster IV	Area Cluster V	Area Cluster VI	Area Cluster VII
	urinals.(Footprint:10.0mx40.0m)															
3.10	Logistic Manager Office(Footprint:3.6mx6.0m)	21.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.11	Athletes Medical - SMALL with consertina door and sink(Footprint:6.0mx7.20m)	43.2	0	0	0	0	0	0	24	0	0	0	0	0	0	1037
3.12	Athletes Medical - LARGE(Footprint:6.0mx10.80m)	64.8	0	1	1	1	0	2	0	0	64.8	64.8	64.5	0	129.6	0
3.13	Athletes First Aid / Doping Area with 3WC pans and 3 sinks(Footprint:10.0mx12.2m)	122	2	0	0	0	0	0	0	244	0	0	0	0	0	0
3.14	Press Operations(Footprint:10.0mx45.0m)	450	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.15	Sentry Post(Footprint:1.5mx1.5m)	2.25	0	3	0	0	10	3	0	0	6.75	0	0	22.5	6.75	0
3.16	Site Management Office / Competition Manager / Venue Results / Sports Volunteers(Footprint:3.6mx6.0m)	21.6	0	0	0	0	2	0	0	0	0	0	0	43.2	0	0
3.17	Athletes Change Room - LARGE with 5 shower cubicles(Footprint:7.20mx9.0m)	64.8	2	0	2	2	0	2	0	130	0	129.6	130	0	129.6	0
3.18	Athletes block(Footprint:55.0mx25.0m)	1375	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.19	Athletes Block(Footprint:14.7mx12.7m)	186.69	0	0	0	0	0	1	0	0	0	0	0	0	186.7	0
3.20	Sports Presentation Room(Footprint:3.6mx6.0m)	21.6	0	0	0	0	0	1	0	0	0	0	0	0	21.6	0

Code	Items	Per unit Area (Sq m)	Quantity cluster I	Quantity cluster II	Quantity cluster III	Quantity Cluster IV	Quantity Cluster V	Quantity cluster VI	Quantity cluster VII	Area Cluster I	Area Cluster II	Area Cluster III	Area Cluster IV	Area Cluster V	Area Cluster VI	Area Cluster VII
3.21	Technical Officials / Time Scoring / Sports Volunteers(Footprint:3.6mx9.0m)	32.4	0	0	0	0	1	1	0	0	0	0	0	32.4	32.4	0
3.22	Ticket booth - SMALL (x 2) with 4nos open able glazing(Footprint:3.6m x4.2m)	15.12	0	1	1	0	0	1	0	0	1	2	0	0	15.1	0
3.23	Ticket booth - MEDIUM (x 4)(Footprint:3.6mx6.6 m)	23.76	2	0	0	1	2	4	0	4	0	2	4	47.5	95.0	0
3.24	Ticket booth - LARGE (x 8)(Footprint:3.6mx11.4 m)	41.04	0	3	0	1	1	0	0	0	1	0	4	41.0	0	0
3.25	Management Offices - (Footprint:3.6mx6.0m)	21.6	1	0	0	0	0	5	0	2	0	0	0	0	108	0
3.26	Venue Operation's (Footprint:5.0mx10.0m)	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.27	Venue Operations(Footprint:15.25mx45.0m)	686.25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.28	Venue Operations(Footprint:30.0mx40.0m)	1200	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.29	Work Force(Footprint:10.0m x40.0m)	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.30	Work Force Area(Footprint:8.0mx10.0m)	80	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.31	Sponsor Showcasing Concession (Footprint:5.0mx5.0m)	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.32	TSR / Sports Presentation(Footprint: 3.6mx9.6m)	34.56	0	0	1	2	0	0	0	0	0	3	6	0	0	0
3.33	Ceremonies /	172	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Code	Items	Per unit Area (Sq m)	Quantity cluster I	Quantity cluster II	Quantity cluster III	Quantity Cluster IV	Quantity Cluster V	Quantity cluster VI	Quantity cluster VII	Area Cluster I	Area Cluster II	Area Cluster III	Area Cluster IV	Area Cluster V	Area Cluster VI	Area Cluster VII
	Federation Offices (Footprint:17.2mx10.0 m)															
3.34	Venue Operations (Footprint:8.0mx20.0m)	160	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.35	Technical Officials Block (Footprint:18.0mx10.0 m)	180	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.36	Timing & Scoring Control Room(Footprint:10.8m x6.0m)	64.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.37	Ticket booth - LARGE (x 10)(Footprint:3.0mx13. 8m)	41.4	2	0	0	0	0	0	0	8 2 .8	0	0	0	0	0	0
3.38	Ticket booth - LARGE (x 10)(Footprint:3.6mx12. 0m)	432	1	0	0	0	0	0	0	4 3 2	0	0	0	0	0	0
	Total Area/									1 1 3 0	2 9 6	5 7 2 4	5 6 7	316. 3	854. 4	1037
														Grand total area:		4773.06 sq mt
Area in Sq.mt														4,773.06		
Area in Sq. feet (*10.7642)														51,378.17		
Amount as per Overlays contract (including service tax)														21,84,55,016		
Less: Amount in CPWD rate(Rs1645/Sq feet*51378.17)														-8,45,17,090		
Excess amount of payment: (in Rs.)														13,39,37,926		

Annex: 9.7 CONTRACT VALUE OF WATER DISPENSOR

Co de	Items	Pico I	Nussli II	GL III	Nussli IV	ESAJV V	Pico VI	GL VII	Total
21.28	Water Dispenser - 20 Lts. (Nos)	500	425	405	325	475	845	145	3120
	Rate (Rs/Nos)	11,852	1,776	32,986	1,776	9,379	9,855	32,986	
	Amount (Rs)	59,26,088	7,54,873	1,33,59,411	5,77,256	44,54,835	83,27,475	47,82,999	3,81,82,937

Annexes to Chapter 11

Annexe 11.1

Chronology of events for the award of work for Games Village Catering

June 2009	EOI for 11 tender packages; responses from 25 agencies
July 2009	Evaluation of EOI responses; 4 out of 10 respondents for CGV, and 13 out of 16 respondents for other packages shortlisted.
October 2009	RFP for CGV issued to 4 qualified respondents; bid submitted by only one party – Delaware North Companies Australia.
11 November 2009	Letter from DNC to OC about their partnership with TajSATS and PKL, London.
10 December 2009	File sent through DG and CEO to Chairman for condoning non submission of EMD and opening of commercial bid
11 December 2009	Commercial bids opened on verbal instruction of the Chairman
6 January 2010	DNC sent an e-mail, raising concerns on the delay in taking decision on the CGV contract.
12 January 2010	File returned from the Chairman with Decision to re-tender
13 January 2010	Shri Jiji Thomson, SDG(Catering) requested DG and CEO to take OCFC,FSC and EB approval on it
15 January 2010	Shri Jiji Thomson instructed Shri Jeychandran JDG(F&A)to place outcome of tendering before OCFC
16 January 2010	Shri Jeychandran decided to take up the subject with OCFC after retendering is done , forwarded the file to Shri Ram Mohan DDG(Legal) for legal opinion
18 January 2010	Shri Ram Mohan agreed with Shri Jeychandran , also noted that commercial bid is 2.5 times the budget provision
19 January 2010	DNC confirmed their commitment to deposit the EMD
23 January 2010	Shri Lalit Bhanot ordered for retendering process to start
2 February 2010	The decision to retender was communicated to DNC.
3 February 2010	RFP for CGV package reissued with last date of 24 February 2010 (extended to 3 March 2010)
3 March 2010	Technical bids from two parties - DNC (along with Taj SATS and PKL) and IRCTC (along with Xtreme Chefs, PKL and SGS India)
19 March 2010	Proposal of IRCTC rejected, and DNC found technically qualified.
26 March 2010	Financial bid of single vendor – DNC- opened in the presence of their representatives.
29 March 2010	OSD Catering informed DNC that they were technically qualified.

30 March 2010	DNC informed OC that their partner for kitchen design and construction, PKL, had refused to participate in the contract (due to frustrations and concerns about OC's processes and procedures), and suggested that OC hold negotiations with the next ranked bidder.
7 April 2010	After negotiations between PKL and OC, PKL provided an option of purchasing ex-hire catering equipment for the Games Village, and asked for review and finalising contract terms by 13 April 2010
14 April 2010	Team of OC officials visited Melbourne to hold discussions with DNC, who indicated that OC had to deal directly with PKL, but stressed that only PKL should be appointed as the equipment supplier.
19-22 April 2010	OC Finance Sub-Committee (with Secretaries UD and Sports, and AS, MOF) was apprised of this emergent situation, and approved the award of contract to DNC, but did not comment on the proposal from PKL.
30 April 2010	OC team visited London for negotiations with PKL; advance payment of 15 percent (as against 50 per cent originally proposed by PKL) agreed to.
6 May 2010	DNC submitted the revised rates totalling Rs. 81.62 crore.
11 May 2010	OC EB approves outright purchase of equipment from PKL. DNC submitted the revised rates totalling Rs. 66.59 crore.
20 May 2010	OC signed contract with DNC.
31 May 2010	RFP for appointment of kitchen equipment installer and project manager, with last date of 10 June 2010.
7 June 2010	OC Finance Sub-Committee recommended airlifting of kitchen equipment by Balmer Lawrie at a cost of \$ 1.5 million (excluding service tax)
14 June 2010	Technical evaluation of three bids for installation of kitchen equipment conducted; two bidders were qualified. Commercial evaluation was done on the same date, and M/s Constellations (in consortium with M/s Aster Technologies, Pune) was found to be the L-1 bidder.
27 June 2010	EB approved airlifting of kitchen equipment by Balmer Lawrie as well as award of contract for installation of equipment to M/s Constellations
5-9 July 2010	Equipment despatched by air.
9 September 2010	CGV Kitchen handed over by OC to DNC; kitchen commenced operations on 13/16 September 2010

Annexe 11.2**Chronology of events for the award of work for Venues Catering**

June 2009	EOI issued for 11 clusters
15 December 2009	RFP issued to the 13 qualified bidders
18 February 2010	Last date was 28 January 2010 which was extended twice till 18 February 2010 due to change in templates. Five firms submitted bids for some clusters. Only IRCTC quoted for 1 to 8 clusters. No one for 10 and 11 clusters.
22 March 2010	Technical evaluation was carried out by committee headed by SDG Catering
31 March 2010	Chairman asked to re tender as many reputed firms like ITDC etc did not participate
7 April 2010	Catering FA informed Chairman that delay will escalate cost and make it difficult to meet deadlines. Chairman agreed and approved the technical evaluation
8 April 2010	Commercial evaluation was carried out
Apr – June 2010	Negotiations were carried out with all the five firms. Finally the total estimated expenditure came down from Rs. 77.94 crore to Rs. 68.46 crore
22 June 2010	Chairman in a meeting of senior management suggested to cancel all tenders and nominate IRCTC and Chef Air
27 June 2010	EB approved to cancel all tenders packages and appoint IRCTC and Chef Air on nomination basis
5 July 2010	IRCTC submitted the quote of Rs. 24.20 crore for all tender packages except 1 and 4 with certain conditions
16 July 2010	IRCTC agreed to supply packed food to workforce and volunteers at the rate of Rs. 150/- per meal within the limit of 40000 meals per day
15 - 21 July 2010	Chairman took a high level meeting with senior officials of IRCTC and received a final quote of Rs. 43.83 crore for all tender packages
19 July 2010	OSD (Revenue) vide its note informed that he along with SG and CEO had a meeting and decided to issue a new RFP on the same day inviting bids for supply of food packed to workforce, volunteers, in packed condition and will consist of only vegetarian items. <ul style="list-style-type: none"> • RFP issued for appointment of agency for operating food stalls to provide food & beverage to the spectator as user pay service
22 July 2010	Meeting of Chairman, SG, DG, SDG & JDG (catering) and CEO decided that IRCTC proposal is not accepted and new RFPs should be floated
24 July 2010	RFP issued for appointment of caterer for catering services at all lounges in competition and training venues and for appointment of caterer for supply and distribution of food packets at all the games venue including training and non competition venues except games village
14 August 2010	Fast track committee asked to negotiate with the vendors for the lounges catering
18 August 2010	Lol was issued to AFP Manufacturing Pvt Ltd for supply of food packets after technical and commercial evaluation. No agreement was signed

19 August 2010	Work was awarded to three firms for the total amount of Rs. 13.93 crore
20 September 2010	OC initiated a note to provide catering services at the airport from 23 September 2010
24 September 2010	Chairman approved the appointment of two caterers at the airport
25 September 2010	Joint inspection with food safety consultant of base kitchen of AFP revealed that the firm is not able to provide the food in the conditions required
26 September 2010	Shri Sanjiv Mittal, JDG (Catering) informed that AFP cannot provide the packed lunch and dinner before 1 October 2010 and requested to appoint 7 new caterers
27 September 2010	MoU signed with M/s Fast trax for operating food staffs to provide food & beverage to the spectators as user pay service
2 October 2010	OC was required to received the full payment of Rs. 92.70 lakh from Fast trax however received only Rs. 23.18 Lakh
3 -14 October 2010	Finally total 19 vendors supplied the food at different venues as appointed by the venue administrators

Annexe Chapter 13

Annex 13.1 - List of Items lying idle at ITPO

Sl.no.	Event	Name of the items	Brand	Unit	Per unit cost (in Rs)	Total cost (in Rs)
1	Athletics	Weighing machine	Gold Tech 10 KG	6	3,086	18,516
2		Measuring rod pole vault	ATE	1	2,500	2,500
3		Disc Trolley	Vinex	3	3,600	10,800
4		Javelin Trolley	Vinex	3	3,600	10,800
5		Shot Put Trolley	Vinex	3	3,600	10,800
6		High Jump Uprights	Vinex	1 pair	9,600	9,600
7		Powder Stand with Bowl	Vinex	2	1,200	2,400
8		Pole Vault Cross Bar Stand	Vinex	2	2,400	4,800
9		Starting Blocks	Nelco	8	2,340	18,720
10		Shot Put 7.26 KG	Nishi (Metal)	1	10,700	10,700
11		Shot Put 4 KG	Nishi (Metal)	4	8,675	34,700
12		Shot Put 4 KG	Nelco (Black)	2	1,925	3,850
13		Disc 2 KG	Denfi	3	16,900	50,700
14		Disc 2 KG	Nelco	3	3,650	10,950
15		Disc 1 KG	Nelco (Golden)	2	2,725	5,450
16		Disc 1 KG	Nishi	4	18,510	74,040
17		Hammer 7.26 KG	Nishi (Red)	2	45,100	90,200
18		Hammer 7.26 KG	Nelco (Golden)	2	2,370	4,740
19		Shot Put 7.26 KG	Polanic (Orange)	1	26,800	26,800
20		Shot Put 7.26 KG	Nelco (Yellow)	1	2,370	2,370
21		Shot Put 7.26 KG	Vinex (Metal)	1	5,500	5,500
22		Hammer 4	Nelco (Golden)	2	1,935	3,870

Sl.no.	Event	Name of the items	Brand	Unit	Per unit cost (in Rs)	Total cost (in Rs)
		KG				
23		Hammer 4 KG	Vinex (Silver)	2	4,400	8,800
24		Hammer 4 KG	Polanic (Golden)	1	16,275	16,275
25		Starting block stand	Vinex	1	4,000	4,000
26		Javelin 800 GM	Nemeth	1	54,883	54,883
27		Javelin 800 GM	Nordic	3	85,397	2,56,191
28		Javelin 600 GM	Nemeth	1	47,736	47,736
29		Javelin 600 GM	Nordic	3	32,158	96,474
30		Measuring tapes 100 M	Vinex	1	925	925
31		Measuring tapes 50 M	Vinex	1	495	495
32		Measuring tapes 30 M	Vinex	2	300	600
33		Measuring tapes 15 M	Vinex	2	180	360
34		Hurdles	Vinex	100	3,465	3,46,500
35		Lane box (1-9)	Not mentioned	9	1,600	14,400
36		Resting rack	Not mentioned	5	2,400	12,000
37		Cross bars (Pole vault)	Vinex	8	1,425	11,400
38		Cross bars (High jump)	Vinex	8	1,425	11,400
39		Athletic shade	Nelco	25	24,990	6,24,750
40		Medal tray	Local	26	850	22,100
41	Archery	Metal detector	Recover (Esskay)	1	24,000	24,000
42		Lane board	Local	79	225	17,775
43		Target measuring jig	Local	5	750	3,750
44	Aquatics	Swimming lane	Malmsten	20	1,30,000	26,00,000
45		Trampoline	Eurotramp	10	3,35,633	33,56,330
46		Reels	Mamsten	8 set	1,58,000	12,64,000
47		Pace clock	Local	4	10,000	40,000

Sl.no.	Event	Name of the items	Brand	Unit	Per unit cost (in Rs)	Total cost (in Rs)
48	Badminton	Stringing machines	Yonex	3 set	5,09,020	15,27,060
49		Umpire chair	Local	6	3,690	22,140
50		Badminton post	Uesaka	12 pairs	88,668	10,64,016
51		Shuttle cock	Yonex	1392 doz	1,114	15,50,688
52	Weightlifting	Weighing machine	Gold Tech 200 KG	12	4,960	59,520
53		Steel tray	Local	9	3,600	32,400
					Total	1,35,03,774

Annex 13.2 List of Items lying 100 percent unused at Venues

Sl.No	Discipline	Items	Brand	Qty	Unit price (in Rs)	Total (in Rs)
1	Gymnastic Men Artistic (IG stadium)	Mushroom	Gymnova	2	24,029	48,057
2		Additional Landing Mats-FIG 400x200x10cm	Gymnova	10	32,755	3,27,549
3		Competition trumpling tyrack with running up and landing areas FIG approved	Gymnova	2	9,19,475	18,38,951
4		landing mat 200x200x20 cm velcro bid width-FIG	Gymnova	13	53,242	6,92,152
5		Landing mat 300x200x20cm velcro bib width-FIG	Gymnova	6	37,687	26,122
6		Pairs of plywood rings with cables, straps and bearing for ring frame	Gymnova	4	14,986	59,945
7		Reinforced handrail for competition parallel bars ref.3832	Gymnova	4	17,326	59,945
8		Riser Panel	Gymnova	4	47,362	1,89,447
9		Trampoline with bed 6x6 without safety platform	Gymnova	2	2,67,034	5,34,069
10	Gymnastic Women Artistic (IG Stadium)	20 cm Low beam	Gymnova	2	38,889	77,777
11		Additional Landing Mats-FIG 400x200x10 cm	Gymnova	10	32,754	3,27,548
12		Competition trumpling tyrack with running up and landing areas FIG approved	Gymnova	1	9,19,475	9,19,475
13		Handrail for Asymmetric bars-unit	Gymnova	8	31,363	2,50,909
14		Landing mat 200x200x20 cm velcro bib width-FIG	Gymnova	6	37,687	2,26,122
15		Landing mat 300x200x20cm velcro bib width-FIG	Gymnova	13	53,242	6,92,151
16		Small removable protection pad	Gymnova	4	5,438	21,752
17		Trampoline with bed 6x6 without safety platform	Gymnova	2	2,67,034	5,34,068

18	Gymnastic (consumable & non consumable items)	Vacuum cleaner	Forbes	2	6,200	12,400
19		Plastic bucket, mugs big mugs small	Local	10, 10, 9	NA	1,879
20	Hockey (MDC stadium)	Electronic Hooter (Mega Phone)	Alpice	2	4,450	8,900
21		Goal Keeper Pad Measuring Device	Local	2	2,500	5,000
22		Goal Posts	Schapers	1 pair	7,06,444	7,06,444
23		Goal Nets (Extra)	Schapers	2 pairs	47,096	94,192
24						0
25	Wrestling (IG Stadium)	Wrestling dummies with cover-Ht. 1.30 m, 15 kg (15.170, 14.560, 15.870, 14.640)	NA	4	24,445	97,780
26		Wrestling dummies with cover-Ht.1.45m, 25 kg (24.500, 25.730, 24.650)		3	25,415	76,246
27		Wrestling dummies with cover-Ht. 1.60 m, 30 kg (29.430, 30.690, 30.690, 32.180, 32.200, 30.820)	NA	6	29,944	1,79,664
28		Wrestling Dummies wit 41.730, 39.200, 39.030, 40.680, 40.430)	NA	7	30,452	2,13,166
29		Men Wrestling Dummies Ht. 1.70m, 40 kg	J. Foeldeak	8	30,452	2,43,619
30	Wrestling (Ludlow Castle)	Women Wrestling Dummies Ht. 1.30m, 15 kg	J. Foeldeak	8	24,445	1,95,560
31		Women Wrestling Dummies Ht. 1.45m, 25 kg	J. Foeldeak	2	25,415	50,830
32		Women Wrestling Dummies Ht. 1.60m, 30kg	J. Foeldeak	2	29,944	59,888
33		Electronic weighing machines for body weight 200 kg 10 gm Digital (calibrated every day)	Goldtech	4	4,960	19,840
34		Adjustable wooden blocks	Uesaka	7 pairs	24,875	1,74,125
35	Weightlifting (JLN Stadium)	Magnesium Powder (3 Bagsx20 kgs)	NA	3	2,000	6,000
36		Hammer, 7.260 kg. S. Steel	vinex	11	5,500	60,500

37	Athletics (JLN stadium)	Hammer 4 kg Stainless Steel	vinex	12	4,400	52,800
38		Judge stand/time keeper stand 6 step (depth of seats 45 cm and length of seat 1.50m) Frame to be made of 1 square pipe	vinex	4	12,000	48,000
39		Measuring wheel	Nelco	2	2,200	4,400
40		Red Plastic Foul Signal Card (30 cm x 20 cm)	vinex	5	200	1,000
41	Lawn Bowl (JLN Stadium)	Touch Spray		257	10	10,319
42	Aquatics (SPM)	Stop Watch (Casio 1/1000 sec. split 100x2 Lap Memory)	Local	30	2,970	89,100
43		Towel (without logo)	Local	400	130	52,000
					Total	92,89,691

Annexes to Chapter 14

Annex: 14.1 - Instances of Different Rates across vendors and clusters 1,2,4 & 6

(Amount in Rs.)

Code	Item	Lowest Rate Contracted by OC	Highest Rate Contracted by OC
1	Flags	1,075.25	2,053.00
2A	Flag Poles	4,620.13	5,330.00
2B	Flag Horizontal Rods	1,081.25	1,200.00
3A	Fop A Boards Metal Frame + Flex	600.00	1,487.51
3B	Fop A Boards Metal Frame + Sunpac	1,440.00	2,000.00
3D	Fop Facia Boards Metal Frame + Flex	925.00	1,486.85
3E	Fop A Boards Metal Frame + Ply + Flex	1,794.38	1,800.00
4	Foam Triangle Boards	1,485.80	1,950.00
5	External fencing/internal fencing	470.00	594.00
6	Broadcast Tribune /Media Tribune/Wall Graphics Strips /Cone wraps/Wall Wraps (Internal)/Porta Cabin/Glass Facade (Blockout)	680.00	710.00
7	Table skirting/Marquee skirting/Camera stand skirting	489.57	660.00
8	Media/Mixed zone Backdrop	860.00	1,465.56
9	Barricades	863.00	1,059,30
10	Vomatrics	760.00	900.00
11A	Dropdown banners	647.33	760.00
11B	Dropdown banners	695.00	782.70
12	Standees	850.00	1,640.29
13A	Pillar wraps (without Frame)	695.00	1,200.00
13B	Pillar wraps (with Frame)	885.00	1,250.00
14C	Gate arch - Option 3	880.00	1,115.00


Code	Item	Lowest Rate Contracted by OC	Highest Rate Contracted by OC
15	Spectator Area Back Wall /Tier Graphic	590.00	695.00
16	Buntings/Athletes' Bibs	580.00	630.00
17A	Glass Facade	875.00	1,265.00
17B	Glass Facade	875.00	1,265.00
18B	Decals/Graphics Over Road/Go Markers	1,400.00	1,520.00
18C	Decals/Graphics Over Road/Go Markers	2550.00	2600.00
19	Fleet Graphics/Sports Equipment (Leatherite)	1,180.00	1,391.02
20A	Wall Wrap	1,850.00	2,200.00
21	Yellow Halogen Light	1000.00	3,825.00
22	Spotlight	300.00	3,825.00
23	Backlit Boards	900.00	22,000.00
	TOTAL		

Vendors	Clusters	Value of the items at the best rates obtained item wise across clusters 1,2,4 & 6 (Rs.)	Contract Value(Rs)	Avoidable Amount (Rs)
Design Dialogue (India) Pvt	1	3,08,10,845	3,47,09,843	38,98,998
Design Dialogue (India) Pvt ltd	2	4,88,68,051	5,70,93,671	82,25,620
Design Dialogue (India) Pvt Ltd	4	2,98,54,918	3,26,41,045	27,86,127
Hannu Advertising Pvt Ltd	6	2,83,68,689	3,38,73,496	55,04,807
				2,04,15,552

Annexes to Chapter 16

Annexe 16.1

Delays in planning and approving the venue specifications

S.No.	Venue	Handover of venue brief	Concept design completed by venue owner	OC's approval of concept design	Actual date of final design	Actual date of commencement of construction	Actual date of completion construction
	Target dates of OC 	December 2006	May 2007	June 2007	July 2007	September 2007	December 2009
1	Games Village (DDA)	04.12.2006	30.06.2007	18.09.2007	Not available	14.09.2007	13.12.2010
2	Siri Fort Sports Complex (Badminton and Squash)	30.03.2007	05.05.2007	16.05.2007	Not available	23.01.2008 (raft foundation)	25.09.2008 (raft foundation)
						07.08.2008 (superstructure)	30.09.2010 (superstructure)
3	Yamuna Sports Complex (Table Tennis)	04.11.2006	02.07.2007	17.05.2007	Not available	22.01.2008 (Foundation)	19.06.2008 (Foundation)
						07.08.2008 (Electrification)	30.09.2010 (Electrification)
4	Archery-Preliminary (Yamuna Sports Complex)	01.06.2007	21.01.2008	17.03.2008	Not available	13.03.2009	22.09.2010
5	Archery-Final (India Gate, Temporary Structure)	15.06.2007	21.01.2008	26.06.2008	Not available	Venue changed subsequently	
6	JLN Stadium (Athletics)	December 2006	01.05.2007	03.09.2007	Not available	04.01.2008 (Roof)	26.08.2010 (Roof)
7	JLN Stadium (Lawn Bowls)	06.10.2007	06.10.2007	Not available	01.07.2008	18.09.2009	Work in progress as on 24.09.2010
8	JLN Stadium (Weightlifting)	04.12.2006	01.10.2007	04.11.2007	01.07.2008	14.03.2008	Completion certificate not yet received as of December 2010
9	National Stadium (Hockey)	04.12.2006	18.05.2007	26.05.2007	Not available	October 2007	Completion certificate not yet received as of December 2010
10	IGI Stadium (Cycling)	09.11.2006	February 2009	Final approval was not reportedly received	Not available	December 2008	June 2010

S.No.	Venue	Handover of venue brief	Concept design completed by venue owner	OC's approval of concept design	Actual date final design	Actual date of commencement of construction	Actual date of completion construction
11	IGI Stadium (Gymnastics)	04.12.2006	01.08.2007	03.09.2007	Not available	22.01.2008 (roof truss)	17.04.2009 (roof truss)
						04.12.2008 (Retrofitting & repair)	31.05.2010 (Retrofitting & repair)
						03.09.2008 (Warm-up hall)	18.11.2009 (Warm-up hall)
12	IGI Stadium (Wrestling)	09.11.2006	26.10.2007	Final approval was not reportedly received	Not available	23.08.2008	07.06.2010
13	Dr. Karni Singh Shooting Range	09.12.2006	25.06.2008	27.07.2008	Not available	25.10.2008	30.10.2010
14	Dr. SPM Pool (Aquatics)	01.10.2007	17.08.2007	01.07.2008	29.09.2007	17.01.2008	31.08.2010
15	Thyagaraj (Netball)	07.11.2006	05.05.2007	19.05.2007	Not available	20.09.2007 (Package - I)	10.04.2009
					Not available	06.05.2008 (Package - II)	30.06.2010
16	Talkatora Stadium (Boxing)	04.11.2006	22.11.2006	05.07.2007	09.07.2009	27.04.2008 (Stadium)	19.04.2010 (Stadium)
						14.12.2007 (Facility Block)	16.06.2010 (Facility Block)
17	Delhi University (Rugby 7s)	12.03.2007	31.07.2007	12.09.2007	01.07.2008	04.08.2008	30.09.2010
18	RK Khanna Stadium	30.03.2007	17.07.2007	27.07.2007	July 2008	04.06.2008	06.09.2010
19	CRPF Full Bore Shooting Range, Kadarapur, Haryana	15.12.2006	11.07.2008	Not available	Not available	23.03.2009 (Road, drains)	10.05.2010 (Road, drains)
						06.06.2009 (Facility block spectator gallery & parking)	07.05.2010 (Facility block spectator gallery & parking)
						26.12.2008 (Approach road)	03.10.2009 (Approach road)
						16.08.2009 (Baffle wall)	10.05.2010 (Baffle wall)

Annex 16.2***Statement showing extra/deviated/substituted item in the work***

Sl. No	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in crore)	Extra items (Rs. in crores)	Substituted items (Rs. in crores)	Deviated items (Rs. in crores)	Reasons	What we observed
CPWD									
1.	KSSR	Consultancy services for architectural, structural planning and designing for augmentation of existing 10m, 25m, 50m, ranges including extension of ranges, skeet and trap etc	M/s CES	0.35	0.63	Nil	Nil	-	<ul style="list-style-type: none"> Detailed comments given in Paragraph 17.12.2 of this report
2.	KSSR	"Construction of ranges of 10mtr, 25 mtr, 50 mtr. Trap, Skeet Final range and Armoury bldg. including development of the complex (Civil and Electrical) in the Dr. Karni Singh Shooting Range, Tuglakabad, New Delhi,	M/s Era Infra Engineering Ltd (EIL)	70.76	8.12		12.25	-	<ul style="list-style-type: none"> The quantities concerned exceeded 30 percent of allowed deviation at contracted rate resulting in additional expenditure of Rs. 0.59 crore due to ineligibility of rebate at the rate of 4.80 percent on consumption beyond 30 percent deviation. Overpayment by irregularly treating the substituted items as extra items have been discussed in case study 16.1 of this report
3.	JNS	Construction of fixed	M/s	308.08	5.17	Nil	41.25	-	<ul style="list-style-type: none"> Detailed comments given in Paragraph 17.7.1.2 of this report

Sl. No	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in crore)	Extra items (Rs. in crores)	Substituted items (Rs. in crores)	Deviated items (Rs. in crores)	Reasons	What we observed
		tensile membrane roofing over seating area	Shapoorji Pallonji Co. ltd				(including minus deviation of 19.09)		
4.	JNS	Construction of weightlifting auditorium with two tier underground parking	M/s Nagarjuna construction Co. Ltd.	65.45	0.90	1.42	5.6	-	<ul style="list-style-type: none"> Detailed comments given in Case study 17.4 of this report
5.	JNS	Construction of WADA lab and administrative block	M/s Globe civil Projects pvt. Ltd.	22.81	1.11	0.20	4.52	-	
6.	JNS	Providing and laying IAAF approved synthetic athletic track surface	M/s Shiv Naresh Sports Pvt. Ltd.	27.62	1.69	0.02	1.87	-	
7.	JNS	Consultancy services for providing fixed double membrane roof over JNS	CES	8.97	0.87	-	-	-	
	JNS	Consultancy services for weightlifting auditorium with two tier underground parking	CES	3.8	0.50	-	-	-	
8.	SPM	Construction of new insulated metal sheet roof along with roof	ACIL	230	42.96	2.20	(-) 2.73	-	<ul style="list-style-type: none"> Impact of treatment of extra/substituted items discussed in case study 17.4

Sl. No	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in crore)	Extra items (Rs. in crores)	Substituted items (Rs. in crores)	Deviated items (Rs. in crores)	Reasons	What we observed
		supporting structure and its integration with existing structure including E&M Works							<ul style="list-style-type: none"> Extra payment for items already included in the scope of work of lump sum contract discussed in case study 17.3
9.	SPM	SITC of HVAC systems	M/s Voltas	12.40	5.57	1.74	(-) 2.13	-	-
10.	SPM	SITC of Sub- station Equipments	M/s Sudhir Power	6.09	0.57	---	1.24	-	-
11.	SPM	SITC of UPS System	M/s Power House	3.25	0.23	---	---	-	-
12.	SPM	SITC of DG Sets	M/s Sudhir Power	4.39	0.10	---	(-) 0.02	-	-
13.	SPM	Providing of Façade Lighting	ACIL	4.99	0.23	0.62	(-) 2.34	-	-
14.	SPM	Providing of IBMS	M/s Fire Pro	0.40	--	--	(-) 0.02	-	-
15.	SPM	Consultancy Work	CES	5.67	1.12	---	(-) 0.14	-	-
16.	JNS	Providing and laying Global Category World Bowls approved Synthetic Outdoor flat lawn bowls greens (Part A) (JNS-4 nos. & DPS-2 nos.)	M/s Jubilee Sports Technology (I) Pvt. Ltd.	7.42	1.08	-	-	-	<ul style="list-style-type: none"> Irregular sanction of extra items. All the items covered under agreement item. The quantity paid in excess of sanctioned quantity

Sl. No	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in crore)	Extra items (Rs. in crores)	Substituted items (Rs. in crores)	Deviated items (Rs. in crores)	Reasons	What we observed
17.	JNS	C/o Road, Storm water drains, RCC seating tiers of warm-up area at JNS	M/s NIKG Infrastructure Ltd.	21.02	-	-	0.71	-	Items deviated beyond permissible limit led to extra liability
18.	JNS	SITC of sub-station equipment	M/s Antelec Ltd.	28.72	-	-	1.04	-	Items deviated beyond permissible limit led to extra liability
19.	JNS	C/o one number hostel/media accommodation block at JN Stadium	M/s Rama Construction	10.15	-	-	0.22	-	Items deviated beyond permissible limit led to extra liability
20.	JNS	Internal Space Planning	M/s Era Infra Ltd.	111.28	6.01	1.45	12.95 (+ & - both)	-	Lack of planning led to extra expenditure of Rs21.00 crore.
21.	JNS	C/o Sub-station building I,III,IV and underground water tanks and pump rooms	M/s Rama Construction	7.41	-	-	0.14	-	Items deviated beyond permissible limit led to extra liability
22.	JNS	C/o Boundary wall	M/s Arora Construction	6.17	3.67	-	3.30	-	Execution of indispensable items as extra item. Items deviated beyond permissible limit led to extra liability

Sl. No	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in crore)	Extra items (Rs. in crores)	Substituted items (Rs. in crores)	Deviated items (Rs. in crores)	Reasons	What we observed
PWD									
23.	Thayagraj Sports complex	Package-I (Basic Structure)	M/s JMC Project(I) Ltd.	103.96	0.22		30.19 (+ & - both)	Change in column design from steel to RCC and as per site requirement	No comment
24.	Thayagraj Sports complex	Package-II	M/s JMC Project(I) Ltd.	108.80	5.31	-		As per site requirement	No comment
25.	Chhatrasal Stadium	Development of Athletic training venue (athletic track 400 mt. x 8 lane)for Commonwealth Games-2010	M/s Era Infra Engineering Ltd.	60.26	0.87	-		As per site requirement	No comment
26.	Ludalaw Castle	C/o wrestling Training Venue at Ludalaw castle School No. 1 Delhi.	M/s Arora Construction Co. (P) Ltd.	11.25	0.30	-		As per site requirement	No comment
27.	Talkatora stadium	Additions/alteration of Indoor stadium	M/s Simplex Projects Ltd	19.19	5.80	1.91	0.53	As per site requirement	<ul style="list-style-type: none"> Lack of foresight in planning,execution,time management,co-ordination with different agencies Excess payment due to incorrect framing of rate analysis has been commented in para 19.2.3.4
28.	Talkatora	Construction of new	M/s	52.98	2.63	6.43	3.38	As per site	<ul style="list-style-type: none"> Lack of foresight in planning,execution,time

Sl. No	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in crore)	Extra items (Rs. in crores)	Substituted items (Rs. in crores)	Deviated items (Rs. in crores)	Reasons	What we observed
	stadium	Sports Facility Block with parking	Simplex Projects Limited					requirement	management,co-ordination with different agencies <ul style="list-style-type: none"> • Avoidable expenditure of Rs.1.55 crore has been commented in para 19.2.3.5
29.	Shivaji stadium	Improvement/up-gradation of the stadium as a composite work	M/s China Railway shisiju group corporation	160.27	-	-	5.26	As per site requirement	Deviations occurred due to inadequate survey and improper time management.
Total				1483.91	95.66	15.99	131.83		

Annexe 16.3***Statement showing cases where final EOT is granted but not justifiable***

Sl. No.	Venue	Name of work	Name of contractor/co nsultant	Tendered amount (Rs. in crore)	Stipulated date of completion	Reported date of completion	Delay in completion (in months/days)	Final EOT granted upto	Delay not justifiable (reasons)	Compensati on leviable but not recovered (Rs. in crore)
CPWD										
1.	JNS	Construction of WADA lab and administrative block	M/s Globe Projects pvt. Ltd.	22.81	09.10. 08	20.2.09 (Civil) 29.05.09 (Electrical)	232 days	20.2.09	Non-deployment of adequate manpower, lack of management on the contractor's part and the required composite certificate not issued	2.28
2.	JNS	Consultancy services for c/o of WADA lab and administrative block	M/s Kothari Associates	0.40	12.6.2007	20.2. 09	618 days	20.2.09	Delays in providing drawings	0.04
TOTAL										2.32

Annexe 16.4

Statement showing where provisional EOT has been granted

Sl. No.	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in)	Stipulated date of completion	Reported date of completion	Delay in completion (in months/days)	Provisional EOT granted upto	What we observed
CPWD									
1.	KSSR	Consultancy services for conducting survey/special inspection, preparation of repair/strengthening plan, necessary design, drawings, specifications, cost estimates, tender documents and assistance to department during tendering and execution of works for repairs/rehabilitation	M/s CES	0.10	02.06.2005	NA	-	NA	EoT was not granted
2.	KSSR	Consultancy services for architectural, structural planning and designing for augmentation of existing 10m, 25m, 50m, ranges including extension of ranges, sket and trap etc	M/s CES	0.35	29.09.2007	04.09.2010	1070 days	-	EoT was not granted
3.	KSSR	"Construction of ranges of 10mtr, 25 mtr, 50 mtr. Trap, Sket Final range	M/s Era Infra Engineering	70.76	24.08.2009	30.10.10	431 days	15.11.2010	-

4.	KSSR	and Armoury bldg. including development of the complex (Civil and Electrical) in the Dr. Karni Singh Shooting Range, Tuglakabad, New Delhi,	Ltd (EIL)	1.59	03.11.09	15.04.10	162 days	-	EoT was not granted
		Up-gradation, renovation and new construction for Commonwealth Games 2010 in Dr. Karni Singh Shooting Range, Tuglakabad, Delhi (SW: Balance work Trap & Skeet no.5)	M/s JMC						
5.	KSSR	Up-gradation, renovation and new construction for Commonwealth Games 2010 in Dr. Karni Singh Shooting Range, Tuglakabad, Delhi (SW: Trap & Skeet no.6)	M/s JMC	1.59	13.11.09	08.04.10	146 days	-	EoT was not granted
6.	KSSR	Up-gradation, renovation and new construction for Commonwealth Games 2010 in Dr. Karni Singh Shooting Range, Tuglakabad, Delhi (SW: Trap & Skeet no. 4 and UG Tank	M/s JMC	1.57	10.12.09	25.04.10	135 days	-	EoT was not granted
7.	KSSR	Up-gradation, renovation and new construction for Commonwealth Games 2010 in Dr. Karni Singh Shooting Range, Tuglakabad, Delhi (SW:	M/s JMC	0.89	2.1.2010	Not executed cancelled on 05.04.10 without assigning any	-	-	-

		Toilet finishing and water proofing)							reasons				
8.	KSSR	SITC of Sub- station Equipments	M/s Ahluwalia	5.27	08.08.09	30.09.10	417 days	15.11.2010	-				
9.	KSSR	SITC of UPS System	M/s Power House	3.90	21.12.09	05.09.10	257 days	15.11.2010	-				
10.	KSSR	SITC of DG Sets	M/s Sudhir Power Project Pvt. Ltd.	2.73	04.09.09	07.09.10	367 days	15.11.2010	-				
11.	KSSR	Providing of External Lighting	M/s Ambar Electro tech	1.73	04.09.09	25.07.10	323 days	15.11.2010	-				
12.	KSSR	Providing of Integrated Building Management System	M/s Siemens Building Technologies Pvt. Ltd.	0.23	21.11.09	20.09.10	302 days	15.11.2010	-				
13.	KSSR	Grassing of the lawn phase-I	M/s Evergreen landscape Pvt. Ltd.	0.67	09.03.10	NA	297 days	31.12.2010	-				
14.	JNS	Construction of weightlifting auditorium with two tier underground parking	M/s Nagarjuna construction Co. Ltd.	65.45	13.6.2009	Completion not yet recorded	##	15.2.2010	-				
15.	JNS	Construction of fixed tensile membrane roofing over seating area	M/s Shapoorji Pallonji Co.Ltd.	308.08	03.09.09	26.08.10	356 days	26.08.10	Contractor and sub-contractors were responsible for delay in completion of work.				
16.	JNS	Providing and laying Global Category World	M/s Jubilee Sports	7.42	17.03.2010	15.04.2010 (as reported)	192 days	-	EoT not shown to audit				

		Bowls approved Synthetic Outdoor flat lawn bowls greens (Part A) (JNS-4 nos. & DPS-2 nos.)	Technology (I) Pvt. Ltd.					by the department) 29.09.2010 (work in progress according to RA Bill of above date)			
17.	JNS	SITC of Sub-Station of Equipment	M/s Antelec Ltd.	28.72	22.11.09	16.08.10	263 days	15.06.10	However, EoT not shown to audit		
18.	JNS	Internal Space Planning of main Stadium Building including repair work of Upper tier (Civil and E&M)	M/s Era Infra Engineering Ltd	111.28	11.12.09	02.09.10 (civil) 29.09.10 (electrical)	257 days	30.04.10 (civil)	Delay on the part of SAI		
19.	JNS	C/o of Sub-Station building I,III,IV & under ground water tanks & pump Rooms	M/s Rama Constructions Co.	7.41	28.09.09	15.07.10	277 days	30.07.10	-		
20.	JNS	Construction of Boundary Wall of Stadium Complex	M/s Arora Constructions Co. (P) Ltd.	6.17	18.11.09	18.08.2010	270 days	14.08.10	-		
21.	SPM	Construction of new insulated metal sheet roof along with roof supporting structure and its integration with existing structure	ACIL	229.72	16.6.09	31.8.10	441 days	30.09.10	-		

	Chand National Stadium							certificate not reported till December 2010	195 days [#]	15.10.10	neither prepared by the department nor was mentioned in the Hindrance Register.
31.	MDC	Laying of global category synthetic turf	M/s Unity Infra Projects	17.85	18.4.10			Final completion certificate from FIH received but formal completion certificate is still awaited			Justified hindrance for 23 days
NDMC											
32.	Talkatora stadium	Addition / alteration of stadium	M/s Simplex Projects Ltd.	19.19	26.04.09			19.04.10	355 days	31.1.10	Though there were no noticeable hindrances, the work continued to be executed beyond the stipulated date without provisional extension. As per clause 2 of contract, penalty @ 1.5 per cent per month subject to a maximum of 10 per cent of the tendered cost was leviable but only partial amount was withheld and no action for levy of penalty for delayed completion of work was taken. In reply NDMC stated that the case for levy of penalty or otherwise would be dealt with on merit basis once the works are completed and sufficient amount is available in the

												form of security deposit, part rate of work. Reply is not acceptable as withheld amount was insufficient against penalty due to be recovered. There is no justification in waiting for completion of work for levy of penalty.
33.	Talkatora Indoor Stadium	Construction of new sports facility block	M/s Simplex Projects Ltd.	52.98	13.06.09	16.06.2010	367 days	31.5.10	As above.			
34.	Talkatora Indoor Stadium	Installation of lifts.	M/s Omega Elevators	0.51	26.03.09	Work yet to complete.	##	25.07.2010	The work has yet not been completed hence up to date period of execution is considered.			
35.	Talkatora Indoor Stadium	S I T C of D G Sets	M/s Sudhir Power Projects Pvt. Ltd.	2.06	3.04.09	Work yet to complete.	##	3.12.2010	The work has yet not been completed hence up to date period of execution is considered.			
36.	Shivaji Outdoor Stadium	Improvement / upgradation of the Stadium	M/s China Railway Shisiju Group Corporation	160.27	28.11.09	Work yet to complete.	##	30.09.2010	The work has yet not been completed hence up to date period of execution is considered.			
37.	Shivaji Outdoor Stadium	SITC of Integrated Security system	Electronic corporation of India	2.20	30.6.10	Work yet to complete	##	EOT not yet granted	The work has yet not been completed hence up to date period of execution is considered.			
38.	Delhi University	Civil, Electrical and other associated work	M/s NCCL	251.82	3.2.10	30.9.10	238 days	14.09.10	Final bills and project closure report pending (Jan-March 2011)			

39.	Delhi University	Outdoor high mast sports lighting	M/s Philips Electronics India Ltd.	7.19	24.2.10	10.08.10	166 days	10.08.10	-
40.	Delhi University	Athletics track	Shiv Naresh Sports Pvt Ltd.	8.20	14.7.10	25.09.10	72 days	23.09.10	-
41.	Delhi University	Seating	Shiv Naresh Sports Pvt Ltd.	3.93	24.7.10	22.09.10	59 days	25.09.10	-

Delay calculated as of 31.10.2010

Delay has not been worked out as work is yet to be completed

Annexe 16.5***Details of Add-ons in justification statement of different stadia***

S.No.	Name of Work	Period of completion of work mentioned in the NIT (in months)	Period for completion of work as per justification statement (in months)	Amount added on account of reduced time period (Rs. in crore)	Date of start of work	Stipulated date for completion of work	Actual Date for completion of work
CPWD							
1.	Indira Gandhi stadium Complex						
	Indoor Cycling Velodrome	14	20	0.85	10.12.2008	09.02.2010	30.06.2010
	Wrestling Stadium	15	22	0.64	23.08.2008	22.11.2009	07.06.2010
	Gymnastic Stadium (Roof Truss)	09	19	0.50	22.01.2008	22.10.2008	17.04.2009
	Gymnastic Stadium (Structural Retrofitting)	12	43	0.83	04.12.2008	03.12.2009	31.05.2010
2.	Remodeling and upgradation of Major Dhyan	18	34	1.45	27.10.2007	26.04.2009	Completion certificate not given as of

	Stadium									December 2010
3.	Dr. Shyama Prasad Mukherjee Swimming Pool Complex	18	24	1.82	17.01.2008	16.06.2009	31.08.2010 (work completed as per MB remarks by EE but composite completion certification yet to be issued.			
4.	Jawaharlal Nehru Stadium									
	Roof work	20	--	2.59	04.01.2008	03.09.2009	26.08.2010			
	Wada Lab	12	--	0.02	10.10.2007	09.10.2008	29.05.2009			
	Weightlifting	15	--	0.02	14.03.2008	13.06.2009	Not recorded			
5.	Dr. Karni Singh Shooting Range	10	--	0.60	25.10.2008	24.08.2009	30.10.2010			
NDMC										
1.	Talkatora Addition/Alteration work	12	--	0.51*	27.04.2008	26.04.2009	19.04.2010 (work completed but completion certificate yet			

2.	Talkatora New Sports facility block	18	27	0.92	14.12.2007	13.06.2009	16.06.2010 (work completed but completion certificate yet to be issued)	to be issued)
3.	Shivaji Stadium	18	27	4.27*	29.05.2008	29.11.2009	Work in Progress	

Annex 16.6

Add-ons included in justification amount on account of transportation of labourers from hutments to site and back due to not allowing labour hut at site

Rs. in crore

Stadium(Work)	Add-ons on account of transportation from hutments to site and back
JNS (Roof work)	4.30
SPM	4.49
Total	8.79

Annexe 16.7***Works where no mention of any particulars with reference Clause 10 C in Schedule F*****Rs. in crore**

Sl . No.	Stadium (Work)	Contractor	Payment of labour wage escalation under Clause 10 C where no percentage was mentioned in schedule F
1	Indoor Cycling Velodrome (Composite Work)	JMC Projects (India) Ltd.	2.46 (provisional payment)
2	Gymnastics Stadium (Structural retrofitting)	JMC Projects (India) Ltd.	0.55
3	IGS Complex (Construction of Roads, Storm Water Drains & Boundary Wall	Swadeshi Construction Co. Ltd.	0.80

Annexes to Chapter 17

Annexe 17.1

Deficiencies during the execution of the consultancy contracts by CES

S.No.	Issues	Major Dhyan Chand Stadium	Jawaharlal Nehru Stadium Complex	Indira Gandhi Stadium Complex	Dr. S P Mukherjee Swimming Complex	Dr. Karni Singh Shooting Range
1	Delayed submission of deliverables	<ul style="list-style-type: none"> Non-supply of required BOQ, Tender Documents etc. in time. There were repeated delays in submission of drawings Delay in obtaining approval from local bodies. 	<ul style="list-style-type: none"> All the 92 drawings for roof work were supplied after lapse of the stipulated date of consultancy. 34 drawings for weightlifting were received, after the stipulated date of completion of work. 	<ul style="list-style-type: none"> Non-supply of required tender documents, detailed estimates etc. in time. Repeated delays in submission of drawings Delays in obtaining approvals from local bodies 	<ul style="list-style-type: none"> Slippages in achievement of milestones ranging between 63 days and 1048 days. Delay in obtaining approval from local bodies. There were repeated delays in submission of drawings. 	<ul style="list-style-type: none"> Non-preparation of necessary designs, drawings, tender documents etc. Delay in obtaining approval from local bodies. There were repeated delays in submission of drawings
2	Increased scope of work as variation orders	Ambiguity in return venue brief with regard to the structures to be erected at the FOP – II leading to increase in the scope of work, post award.		<ul style="list-style-type: none"> In steel works which constituted a major portion of the work “improvement of roof truss”, there were deviations ranging from 83.8 percent to 139.7 percent amounting to Rs. 15.62 	<ul style="list-style-type: none"> Extra items of work costing Rs. 42.96 crore were executed at market rates. Payments amounting to Rs. 1.12 crore were made to CES for modifications/corrections carried out by it, 	<ul style="list-style-type: none"> Extra items of work and deviations costing Rs. 20.37 crore were executed.

S.No.	Issues	Major Dhyan Chand Stadium	Jawaharlal Nehru Stadium Complex	Indira Gandhi Stadium Complex	Dr. S P Mukherjee Swimming Complex	Dr. Karni Singh Shooting Range
3	Increase in scope of consultancy work.			<p>crore (out of a total deviation of Rs.17.51 crore).</p> <ul style="list-style-type: none"> Scope of consultancy package-I enlarged to include internal space planning of the Gymnastics Stadium by means of extra item, approved at a cost of Rs. 0.30 crore with payment made till date being Rs. 0.38 crore. 	although as per agreement the same was deemed to be included in the total fee.	
4	Non-recovery of compensation for delay in execution	<ul style="list-style-type: none"> Provisions for levy of compensation for delay in execution of work not included in the agreement for the purported reason that it was not a work contract and consequently, no Hindrance Register was maintained 	<ul style="list-style-type: none"> No records of target dates and slippages were maintained and hence, no action was taken for levy of compensation of Rs. 0.77 crore, under provisions of the contract. 	<ul style="list-style-type: none"> No records of slippages (and revised target dates in the case of consultancy package-I) were maintained although there was a delay of more than three years from the stipulated date of completion of the consultancy works (i.e. Consultancy packages I & II). 	<ul style="list-style-type: none"> No hindrance register for consultancy work was maintained and consequently, compensation amounting to Rs. 0.57 crore could not be levied on CES, although a provision for the same existed in the agreement. CES included provisioning of LED lights on the compression rings and sheer walls, which 	

S.No.	Issues	Major Dhyan Chand Stadium	Jawaharlal Nehru Stadium Complex	Indira Gandhi Stadium Complex	Dr. S P Mukherjee Swimming Complex	Dr. Karni Singh Shooting Range
					were subsequently found impossible to execute. But for this item in the BOQ, the L1 contractor would have been L2..	

S.No.	Issues	Major Dhyan Chand Stadium	Jawaharlal Nehru Stadium Complex	Indira Gandhi Stadium Complex	Dr. S P Mukherjee Swimming Complex	Dr. Karni Singh Shooting Range
5	Hiring of additional consultants directly by CPWD at its cost, rather than by CES and its "associates."	<ul style="list-style-type: none"> Hiring of additional consultants for Hockey pitch, LED Scoreboard and Sports Lighting in Playfield Arena – I with additional financial burden. 	<ul style="list-style-type: none"> Ignoring contractual provisions, CPWD awarded works already covered under the scope to the JV partner of CES, SBP at an additional cost of Rs.2.19 crore. Unjustified additional payment of Rs.6.41 lakh for modification of architectural drawings, Rs.5.77 lakh for engagement of a technical person of CES for third party quality assurance of all retrofitting works were sanctioned, though such responsibilities were covered by the scope of work. Additional independent consultancy services 			

S.No.	Issues	Major Dhyan Chand Stadium	Jawaharlal Nehru Stadium Complex	Indira Gandhi Stadium Complex	Dr. S P Mukherjee Swimming Complex	Dr. Karni Singh Shooting Range
			<p>for work of internal space planning, construction of tunnel and reconstruction of lower tier were awarded for Rs. 48.91 lakh, Rs.8.85 lakh and Rs.16.16 lakh, without call of open tenders.</p> <ul style="list-style-type: none"> • Single technical and financial offer was accepted at Rs.3.80 crore from CES for consultancy work of weightlifting without any attempts for recall of tenders to obtain competitive rates. • On the advice of CES, CPWD sanctioned an extra item for Rs.50.40 lakh for engagement of proof consultant for weightlifting. 			

Annexe 17.2***Construction of new fixed tensile membrane roofing over the seating area of Jawaharlal Nehru Stadium (Civil work) - Short recoveries of Rs.5.99 crore for work not required to be executed***

S. No.	Agt. Item No.	Description of item	Contracted quantity	Quantity executed	Quantity not required to be executed	Variation rate as per Agt. (Rs.)	Recovery due (Rs.)	Recovery made (Rs.)	Short recovery (Rs.)
1	2.5	Providing and placing in position TMT reinforcement bar conforming to Fe 500 of IS : 1786 including cutting---as per drawings and specifications.	30,00,000 kg	26,35,199 kg	3,64,801 kg	56.49 / kg	2,06,07,608	91,13,176	1,14,94,432
2	4.1	Providing, fixing, jointing and testing of stainless steel/flanged rain water pipes from membrane roof to gully chamber at ground level including fixing the pipes with suitable clamps/brackets	1,400 mtr.	1,354.890 m	54.110 m	26,061/mtr.	14,10,160	---	14,10,160
3	6.1	Providing, transporting, handling, profiling, lifting and pre-stressing of fully	443 MT	413.380 MT	29.620 MT	10,00,000/MT	2,96,20,000	--	2,96,20,000

4	7	locked cables-as per technical specification	53,800 sqm	51,650 sqm	2,150sqm	8,105 /sqm	1,74,25,750	--	1,74,25,750
Total									
5,99,50,342									

Say Rs. 5.99 crore

Note: additionally recovery of Rs.15.50 lakh (approx) was also due for use of 155 MT of structural steel other than S355 grade

Annexe 17.3***Construction of new fixed tensile membrane roofing over the seating area of Jawaharlal Nehru Stadium (Civil work) - Statement showing irregular extra payment of Rs. 4.96 crore for items of work covered by the lump-sum Agreement.***

S. No.	Description of item	Quantity	Rate (Rs.)	Amount (Rs.)	Justification recorded by CPWD	Audit Comments
1	Extra for hot dip galvanized coating on pin and pin Cap used in X & V columns pin joint	42,000 kg	16.31	6,85,020	Agreement provided for hot dip galvanization for bolts but not for pins. Consultant proposed for pins also. Hence extra item	Scope of work notified in the Agreement amply clarified that the nomenclature of the main item of work was general and did not include all the incidental work that may be required for complete execution of work . There were further incidental items not included in the schedule of work /Annexure but were necessary to complete the work and the lump sum contract included cost of all such works. The special condition No.1.6.11. also clarified that where any incidental work was actually required but not specifically stated in the tender ,it was to be understood that the amount quoted by the contractor shall cover such charges also and nothing extra on account of such incidental charges would be paid. The item of hot dip galvanized coating had already been provided in the Agreement and nothing extra was admissible for coating on pin and pin cap.
2	Extra cost for labour and material involved for chamfering sharp edges of steel plates in structural steel work in built up section	7,410 MT	123.75	9,16,988	Consultant suggested for chamfering of all edges to have proper coating and corrosion protection. Hence extra item	As above ,besides , the lump sum contract included the cost of labour ,materials, tools and plants etc. for completion of the various components of the project and all operations connected therewith Special condition No. 1.44 of the contract also provided that the rates for all items for works, shall unless

3	Extra for providing, fabricating, installing, fixing in position and removal (after complete erection of X & V columns) of temporary support with turn buckle, using guy rope pin, stud etc. as required	8,565 MT	In process	2,20,00,000	Consultant decided to prohibit the use of existing structure for the use of temporary support, change of methodology required supporting from the shear wall by augmenting extra resources in terms of material and man power, resulting in extra item	<p>otherwise clearly specified, include cost of all labour, material and other inputs involved in the execution of the item. Agreement had enough provisions for quality control and proper coating and corrosion protection work were essentially part of the contract. Special condition No. 6.1 for the steel structure also provided that due to local environment in Delhi, utmost care had to be taken for corrosion protection. Extra payment of Rs.9.17 lakh so made was not admissible.</p> <p>Same as S. No. 1 and 2 above. The scope of work clearly specified that these were further incidental items which were not included in the three annexures but would be necessary to complete the work in all respect. Clause 2.2.3.2 repeatedly specified that all temporary supports with design and drawing were part of the contract.</p> <p>The analysis of rate for the item of work as included in the sanctioned estimate also included cost of construction of platforms and temporary support / ties for lifting (Rs. 2000+Rs. 4500 i.e. Rs. 6500 per MT). The justification prepared by CPWD to justify the tendered rates also included cost of temporary supports at the rate of Rs. 2345.60 per MT.</p> <p>Agreement Item No. 5.1 provided for providing fabricating and installation of all structural steel work as per design and drawing including erection and hosting in position for all leads and lifts. Sub item(b) provided for supporting structure for X shaped and V shaped columns at the variation rate of Rs. 136052 per MT, sub item (c) provided for supporting steel</p>
---	--	----------	------------	-------------	--	--

4.	Extra for additional welding on steel structure in fabrication by MIG and SAW welding complete and as per direction of Engineer-in-Charge	7,000 MT	In process	2,60,00,000	Welding size mentioned in the tendered drawing was found to be inadequate. QA consultant suggested full penetration weld to achieve non eccentric transfer of forces through the connection. Hence additional welding, as an extra item	<p>structure for ramps @ Rs. 138869 per MT, sub item (h) structural connection @ Rs. 140278. The notes below the item clearly provided for all necessary temporary supports required for erection of the members shall also be included in the items. Accordingly, there was no justification for extra payment on grounds of change of methodology.</p> <p>Same as at S. No. 1 and 2 above. Notes below the Agreement item clearly provided for all necessary welding, nuts and bolts and connectors etc. and there was no provision for extra payment for additional welding required to complete the work. The analysis of rates in the sanctioned estimates and the justification included cost of welding of all sizes at the rate of Rs.12000 per MT. The extra payment was unjustified.</p> <p>The consultant and the quality assurance consultant were joint venture partners in the agreement for consultancy work. As such, in the case of any deficiency in the consultancy work necessitating extra financial burden to the Government, the same should be recovered from the consultant, including JV partner.</p>
Total					4,96,02,008	

Note: As gathered during discussion, there were many other extra items already sanctioned in principle but still under process of formal sanction by Competent Authority. However, records relating to such extra items had not been provided to us.

Annexe 17.4***List of items for which specifications recommended by EKS were not followed***

SL. No.	Recommended	Actually provided
1.	A 50m long 25m wide warm up pool	50m X 15.4 mt.
2.	The pool should have a minimum of six lanes, but preferably eight lanes, each a minimum of 2.25m wide, with two spaces, each 200mm wide, beyond the outside lanes.	6 lane pool
3.	The depth should be minimum of 1.35m deep for at least the first 6m from the starting blocks and at least 1.2m deep for the remainder of the pool	2mt depth
4.	Increase the depth of the swimming pool to 3m clear to allow for Olympic Games or World Championship synchronized swimming.	The standard depth as specified by FINA is minimum, of 2m for racing pools and since there was an existing pool of 2m depth which conformed to the FINA standards hence the same was renovated. For synchronized swimming, the diving pool of 5m depth was used during the recent CWG 2010 event

Annexe 17.5***Comparative analysis of awarded costs electrical works awarded separately and as part of Composite Work*****A. Major Electrical Works awarded separately (not part of composite tender)**

S. No	Name of Work	Estimated cost (Rs. In Crore)	Justified Rates cost (Rs. In Crore)	Cost award of work (Rs. In Crore)	Percentage of Awarded cost over Estimated cost
1	Providing Substation Equipments	20.56	NA ¹	16.05	21.94 below
2	SITC of Integrated building management system	0.41	NA	0.39	4.88 below
3	SITC of LED Score board	2.45	6.34	2.77	13.06 above
4	Providing PA System	4.23	NA	2.38	43.74 below
5	SITC of UPS System	4.02	NA	3.68	8.46 below
6	SITC of Ventilation System	2.96	NA	2.16	27.03 below
7	SITC of DG Sets	5.94	NA	5.11	13.97 below
8	Sports Lighting for Playfield Arena – 1	6.49	NA	4.64	28.51 below

Aggregate (average) percentage of award of the eight works awarded separately – 20.99 % below EC

B. Major Electrical Works awarded as part of composite tender

S. No	Name of Work	Estimated cost (Rs. In Crore)	Justified Rates cost (Rs. In Crore)	Quoted amount of L1 (Rs. In Crore)	Percentage of L1/Awarded cost over Estimated cost
1	Internal & External E I Works	10.56	12.23	14.30	35.42 above
2	Firefighting System	2.09	2.81	4.32	106.70 above
3	Lift	2.25	3.28	3.90	73.33 above
4	HVAC	10.93	12.50	15.19	38.98 above
5	Fire alarm System	1.48	1.60	1.96	32.43 above
Add labour cess (@ 1%)		0.00	0.32	0.00	NA
Total		27.31	32.74	39.67*	<u>45.26 above</u>

* The work was finally awarded at Rs. 37.36 crore, by giving a rebate of 0.66 % on overall quoted rate for the composite work (Civil + Electrical) and 5% rebate on Electrical Works, which was 36.80 % above the Estimated Cost

¹ Required when the tendered amount is more than 5% above the estimated cost.

Annexe 17.6***Deviation of items in the work of SITC of PA System***

S.No	Item No. as per agreement	Quantity as per agreement (Mtrs) (A)	Quantity proposed by contractor (Mtrs)	Actually utilized till 6 th RA Bill (B)	Percentage increase (A and B)
1	7.1	3000	3000	3078	3%
2	7.2	2500	17000	18769	651%
3	7.3	1500	11010	11169	645%
4	7.4	2500	11000	15142	506%
5	7.5	600	3500	3807	535%

Annexe 18.1

Details of work, bidders and successful agency

Work	Bidders	Successful agency
Siri Fort Sports Complex (SFSC) including Saket Sports Complex (SSC)		
Construction of indoor stadium for squash and badminton	<ul style="list-style-type: none"> B.E. Billimoria & Co. Ltd Sportina Payce Infrastructure P Ltd. 	B.E. Billimoria & Co. Ltd
Providing raft foundation for the indoor stadium for squash and badminton	<ul style="list-style-type: none"> B.E. Billimoria & Co. Ltd Sportina Payce Infrastructure P Ltd. 	Sportina Payce Infrastructure P Ltd.
Refurbishment of existing training facilities (including those at Saket Sports Complex)	<ul style="list-style-type: none"> Sharma Constructions Arora Constructions Co. Inderjit Mehta Construction Pvt. Ltd. <p style="text-align: center;">(Open Tender)</p>	Sharma Constructions.
Yamuna Sports Complex (YSC)		
Construction of indoor stadium for table tennis	<ul style="list-style-type: none"> Unity Brahmaputra Consortium B.E. Billimoria & Co. Ltd ITD-ITDCem (JV). 	B.E. Billimoria & Co. Ltd.
Providing cast in situ bored piles for pile foundation	<ul style="list-style-type: none"> Unity Brahmaputra Consortium B.E. Billimoria & Co. Ltd ITD-ITDCem (JV) Sportina Payce Infrastructure P Ltd. 	ITD-ITDCem (JV)
Construction of archery competition venue, training venues for archery, hockey, lawn bowls and refurbishment of existing training venues	<ul style="list-style-type: none"> Globe Civil Project Pvt. Ltd. Brahmaputra Infrastructure Ltd. <p style="text-align: center;">(open tender)</p>	Brahmaputra Infrastructure Ltd.

Annexes to Chapter 19

Annexe -19.1

Irregular framing of rate analysis

Rs.in lakh

Type	Total no. of items cropped	No. of items test checked	Extra cost Rs.in lakh	
			Excess paid	Extra liability
Sports Facility Block				
Extra items	45	5	10.33	0
Substituted items	06	2	28.17	0
Deviated items	20	7	00	5.41
Additions/alterations work				
Extra items	20	5	87.88	69.49
Deviated items	17	2	0.99	1.23
TOTAL	108	21	127.37	76.13

Annexe 19.2: Items specified by Brand name/ Brand Name or Equivalent (Thyagaraj Stadium)

Sl. No	Package	Item No.	Nature of Item	Make/ brand approved	Rate per unit as per DE	Unit	Expenditure involved	Quantity Executed	Agreement Rate	Total expenditure involved	Country of Origin
1	Pkg-1	7.3	Construction Joints	Sika or equivalent	389	Rmt.	10,61,560	2917.89	389	1135059.21	Australia
2	Pkg-1	7.6	Joints seal(Expansion Joints)	Sika Flex Construction of Sika or equivalent make	1,833	Rmt.	15,59,007	1109.68	1833	2034043.44	Australia
3	Pkg-1	8.3.2	Fixer/Fixing of insert plates	Hilti HVU or equivalent	3,800	each	7,60,000	200	3800	760000	Indian
4	Pkg-1	8.3.1	Fixing of insert plates	Hilti HVU or equivalent	2,230	each	4,46,000	200	2230	446000	Indian
5	Pkg-1	9.1	Roofing	KALZIP AF 65/537 or equivalent	5,628	Sqm	8,10,39,600	10928.07	5628	61503177.96	Germany
6	Pkg-1	9.3	Roofing	Titan Primalite polycarbonate sheet	3,483	Sqm.	1,65,51,216	8737.75	3483	30433583.25	China
7	Pkg-2	3.4	Carpet Tiles	Miliken or Trans-Asia or equivalent	5,464	Sqm.	82,01,914	1496.99	6393.23	9570601.378	USA
8	Pkg-2	3.5 sch B II)	Floor tiles	Deutsche Steinzeug (USA) or equivalent	1,962	Sqm	27,39,022	1015.41	2295.59	2330965.042	USA
9	Pkg-2	4.1	Cladding 4mm thick Aluminium composite panels	ALUCOBOND A2 or equivalent*	4,635	sqm	2,06,27,753	3713.27	5423.47	20138808.45	China
10	Pkg-2	5.32	Toilet Partition	Merino 'Titan Series'	62,369	Each	1,17,25,363	180	72971.67	13134900.6	Hong Kong (China)
11	Pkg-2	9.1	Aluminium Composite Panel	ALUCOBOND A2 or equivalent*	12,648	Sqm.	1,04,34,518	438.77	14798.04	6492936.011	China

12	Pkg-2	9.15	Wooden blinds	MAC/Vista premium or equivalent	6,244	Sqm.	1,03,02,270	1178.46	7305.24	8608933.13	Australia
13	Pkg-2	9.9	Suspended ceiling comprises of 4 mm thick Aluminium composite panel	ALUCOBOND A2 or equivalent*	4,109	Sqm.	81,55,968	1745.89	4807.29	8392999.538	China
14	Pkg-2	9.11(a)	9mm thick acoustical perforated Timber Sheet- Acoustical perforated Timber sheet- False ceiling	Sonapanel make or equivalent	4,495	sqm	3,02,04,384	5160.67	5258.79	27138879.79	Australia
15	Pkg-2	9.11(b)	9mm thick acoustical perforated Timber sheet -Acoustical perforated Timber sheet -Wall panelling	Sona panel make or equivalent	4,437	Sqm	40,81,672	678.7	5290.82	3590879.534	Australia
16	Pkg-2	1.01 (Sch-D)(a)	-Hall model wall hung WC -concealed Dual flush cistern -actuator plate (high line)	-Roca - Duravit	44,432	Each	4,88,752	11	50652.48	557177.28	Roca- Spain, Duravit- Germany
17	Pkg-2	1.01(b)	-DAMA SENSO wall hung WC -Concealed Dual flush cistern - Actuator plate (high line)	-Roca - Duravit -Geberit	34,890	Each	24,42,321	64	39774.94	2545596.16	Roca- Spain, Geberit- USA , Duravit- Germany

18	Pkg-2	1.01©	-GIRALDA wall hung W.C. -Concealed Dual flush cistern -Actuator plate (high line)	-Roca -Geberit -hindware / perryware	29,605	Each	16,28,300	58	33750.21	1957512.18	Roca- Spain, Geberit- USA
19	Pkg-2	1.03	Urinal basin with PVC 6 lts. auto flushing cistern	-Roca - Duravit	30,284	Each	14,53,678	47	34524.84	1622667.48	Roca- Spain, Duravit- Germany
20	Pkg-2	1.13	Blower/ hand dryer	GEM or equivalent	21,365	Each	4,91,413	14	24357.01	340998.14	
21	Pkg-2	1.15 (Sch.-D)	Paper towel dispenser, Hand dryer, Waste paper bin	D-line	2,12,117	Each	55,15,042	24	241813.38	5803521.12	Denmark
22	Pkg-2	1.17	paper towel dispenser	D-line or equivalent	29,680	Each	5,63,938	14	33836.28	473707.92	Denmark
23	Pkg-2	1.18	Paper waste bin	D-line or equivalent	26,760	Each	6,14,246	14	30445.23	426233.22	Denmark
24	Pkg-2	1.04(b)	Wash basin -Mounting - Sensor	-Roca -Geberit -Jaguar	24,158	Each	2,17,429	9	26629.43	239664.87	Roca- Spain, Geberit- USA ,
25	Pkg-2	1.02	-Urinal basin -Sensor	-Roca - Jaguar	37,587	Each	75,175	2	40797.52	81595.04	Roca- Spain
26	Pkg-2	4.8	Light points	Aco drain	23,363	Each	28,03,596	72	26,634	1917659.52	USA
				Total (Rs)			22,41,84,137			21,16,78,100.30	
				Total (Rs Crores)			22.42			21.17	

Items not executed

S#	Package #	Item No.	Nature of Item	Make/ brand approved	Rate per unit as per DE	Unit	Expenditure involved	Quantity Executed	Agreement Rate	Total expenditure involved	Country of Origin
27	Pkg-1	7.5	fixing clips(Expansion Joints)	Sika or equivalent	1,111	Rmt.	9,65,459	Not Executed	0	0	Australia
28	Pkg-2	3.2 of Sch B(II)	Vinyl flooring	ALTRO or equivalent	7,627	sqm	62,92,275	Not executed	0	0	UK
29	Pkg-2	3.13	Water repellent anti fungal coating	Sika or equivalent	407	sqm	44,95,223	Not executed	0	0	Australia
30	Pkg-2	4.2	Terracotta Tiles on wall with horizontal aluminium rails fasten to walls	Terreal make or equivalent	5,657	sqm.	26,58,555	Not executed	0	0	N.A
31	Pkg-2	10.4	Anti damp coating	Nano	119	Sqm	41,80,000	Not executed	0	0	N.A.
Grand Total							24,27,75,649				

*Executed as equivalent brand.

Annexes to Chapter 21

Annexe 21.1: Irregular Justification of the Quoted rates

(Rs. in crore)

Name of the package	Estimated cost put to tender	Value of the tender	% of above/less quoted by L1	Justified cost computed by dept	% over the dept justified cost	Justified cost worked out by Audit *	% over actual justified cost
Roads around Yamuna Sports Complex	35.38	40.64	14.87	40.90	(-) 0.64	37.57	8.17
Roads around commonwealth Games Village	31.16	34.63	11.11	36.44	(-) 5	35.30	-1.9
Roads around IGI Stadium (Kishan Ghat)	16.38	19.94	21.77	19.46	(+) 3	16.99	17.36
Roads around IGI Stadium (Ashram to Bhairon Marg)	35.55	41.95	18	41.82	0	37.71	11.24
Roads around IGI Stadium (Bhairon Marg ITO)	28.45	31.01	9	34.92	(-) 11	30.44	1.87
Mall road from Delhi University to Chhatrasal Staddium	20.44	24.15	18.18	26.60	(-) 9	21.78	10.88
Dr Karni Singh shooting range	19.98	24.42	22.25	28.92	(-) 16	21.94	11.30
Roads around various games venues (Africa Avenue)	21.80	25.27	15.91	25.80	(-) 2	22.86	10.54
Total	209.14	242.01		254.86		224.59	

Annexe 21.2: Different rates for Horticulture Items

(Rs. in crore)

SI No	Description of item	Minimum rate/ DSR rate	Unit	Rate adopted in the estimates	Diff	Percentage of excess	Quantity	Extra cost	Name of Packages where higher rates adopted
1	Supplying & stacking good earth	144.05 (Ashram to Bharon Marg)	Cum	234.84	90.79	63	50169	0.46	IGI stadium/ Yamuna Sports Complex
2	Removal of malba	61.19(DSR)	Cum	84.54	23.35	38	27396	0.06	IGI stadium/YSC
3	Maintenance of shrub	56.15 (Ashram to Bharon Marg)	each/year	98	41.85	75	50610	0.21	Delhi university to Chatrasal Stadium
4	Maintenance of shrub	56.15 (Ashram to Bharon Marg)	each/year	63	6.85	12	145324	0.10	YSC/CWG village
5	Maintenance of ground cover/lawn	23.16 (Bhairon to ITO)	sqm/year	36	12.84	55	19600	0.03	Delhi university to Chhatrasal Stadium/CWG
6	Providing/ planting Washingtonia palm	600 (Bhairon to ITO)	Each	2000	1400	233	600	0.08	CWG village
7	Providing/ planting Chloredendrum enermi	6 (Ashram to Bharon Marg)	Each	30	24	400	27230	0.07	Delhi university to Chhatrasal Stadium/CWG
9	Providing/ planting Ficus Panda	60 (Ashram to Bharon Marg)	Each	125	65	108	5439	0.04	IG Stadium
10	Providing/planting Ficus Panda	60 (Ashram to Bharon Marg)	Each	70	10	17	6824	0.01	CWG village/YSC
11	Providing/ planting Bougainvillea	22.05(DSR)	Each	60	37.95	172	7500	0.03	CWG village
	Total							1.08	

Appendix 21.3: Examples of high cost electrical items

Sl No	Work/Contractor	Specification/No of units	Unit cost as per Invoice	Unit Cost including all ancillary items	Estimated Unit rate (Rs.) put to Tender	Difference (Rs.)	Total extra cost with tender premium (Rs.)
1	Roads around IGI Stadium (Kisan Ghat) MBL	18 watt CFL with 1 metre steel body bollard/140	19352	22,537	27950	5413	9,22,797
2	Roads around IGI Stadium (Kisan Ghat) MBL	Trapez Pole of 9 metre height with four 140 watt cosmopolis lamp/6	2,81,343	3,25,270	4,53,910	1,28,640	9,39,870
3	Roads around IGI Stadium (Kisan Ghat)/MBL	Nemo Torch 150 watt metal halide lamp/20	1,92,435	2,24,020	4,29,978	2,05,958	50,15,901
4	Roads around IGI Stadium (Bharion Marg to ITO and Ashram to Bhairon Marg)/Sharma/SAM India	T5 Light fixture ATL make with 2x28 watt with aluminium dia cast body/570	5100	6321	8371	2050	13,78,830
	Total						82,57,398

Annexe 22.1 - Suspected alteration of bids in MCD

Suspected post tender alterations of M/s Sweka Power Tech Engineers Pvt. Ltd. In Phase-I

Item No., particulars	Quantity	Rate before correction	Rate after correction	Increase in quoted amount
1. SITC[1] of 12m PU poles	60	32,149	42,149	6,00,000
2. SITC of 12m galvanised poles	1813	28,358	38,358	0 *
3. SITC of 10m poles	910	23,974	28,974	45,50,000
21. Supplying & Laying (DWC) HDPE pipe (90mm dia)	115000	215	315	1,15,00,000
22 (a),S &L XLPE, Alu armoured cable	165000	185	285	1,65,00,000
1 % discount on 31,22,22,858			----	31,22,229

* The amended rate of 38358 was not accepted by MCD, as there was difference in the figure in digits and in words

Suspected post tender alterations of M/s Sweka Power Tech Engineers Pvt. Ltd. In Phase-II

Item No., particulars	Quantity	Rate before correction	Rate after correction	Difference in Amount	Remarks
22, Supplying & Laying HDPE pipe	212382	200	260	1,27,42,920	All three corrections are on one page of SoQ. Certificate at the bottom of page reads-"no cutting and one overwriting attested" whereas correction at item no 23(a) only is attested but not encircled by the tender opening officer. Other two corrections at item no 22 and 24 are neither encircled nor attested.
23(a), XLPE conductor 4cX 25 Sq.mm	246525	141	141	-	
24, Supplying & Laying HDPE by trenchless technique	20680	638	1638	2,06,80,000	

Annexe to Chapter 25

Annexe 25.1: Statement showing contract cost of components and total contract cost of the project

(Rs in crore)

Sr. No.	Particulars	Contractor	Date of work order	Contract Value	Stipulated period for completion	Expenditure till January 2011	Percentage of expenditure to tendered cost
1	Restoration of Connaught Place C Block	M/s Devi Construction	31/08/2007	1.99	28-02-2008 Work actually complete on 10-08-2008	1.63	Work completed
2	Restoration of facade of inner circle block	M/s Rajiwant Singh Contract	06/04/2009	15.64	05/04/2010	9.87	63.11
3	Restoration of facade (M).	M/s Himcon Engineering	13/07/2009	13.52	05/04/2010	9.93	73.45
4	Restoration of facade G,H, and K of CP	Contractor M/s Sharma Construction M/s Raus Infrass Ltd.	26/07/2009	12.20	20/05/2010	6.97	57.13
5	Civil, structural & finishing works including electrical, fire fighting, fire detection, CCTV, works for service corridor in middle circle of Connaught Place.	M/s Afcons Sterling and Wilson consortium	04/11/2009	236.70	03/05/2011	88.68	37.47
6	Civil structural, finishing & electrical works for new and existing subways in outer circle of CP	M/s ERA Infra Engineering Ltd.	05/11/2009	56.05	04/03/2011	12.38	22.09
7	Area Development Works for inner and outer circle of CP	SCG Contracts India Pvt. Ltd.	22/01/2010	35.93	21/10/2010	11.72	32.62
8	Facade lighting works in C Block	M/s Reiz Electro Controls Pvt.	25/02/2010	0.31	17/05/2010	0.00	0.00

		Ltd.											
9	Civil structural & finishing works of toilets, kiosk including electrical works for redevelopment of Connaught Place	M/s Himcon Engineers India Pvt. Ltd.	11/03/2010	30.40	10/10/2010	4.87	16.02						
10	Supply, installation, testing & commissioning of escalators in new and existing subways in Connaught Place.	M/s Johnson Lifts Pvt. Ltd.	22/04/2010	34.08	21/04/2011	0.00	0.00						
11	Facade lighting works of CP	M/s Bajaj Electrical Limited	16/06/2010	4.28	29/08/2010	0.00	0.00						
12	Horticulture works and drip irrigation for redevelopment of Connaught Place.	M/s RIC Project Pvt. Ltd.	27/07/2010	00.87	17/09/2010	0.18	20.69						
13	Road signage works for redevelopment of CP.	M/s CBM Industries Limited	26/07/2010	1.83	25/10/2010	0.50	27.32						
14	Payment of consultancy charges to M/s EIL		21/05/2008		20/11/2010	16.27							
	Total			443.8		163.00	33.06						

Annexes to Chapter 26

Annexe 26.1 - Signal problems of DP with TETRA in non-venue/ venue areas of Delhi

Sl. No.	Place	Reporting Dates	Comments about performance
Non-venues			
1	DCP office complex at Pushpanjali Enclave, Residence in Central distt. DCP office complex Darya Ganj	3-10-2010 and 4-10-2010	Round the clock signal problems, inadequate signal network
2	Area of South District	4-10-2010, 7-10-2010, 8-10-2010	Unclear signal in buildings premises and also call dropping while travelling
3	Vikas Puri premises of Police Station	4-10-2010	No communication from the premises of PS Vikas Puri
4	P.S. Premises, Ring road, ISBT Sarai Kale Khan, H.N.din Bridge, Millennium Park Bus depot	4-10-2010, 7-10-2010	No communication, intermittent
5	Inside PHQ buildings in and around D-1/119 Satya Marg and in moving car , Niti Marg, Akbar road	27-09-2010 to 04-10-2010	No network coverage, transmission not completed.
6	MHA North block near gate no. 7, Firoz Shah road, W point ITO, A-point ITO, PHQ ground floor, PT street hotel Shangrila (Ashok road)	4-10-2010, 6-10-2010, 8-10-2010	No communication PC call unable, dead zone
7	No. 11 Murti Marg, Mother Teresa Crescent, R. K. Ashram marg, Sikandra road, Firoz Shah road, Talkatora road and onward PHQ office	30-09-2010	No signal, signal cut
8	Jai Singh road, Vasant Kunj,	03-10-2010 to 11-10-2010	Signal leaves regularly, no signals in various times

Sl. No.	Place	Reporting Dates	Comments about performance
9	Bhopal Ground, R.K.Puram, Dwarka	04-10-2010, 7-10-2010 to 9-10-2010	No signal, intermittent
10	Food court, MPC and various halls, IBC	05-10-2010 to 11-10-2010	Service denied
11	Parliament street Andrews Ganj, Rohtak road Sakur basti, Motilal Nehru Marg, Ashok Vihar, Akbar road	06-10-2010 to 07-10-2010	No service
12	Airport Delhi in Terminal - III	03-10-2010	No connectivity
13	Todar Mal road, JLN Marg near Delhi Gate, DCP/ Central office complex, Outer Circle Connaught Place, Police station Pahar Ganj East	03-10-2010	Weak signals, no communication, red light blinking, no communication message on the screen "PTT denied"
14	Inside Airport	03-10-2010	Discharging of batteries
15	Vasant Kunj, Mandir Marg Kalibari Road	08-10-2010	Poor signals
Venues			
1.	Ash Pond	10.10.2010	No service, no signal, network busy
2.	K.S.S.R	11.10.2010	Signal poor
3.	Yamuna Sports Complex	11.10.2010	No communication
4.	Jawahar Lal Nehru Sports Complex	11.10.2010	No transmission
5.	Siri Fort Sports Complex	11.10.2010	No signal
6.	M.D.C National Stadium	11.10.2010	Signal cutting, no clarity
7.	Siri Fort Sports Complex	13.10.2010	Connectivity poor and unreliable, not available after some time, call dropping is very frequently, voice does not carry
8.	Logistic screening centre	13.10.2010 14.10.2010	Service not available, no communication
9.	M.D.C National Stadium	3.10.2010	No communication, no service, PTT denied, signal cutting

Sl. No.	Place	Reporting Dates	Comments about performance
10.	Jawahar Lal Nehru Sports Complex	7.10.2010	Intermittent, no transmission, high fluctuation in transmission, signal breaking, weak signal
11.	Yamuna Sports Complex	09.10.2010	No signal, intermittent, no communication, no response
12.	Bhopal Ground J.M.I	09.10.2010	Receiving signal very weak
13.	Talkatora Indoor Stadium	08.10.2010	Signal remained very poor for a very long time, signal nil.
14.	I.G. Sports Complex	08.10.2010	Intermittent, no communication
15.	Jawahar Lal Nehru Sports Complex	09.10.2010	Persistent problem of fluctuating transmission, No transmission
16.	K.S.S.R	09.10.2010	Signals not clear, voice in the set is not clear, poor connectivity, poor audio quality, communication get delink, poor network
17.	Yamuna Sports Complex	10.10.2010	No communication
18.	K.S.S.R	10.10.2010	Voice is shaking, voice not clear, transmission of signals is not proper and creates echo on communication, signals are weak and voice clarity is not upto the mark, poor network, poor sound.

Annexes to Chapter 30

Annexe 30.1 Available rates for 34 major medical equipments

Sl No.	Name of Equipment	No.	Cancelled NIT-1 (DHS)	NIT-2 RC (DHS)	Actual Rates on which items procured	Other rates available
1.	Patient Stools	110	1522	1260	DHS-RC	
2.	Examination couch with mattress	50	19897	12070	DHS-RC	18900-LNJP
3.	Three Fold Partition screen	350	3096	2762	DHS-RC	
4.	Trolley Bed	-	166688	288749	---	
5.	Foldable wheel chair	55	12600	103320	DHS-RC	18900-LNJP
6.	Shifting Trolley	-	46725	75600	---	
7.	Scoop Stretcher	135	62475	86100	RC-GTBH	13650-LNJP
8.	Spine Board	130	15750	6300	DHS-RC	20475-LNJP
9.	Head Immobiliser	130	9975	6825	DHS-RC	6825-LNJP
10.	Physiotherapy Table	06	146842	430500	DHS-RC	157500-LNJP
11.	Superior Massage Table with Mattress with pillow	220	21525	57749	Open market by quotation approval	
12.	Ultrasound Therapy (1& 3MHz)	09	146843	367499	Pt MMMH-RC	50925-LNJP
13.	IRR Lamp	-	141750	488250	---	68250-LNJP
14.	Shortwave Diathermy	04	502950	518700	Pt MMMH-RC	

Sl No.	Name of Equipment	No.	Cancelled NIT-1 (DHS)	NIT-2 RC (DHS)	Actual Rates on which items procured	Other rates available
15.	Physiotherapy Laser	06	258930	409500	DHS-RC	194250-LNJP
16.	TENS-IFT Combo	08	262395	414749	Safdarjung Hosp.-RC	
17.	X-ray View Box	17	20790	35700	GTBH-RC	
18.	Golf Cart Stretcher	-	470924	518699	--	
19.	Automatic External Defibrillator (AED)15	93	509250	519751	DMSCH	140175- GGSH/Hedgewar
20.	Pulse Oxymeter	64	119700	151200	DHS-RC	21525-LNJP
21.	Cardiac Arrest resuscitation drug and equipment trolley crash cart	03	19792	27100	DHS-RC	81900-DMSCH
22.	Examination Light	32	30907	47249	As per stock	
23.	Ophthalmoscope	---	25725	50400	---	
24.	B-type Oxygen Cylinder with flowmeter	10	110250	6405	DHS-RC	
25.	Suction Machine Electrical Operated	05	5932	5932	DHS-RC	
26.	Suction Machine Foot Operated Manual	45	2887	6090	GTBH-RC	
27.	Ambu Bag (Bag Value Mask) Adult	80	2048	5145	DHS-RC	
28.	Ambu Bag (Bag Value Mask) Paediatric	80	2048	5145	DHS-RC	
29.	I.V. Stand	110	1670	1523	DHS-RC	
30.	B.P. Apparatus	200	3728	6825	GTBH-RC	3860-LNJP
31.	Clinical Thermometer	120	73	71	DHS-RC	

Sl No.	Name of Equipment	No.	Cancelled NIT-1 (DHS)	NIT-2 RC (DHS)	Actual Rates on which items procured	Other rates available
32.	Military Anti-shock Trousers (MAST)	04	37800	35070	35070	DHS-RC
33.	Transport Ventilators	12	372750	516729	485100	ILBS-RC
34.	Nebulizer	62	8379	8206	8206	DHS-RC

RMLH: Ram Manohar Lohia Hospital; LNJP: Lok Nanak JayaPrakash Narayan Hospital; DHS: Directorate of Health Services; MMMH: Pt. Madan Mohan Malviya Hospital; GTBH: Guru Teg Bahadur Hospital; DMSCH: Dadadev Maitri Sishu Chikitsalaya; GGSB: Guru Gobind Singh Govt. Hospital

Annexe 30.2 Details of purchases of equipment on abnormally higher rates

(in Rs.)

Name of purchasing agency	Sl. No. of items	Name of equipment	Quantity purchased	Rate inclusive Taxes	Amount inclusive Taxes	Paid	FVC bill No. and Date	Lowest available rate	Name of Hospital	R.C	Difference rate (Rs.)	Amount of Extra avoidable expenditure
DHS	1.	Pulse Oximeter	52+12	151200	9676800		635, dt.10.9.10 859, dt.2.1.1.10	21525	LNJP		129675	8299200
	2.	Ultrasound Therapy Unit	9	94500	850500		859, dt.2.1.1.10	50925	-do-		43575	392175
	3.	Physiotherapy laser	3	409500	1228500		635, dt.10.9.10	194250	-do-		215250	645750
	4.	AED (45+7+23+15)	90	203742	18336780		637, 9.10.10 (45)720, 1.10.10 (7) 775, 8.10.10(23) 685, 24.9.10(15)	140175	GGHS		63567	5721030
Lok Nayak Hospital	5.	Examination Coach with mattress	02	18900	37800		906, dt.4.1.1.10	12070	DHS		6830	13660
	6.	Emergency Crash Card Trolley	02	87750	175500		728, dt.25.9.10	27100	-do-		60650	121300
	7.	Spine Board	07	20475	143325		906, dt.4.1.1.10	6300	-do-		14175	99225
	8.	A.E.D	15	203742	3056130		729, dt.22.9.10	140175	Hedgewar Arogya sansthan		63567	935505
Ram Manohar Lohia Hospital	9.	I.C.U Beds	16	226799	3628787		896, dt.3.1.1.10	135135	GB Pant Hospital, RC dt.19.7.10		91664	1466624
	10.	Spine Board	05	12600	63000		735	6300	-do-		6300	31500
Guru Teg Bahadur Hospital	11.	A.E.D	03	451500	1354500		756/10	140175	Hedgewar Arogya Sansthan		311325	933975
	12.	Physiotherapy Laser	02	409500	819000		2607 dt 8.11.10	194250	LNJP		215250	430500
	13.	Automatic External Defibrillator (AED)	04	203742	814968		2625, dt.9.11.10	140175	Hedgewar Arogya Sansthan		63567	254268
Total												1,93,62,712, Say, 1.94 crore

Annexe to Chapter 31

Annexe: 31.1 - Details of excess billing by ECIL

(Amount in Rs.)

Sl. No.	Venue	Billed Quantity	EFC Approved Rate	Total Billed Amount	Purchase Cost/unit	Total Purchase Cost	Excess Amount billed
	(1)	(2)	(3)	(4)	(5)	(6)	(4)-(6)
1.	IP Fixed CCD Camera	2,848	76,130	21,68,18,240	34,348	9,78,23,104	11,89,95,136
2.	IP Dome Camera	544	2,03,305	11,05,97,920	93,415	5,08,17,760	5,97,80,160
3.	Display Work Station	179	90,852	1,62,62,508	1,08,740	1,94,64,460	-3,201,952
4.	24" display LCD	86	57,316	49,29,176	27,342	23,51,412	25,77,764
5.	42" display LCD	157	1,35,236	2,12,32,052	65,500	1,02,83,500	1,09,48,552
6.	Control Panels / Joy Sticks	87	76,784	66,80,208	25,272	21,98,664	44,81,544
7.	Video Management Server Software Suite	6,568	15,482	10,16,85,776	3,92,057	1,29,37,881 ¹	8,87,47,895
8.	Video Analytic Software Suite Motion	605	48,829	2,95,41,545	10,453	63,24,065	2,32,17,480
9.	Video Analytic Software Suite Crowd	516	22,628	1,16,76,048	10,453	53,93,748	62,82,300
10.	Video Recording Server (Type I) with 33 TB storage	2	21,25,881	42,51,762	7,41,184	14,82,368	27,69,394

¹ Only 33 numbers were purchased by ECIL, one for each venue

Sl. No.	Venue	Billed Quantity	EFC Approved Rate	Total Billed Amount	Purchase Cost/unit	Total Purchase Cost	Excess Amount billed
	Video Recording Server (Type I) with 33 TB storage	135	36,40,581	49,14,78,435	7,41,184	10,00,59,840	39,14,18,595
11.	Video Recording Server (Type I) with 2 TB storage	12	1,35,000	16,20,000	1,44,000	17,28,000	-1,08,000
12.	R F Reader	208	1,94,684	4,04,94,272	1,08,541	2,25,76,528	1,79,17,744
	R F Reader	2	1,62,000	3,24,000	1,08,541	2,17,082	1,06,918
13.	RF Tags	16,500	2,596	4,28,34,000	1,270	2,09,55,000	2,18,79,000
	RF Tags	2,200	2,160	47,52,000	1,270	27,94,000	19,58,000
14.	Boom Barrier 3M	27	2,53,089	68,33,403	1,11,790	30,18,330	38,15,073
15.	Boom Barrier 6M	134	3,24,463	4,34,78,042	1,17,781	1,57,82,654	2,76,95,388
16.	Tyre Killer 3M	3	24,76,893	74,30,679	17,50,700	52,52,100	21,78,579
17.	Tyre Killer 6M	15	27,59,873	4,13,98,095	24,64,628	3,69,69,420	44,28,675
	Tyre Killer 6M	2	27,79,886	55,59,772	24,64,628	49,29,256	6,30,516
18.	Road Blocker 3M	3	43,54,421	1,30,63,263	41,00,724	1,23,02,172	7,61,091
19.	Road Blocker 6M	22	87,05,063	19,15,11,386	59,92,000	13,18,24,000	5,96,87,386
20.	Wedge barrier 5M	5	51,79,943	2,58,99,715	23,58,202	1,17,91,010	1,41,08,705
21.	Flap Barrier 1 lane (Standard)	300	8,43,629	25,30,88,700	3,57,532	10,72,59,600	14,58,29,100
	Flap Barrier 1 lane (Wide)	32	8,43,629	2,69,96,128	4,62,562	1,48,01,984	1,21,94,144
22.	Portable Explosive Detector	176	19,46,835	34,26,42,960	12,10,056	21,29,69,856	12,96,73,104

Sl. No.	Venue	Billed Quantity	EFC Approved Rate	Total Billed Amount	Purchase Cost/unit	Total Purchase Cost	Excess Amount billed
23.	Kiosk with Panel PC, Webcam, Barcode Reader	173	15,57,47	2,69,44,231	88,235	1,52,64,655	1,16,79,576
24.	Network TFT Display Monitor	85	1,67,636	1,42,49,060	88,235	74,99,975	67,49,085
25.	Industry standard 42 U Rack with accessories	82	97,200	79,70,400	31,756	26,03,992	53,66,408
26.	Access Client Application Software	641	27,000	1,73,07,000	0 ²	0	1,73,07,000
27.	Door Framed Metal Detector	11	6,75,000	74,25,000	2,70,000	29,70,000	44,55,000
28.	Hand Held Metal Detector	16	4,950	79,200	3,000	48,000	31,200
29.	X-ray Baggage Scanner	4	16,20,000	64,80,000	16,00,000	64,00,000	80,000
30.	Manually operated Tyre killer 3M	2	2,47,500	4,95,000	1,98,000	3,96,000	99,000
31.	Hand Held bar code reader (used for Driver)	1	31,500	31,500	24,725	24,725	6,775
32.	Road block Roller 3M	4	90,000	3,60,000	56,000	2,24,000	1,36,000
33.	Spike buster	5	5,40,000	27,00,000	3,02,400	15,12,000	11,88,000
34.	Data Base/ Admin Server (VMS) Type I	49	2,73,976	1,34,24,824	1,71,840	84,20,160	50,04,664

² Purchase cost included in Central Access Control Systems Software Suite.

Sl. No.	Venue	Billed Quantity	EFC Approved Rate	Total Billed Amount	Purchase Cost/unit	Total Purchase Cost	Excess Amount billed
35.	Video Analytic server (VAS) Type I	58	2,73,976	1,58,90,608	1,71,840	99,66,720	59,23,888
36.	Vehicle access Client PCs (VACS) Type III	142	2,20,622	3,13,28,324	97,500	1,38,45,000	1,74,83,324
37.	Central Access Control Server (CACs) Type II	47	2,05,200	96,44,400	1,08,890	51,17,830	45,26,570
38.	Accreditation / Ticketing Gateway PC (GWPC)	31	64,800	20,08,800	30,000	9,30,000	10,78,800
39.	Fire Alarm Gateway PC	30	64,800	19,44,000	30,000	9,00,000	10,44,000
40.	Monitoring / Admin nodes	51	64,800	33,04,800	30,000	15,30,000	17,74,800
41.	Server Operating System Licenses	273	1,10,957	3,02,91,261	29,360	80,15,280	2,22,75,981
42.	Data Base Server Licenses	75	91,800	68,85,000	1,31,350	65,67,500 ³	3,17,500
43.	Work Station / Kiosk OS Licenses	987	8,640	85,27,680	0 ⁴	0	85,27,680
	Total			227,03,71,173		100,65,43,631	126,38,27,542

³ Only 50 numbers were purchased by ECIL

⁴ Purchase cost included in other equipment.

GLOSSARY

AAI	Airports Authority of India
AC Bill	Abstract Contingent Bill
ACC	Appointment Committee of Cabinet
ADG	Additional Director General
AED	Automatic External Defibrillator
AFE	Authorization for Expenditure
AGM	Annual General Meeting
AIBA	International Boxing Association
AIIMS	All India Institute of Medical Sciences
AIR	All India Radio
AITA	All India Tennis Association
ALS	Advanced Life Support
ANOC	Association of National Olympic Committee
ASI	Archeological Survey of India
AUD	Australian Dollar
BAN	Broadcast Audio Network
BB	Broadband
BBC	British Broadcasting Corporation
BCI	Business Club of India
BECIL	Broadcast Engineering Consultants India Limited
BLS	Basic Life Support
BoA	Board of Assessors
BOH	Back of House
BOQs	Bill of Quantities
BOT	Build Operate Transfer
BRTS	Bus Rapid Transit System
BVN	Broadcast Video Network
BYPL	BSES Yamuna Power Limited
CAC	Consultant Appointment Committee
CAG	Comptroller and Auditor General of India
CATS	Centralized Accidental Trauma Services
CBRI	Central Building Research Institute
CBRN	Chemical, Biological, Radiological and Nuclear
CC	Cement Concrete
CCEA	Cabinet Committee on Economic Affairs
CCR	Central Control Room
CCTV	Close Circuit Television

CD	Compact Disc
CDIL	Compact Disc India Limited
CDMA	Code Division Multiple Access
CE	Chief Engineer
CEO	Chief Executive Officer
CERT	Computer Emergency Response Team
CFL	Compact Fluorescent Lamp
CGA	Commonwealth Games Association
CGF	Commonwealth Games Federation
CGM	Chief General Manager
CGV	Catering for Games Village
CIF	Custom Insurance Freight
CII	Confederation of Indian Industries
CIS	Commentary Information System
CM	Chief Minister
CMD	Chairman cum Managing Director
CNE	Committee on Non Plan Expenditure
CoCOM	Co-ordination Commission
COO	Chief Operating Officer
CoS	Committee of Secretaries
CP	Commissioner of Police
CPM	Critical Path Method
CPSL	Corporate Sales
CPWD	Central Public Works Department
CRA	Committee for Registration of Ambulances
CRMB	Crumb Rubber Modified Bitumen
CRPF	Central Reserve Police Force
CRRI	Central Road Research Institute
CS	Chief Secretary
CSSD	Central Sterile Supply Department
CW	Commonwealth
CWG	Commonwealth Games
CWPRS	Central Water and Power Research Station
CYG	Commonwealth Youth Games
DAR	Delhi Analysis of Rates
DB	Design & Build
DBC	Dense Bituminous Concrete
DBM	Dense Bituminous Macadam
DBO	Design, Build & Operate
DCE	Delhi College of Engineering
DD	Doordarshan

DDA	Delhi Development Authority
DDG	Deputy Director General
DDR	Digital Disk Recorder
DDs	Deputy Directors
DFS	Delhi Fire Service
DG	Diesel Generator
DGM	Deputy General Manager
DGOC	Director General Organizing Committee
DGS&D	Directorate General of Supplies & Disposals
DHS	Directorate of Health Services
DIAL	Delhi International Airport Limited
DIMTS	Delhi Integrated Multi-modal Transit System
DJB	Delhi Jal Board
DLP	Defect Liability Period
DMRC	Delhi Metro Rail Corporation
DNC	Delaware North Company
DoHF	Department of Health & Family Welfare
DoT	Department of Telecommunications
DP	Delhi Police
DPCC	Delhi Pollution Control Committee
DPR	Detailed Project Report
DPS	Delhi Public School
DSR	Delhi Schedule of Rates
DSYS	Department of Sports & Youth Services
DTAA	Double Tax Avoidance Agreement
DTC	Delhi Transport Corporation
DTL	Delhi Transco Limited
DTTDC	Delhi Tourism & Transport Development Corporation
DU	Delhi University
DUAC	Delhi Urban Art Commission
DVD	Digital Video Disc
E&Y	Ernst & Young
EB	Executive Board
EC	Executive Committee
ECG	Electrocardiography
ECIL	Electronics Corporation of Indian Limited
EDP	
EE	Executive Engineer
EFC	Expenditure Finance Committee
EIC	Engineer-in-Chief
EIL	Engineers India Limited
EKS	Event Knowledge Services
EMC	Executive Management Committee

EMD	Earnest Money Deposit
EOI	Expression of Interest
EOT	Extension of Time
EPC	Engineering, Procurement & Commissioning
ESC	Empowered Security Committee
F&A	Finance & Accounts
FAR	Floor Area Ratio
FAs	Functional Areas
FOH	Front of House
FOP	Field of Play
FSC	Finance Sub-Committee
FSI	Floor Space Index
GBE	Great Big Events
GDA	Ghaziabad Development Authority
GDM	Games Data Network
GIS	Games Information System
GM	General Manager
GMS	Games Master Schedule
GMS	Games Management System
GNCTD	Government of National Capital Territory of Delhi
GNS	Games News Service
GOI	Government of India
GoM	Group of Ministers
GoM	Government of Maharashtra
GOO	Group of Officers
GOP	General Organization Plan
GSB	Granular Sub Base
GSM	Global System for Mobile Communication
HACCP	Hazard Analysis and Critical Control Points
HAP	Health Action Plan
HB	Host Broadcaster
HBMC	Host Broadcast Management Committee
HCC	Host City Contract
HD	High Definition
HD Cam	High Definition Camera
HDTV	High Definition Television
HIG	High Income Group
HPC	High Powered Committee
HT	Hindustan Times
I&B	Information & Broadcasting
IAAF	International Association of Athletic Federations
IAG	Inter Agency Group
IAS	Indian Administrative Service

IBC	International Broadcast Centre
IBF	International Boxing Federation
ICU	Intensive Care Unit
IDFC	
IFs	International Federations
IG	Indira Gandhi
IGBS	International Games Broadcasting Services
IIT	Indian Institute of Technology
IOA	Indian Olympic Association
IP TV	Internet Protocol Television
IP/MPLS	Internet Protocol/Multi Protocol Label Switching
IPL	Indian Premier League
IRCTC	Indian Railway Catering & Tourism Corporation
IRDA	Insurance Regulatory and Development Authority
ISD	International Sports Division
ISO	International Organization for Standardization
ISS	Integrated Security System
IT	Information Technology
ITDC	Indian Tourism Development Corporation Ltd.
ITO	International Technical Officers
ITO	Income Tax Office
ITPO	India Trade Promotion Organization
JDG	Joint Director General
JLN	Jawaharlal Nehru
JLNS	Jawaharlal Nehru Stadium
JMI	Jamia Millia Islamia University
JMW	Jack Morton World Wide
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KSSR	Karni Singh Shooting Range
KVA	Kilo Volt Ampere
L&DO	Land & Development Office
LAC	Land Acquisition Collector
LB	Lower Basement
LD	Land Disposal
LD	Liquidated Damages
LED	Light Emitting Diode
LG	Lieutenant Governor
LIG	Low Income Group
LoA	Letter of Award
LoI	Letter of Intent
MAP	Mutual Agreement Proceedings
MB Road	Mehrauli Badarpur Road
MCD	Municipal Corporation of Delhi

MDC	Major Dhayanchand
MEA	Ministry of External Affairs
MGD	Million Gallon per Day
MGMS	Medical Gas Manifold System
MHA	Ministry of Home Affairs
MHFW	Ministry of Health & Family Welfare
MLA	Member of Legislative Assembly
MLC	
MLD	Million Litre per Day
MLSS	Mixed Liquor Suspended Solid
MMS	Multimedia Messaging Service
MOCI	Ministry of Commerce & Industry
MoD	Ministry of Defence
MoEF	Ministry of Environment & Forest
MoF	Ministry of Finance
MoI&B	Ministry of Information & Broadcasting
MoRT&H	Ministry of Road Transport & Highways
MoS	Minister of State
MoT	Ministry of Tourism
MOT	Modular Operation Theatre
MoU	Memorandum of Understanding
MoUD	Ministry of Urban Development
MP	Member of Parliament
MPC	Main Press Centre
MPD -2021	Master Plan of Delhi
MR	Market Rates
MRI	Magnetic Resonance Imaging
MRP	Maximum Retail Price
M RTP	Monopolies and Restrictive Trade Practice
MT	Million Tonne
MTNL	Mahanagar Telephone Nigam Limited
MYAS	Ministry of Youth Affairs & Sports
NCR	National Capital Region
NDMC	New Delhi Municipal Council
NDTV	New Delhi Television
NH	National Highway
NHAI	National Highway Authority of India
NIC	National Informatics Centre
NIT	Notice Inviting Tender
NMV	Non Motorized Vehicle
NOC	No Objection Certificate
NOIDA	New Okhla Industrial Development Authority
NTO	National Technical Officers

NTU	Nephelometric Turbidity Units
O&M	Operation & Maintenance
OB Van	Outside Broadcasting Van
OC	Organizing Committee
OCFC	Organizing Committee Finance Committee
OCGC	Commonwealth Games Co-ordination
PA	Programme Assistant
PAN	Permanent Account Number
PB	Prasar Bharati
PBDE	Polybrominated diphenyl ether
PBL	Premier Brands Limited
PCMC	Pimpri Chinchwad Municipal Corporation
PCR	Police Control Room
PE	Permanent Establishment
PED	Portable Explosive Detectors
PERT	Programme Evaluation and Review Technique
PIB	Press Information Bureau
Pl. Comm.	Planning Commission
PM	Prime Minister
PMB	Polymer Modified Bitumen
PMC	Pune Municipal Corporation
PMC	Project Management Consultant
PMO	Prime Minister Office
PMS	Project Monitoring System
PO	Project Officer
PO	Programme Officer
PPCL	Pragati Power Corporation Limited
PPP	Public Private Partnership
PQ	Pre-qualification
PQ	Pre Qualification
PRISM	Performance Review Indicators Monitoring & Evaluation of Sports Persons
PSP	Public - Semi Public
PSU	Public Sector Undertaking
PVC	Polyvinyl Chloride
PWC	Pricewaterhouse Coopers Pvt. Ltd.
PWD	Public Works Department
PWD	Public Works Department
QAC	Quality Assurance Cell
QBR	Queen's Baton Relay
RC	Rate Contract
RFI	Request for Information
RFID	Radio Frequency Identification

RFP	Request For Proposal
RFQ	Request For Quotation
RHB	Right Holder Broadcasters
RML	Ram Manohar Lohia
SAF	South Asian Federation
SAI	Sports Authority of India
SD	Standard Definition
SDG	Special Director General
SDN	Security Data Network
SEs	Superintending Engineers
SEZ	South East Zone
SFSC	Sirifort Sports Complex
SIC	Sports Injury Centre
SIS	Satellite Information Service
SJ	Safdarjung
SLP	Special Leave Petition
SMAM	Sports Marketing and Management
SMS	Short Message Service
SOE	Statement of Expenditure
SOFs	Statement of Facts
SOW	Scope of Work
SPA	Shashi Prabhu & Associates
SPC	Special Purpose Company
SPM	Dr. Shyama Prasad Mukherjee
SPV	Special Purpose Vehicle
SSC	Saket Sports Complex
SSM Camera	Super Slow Motion Camera
STI	Staff Training Institute
STP	Sewage Treatment Plant
STPI	Software Technology Park of India
TCIL	Telecommunications Consultants India Limited
TCS	Tata Consultancy Services
TDS	Tax Deducted at Source
TETRA	Terrestrial Trunked Radio
TPQC	Third Party Quality Control
TSR	Timing Scoring & Results
TVNZ	TV New Zealand
UC	Utilization Certificate
UD	Urban Development
UGC	University Grants Commission
UK	United Kingdom
UPS	Uninterrupted Power Supply
USD	United States Dollar

UTTIPEC	Unified Traffic and Transportation Infrastructure Planning and Engineering Centre
VAS	Venue Appraisal Study
VAT	Value Added Tax
VIK	Value in Kind
VIPs	Very Important Persons
VMCs	Venue Media Centres
VTR	Video Tape Recorder
WAB	Works Advisory Board
WBM	World Broadcasters Meet
WHO	World Health Organization
WMM	Wet Mix Macadam
WTP	Water Treatment Plant
YAS	Youth Affairs and Sports
YSC	Yamuna Sports Complex







Annexes



List of Annexes

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Annexe to Chapter 1

Annexe 1.1

LIST OF COMPETITION VENUES

Sl. No.	Discipline	Venue
1.	Aquatics	S.P. Mukherjee Swimming Pool
2.	Archery	Yamuna Sports Complex
3.	Athletics	J.N. sports Complex
4.	Badminton	Siri Fort Sports Complex
5.	Boxing	Talkatora Indoor Stadium
6.	Cycling	Velodrome, I.G. Sports Complex
7.	Gymnastics	I.G. Indoor Stadium
8.	Hockey	MDC National Stadium
9.	Lawn Bowls	J.N. Sports Complex
10.	Netball	Thyagaraj Sports Complex
11.	Rugby	Delhi University
12.	Shooting	Dr. Karni Singh Shooting Range
13.		CRPF Centre, Kadarapur - Big Bore Shooting
14.	Squash	Siri Fort Sports Complex
15.	Table Tennis	Yamuna Sports Complex
16.	Tennis	R.K. Khanna Tennis Complex
17.	Weightlifting	J.N. Sports Complex
18.	Wrestling	I.G. Sports Complex

LIST OF TRAINING / PRACTICE VENUES

Sl. No.	Discipline	Training Venue
1.	Aquatics	Siri Fort Sports Complex
2.		Yamuna Sports Complex
3.		Games Village (Practice Area)
4.	Athletics	Thyagraj Sports Complex
5.		Chhatarsal Stadium
6.		Games Village (Practice Area)
7.		DU – Polo Ground
8.	Archery	Yamuna Sports Complex
9.	Badminton	Siri Fort Sports Complex
10.		Saket Sports Complex
11.	Boxing	Delhi University
12.	Cycling	Velodrome, IG Indoor Stadium
13.	Gymnastics	I.G Indoor Stadium
14.		Yamuna Sports Complex (Rhythmic)
15.	Hockey	MDC National Stadium Complex

16.		Yamuna Sports Complex
17.	Lawn Bowls	Delhi Public School, R. K. Puram
18.		Yamuna Sports Complex
19.	Net Ball	Thyagraj Sports Complex
20.		Delhi University
21.		St. Stephen's College
22.		Hindu College
23.		Khalsa College
24.	Rugby 7s	Ramjas College
25.		Kirorimal College
26.		Sri Ram College
27.		Daulatram College
28.		Jamia Millia Islamia University
29.	Shooting	Dr. Karni Singh Shooting Range
30.	Squash	Siri Fort Sports Complex
31.	Table Tennis	Yamuna Sports Complex
32.		Jamia Millia Islamia University
33.	Tennis	R. K. Khanna Stadium
34.		Siri Fort Sports Complex
35.	Weight Lifting	Games Village (Practice Area)
36.	Wrestling	Games Village (Practice Area)
37.		Sri Ram College Hall (Women)
38.		Ludlow Castle Hall (Men)

Annexe to Chapter 2

Annexe 2.1 - Executive Summary of CAG's Study Report on 'Preparedness for XIX Commonwealth Games 2010'

The XIX Commonwealth Games are scheduled to be held in October 2010 at Delhi. The Games are being organised with the objectives of delivering the best Commonwealth Games ever, building state of the art sporting and city infrastructure, showcasing the culture and heritage of India, and projecting India as an economic power and Delhi as a global destination.

We conducted a performance audit of 'Preparedness for XIX Commonwealth Games 2010' to gain an understanding of the progress of various projects and preparedness of different agencies for organizing the Games, and to identify significant risks that needed to be addressed. We intend this report to provide an aid to the Government and the organizers in monitoring progress and in making mid-course corrections. We hope that the report, which has been prepared by independent auditors who have an arm's length approach from any of the implementing agencies, will serve as a checklist and a ready reckoner to benchmark further progress towards preparing the infrastructure and in staging the Games.

Towards the close of our audit engagement, we were happy to witness renewed vigour and redoubled efforts by the agencies. At the same time, the audit also helped us identify major challenges facing the organizers. Much time has been lost and it is imperative to move forward with the

new-found sense of urgency tempered by the realization that crashing of timelines and bunching of decisions carry with it the potential of heightened risk of compromising transparency, accountability and safety. Slackness in addressing these challenges may create major embarrassments for the country not being able to deliver the objectives as stated above.

The salient challenges are mentioned below:

- While the Ministry of Youth Affairs and Sports (MYAS) is the nodal ministry of GOI for the Games Project, a large number of organizations and agencies are involved in different facets of planning and implementation. There is an immediate need to qualitatively improve the co-ordination and synchronization of activities among different agencies. The scope for further delays and slippages in milestones no longer exists, given the immovable deadline of October 2010. In the light of the lessons learnt, MYAS should take up the undisputed leadership and ownership of the entire Games project and assume a proactive role.
- While we recognise the dynamic and ever-evolving nature of specifications for such a complex project, freezing all specifications (howsoever minor) in all respects for all projects and works should no longer be delayed.

- We are happy to take note of faster pace of the activities relating to the development of games venues. However, the SPM Aquatics Complex continues to be graded 'high risk' in our risk assessment index. In our opinion, even the latest deadline of February/ March 2010 for the Aquatics Complex would be challenging, considering the poor progress of work till date. Thirteen other venues are at medium risk. Attention should be focused on these venues.
- The Games Village Project, which will provide accommodation to the athletes, has run into several hurdles – notably the financial difficulties faced by the private partner in completing and delivering the residential complex, noise minimization measures, and the unresolved issue of access roads from the NOIDA link road. The DDA has attempted to address the issues of the private partner through a “bail-out” package in May 2009. The Village Project requires close monitoring and oversight to ensure successful and timely completion.
- Civic infrastructure projects are essentially intended to facilitate movement of the Games family as well as spectators across venues. Out of 20 critical bridge and flyover projects, we have assessed 9 projects as high risk and 2 projects as medium risk, on account of slow progress. Failure to address these risks in time would lead to traffic overload on roads being managed through sub-optimal solutions e.g. reduction/ diversion/ restriction of non-Games traffic, with possible inconvenience to the general public. The position is compounded by the delinking of three projects from the 20 bridges assessed as critical for the Games project.
- Considerable work remains to be done in key areas of outsourcing arrangements for HDTV production and broadcasting, and construction of the International Broadcasting Centre; pre-Games HDTV programming; finalizing of the domestic broadcasting rights agreements, as well as rights for Pay TV, DTH, mobile and Internet; and finalization of rate cards for Right Holding Broadcasters.
- The Games project is envisaged as a revenue neutral project. The Governmental funding for the OC is in the form of loans, to be repaid through suitable revenue generation. The OC is confident of the Games being revenue neutral. However, given the state of documentation supporting revenue generation estimates and the fact that a majority of the sponsorship revenue is expected in the form of “value-in-kind”, we could not obtain assurance that the Games would, in fact, be revenue neutral.
- Work also needs to be done by the OC and the venue owners on planning for legacy utilization of the sporting infrastructure being created, and necessary funding for operation and maintenance.

Annexe to Chapter 3

Annexe – 3.1 Details of audit process and methodology

Agency	No. of half margins/audit memos issued	Date of issue of SOF	Date of Exit meeting
Government of India			
Ministry of Youth Affairs and Sports	13	9 February 2011	28 January 2011
Ministry of Home Affairs/ECIL	9	15 February 2011	With MHA – 15 February 2011 With ECIL – 9 February 2011
Central Public Works Department	147	10-15 February 2011	2 February 2011
Government of National Capital Territory of Delhi			
Public Works Department	185	28 January 2011	1 February 2011 (AN) 2 February 2011 (FN)
Department of Health and Family Welfare	22	28 January 2011	1 February 2011
GB Pant Hospital	5	28 January 2011	1 February 2011
Hedgewar Hospital	1	28 January 2011	1 February 2011
Lok Nayak Hospital	3	28 January 2011	1 February 2011
Ram Manohar Lohia Hospital	4	28 January 2011	1 February 2011
GTB Hospital	7	28 January 2011	1 February 2011
Safdarjung Hospital	1	28 January 2011	1 February 2011
Department of Information Technology	27	8 February 2011	11 February 2011
Department of Forest and Wildlife	1		
Delhi Jal Board	15	20 January 2011	24 January 2011
Delhi Transport and Tourism Development Corporation	9	1 February 2011	3 February 2011
Delhi Transco Ltd.	14	21 January 2011	20 January 2011
Delhi Transport Corporation	20	24 January 2011	28 January 2011
Others			
Organising Committee	68	27 January 2011	31 January 2011
Prasar Bharati	24	10 February 2011	18 January 2011
Sports Authority of India	57	17 February 2011	21 January 2011
MTNL	9	15 February 2011	-
ITDC	21	-	30 December 2011
Delhi Development Authority	219	27 January 2011	2 February 2011
Municipal Corporation of	2	24 January 2011	28 January 2011

Agency	No. of half margins/audit memos issued	Date of issue of SOF	Date of Exit meeting
Delhi			
New Delhi Municipal Corporation	12	15 February 2011	17 February 2011
Delhi Parks and Gardens Society	2		
Delhi University	6	28 January 2011	19 January 2011
Jamia Millia Islamia University	1	25 January 2011	Auditee did not schedule the meeting despite reminder.
Government of Maharashtra			
Director of Sports & Youth Services Balewadi, Pune	76	1 February 2011	23 February 2011
Principal Secretary, Department of School Education and Sports	01		
Commissioner of Police, Pune	18		
Pimpri Chinchwad Municipal Corporation	19		
Pune Municipal Corporation	32		

Annexe to Chapter 4

Annexe-4.1 - Reduction in the percentage of planned work through revision of timelines

Sl. No	Name of the agency – venue- sports discipline	Planned work before revising the timeline		Planned work after revision of timeline	
		Month	percentage	Month	percentage
Competition Venues					
1	AITA-RK Khanna-Tennis	1 Dec,09	84.97	30 Dec,09	80.35
2	CPWD-IG-Cycling	Feb,09	56.06	Mar,09	34.80
		Sep,09	70.23	Nov,09	63.97
3	CPWD-IG-Gymnastics	Jun,09	66.34	Jul,09	52.89
4	CPWD-IG-Wrestling	Oct,08	39.48	Nov,08	11.37
		Sep,09	93.68	Nov,09	75.25
5	CPWD-JNS-Athletics	Mar,10	98.28	Aprl,10	95.79
6	CPWD-JNS-Weightlifting	May,09	74.94	Jun,09	63.62
		Sep,09	92.64	Nov,09	70.48
		Mar,10	100.00	Aprl,10	96.21
7	CPWD-KSSR-Shooting	Oct,08	29.71	Nov,08	1.00
		Sep,09	92.58	Nov,09	86.60
8	CPWD-MDC-Hockey	May,09	90.05	Jun,09	77.52
		Sep,09	94.35	Nov,09	89.30
9	CPWD-SPM-Aquatics	May,09	92.50	Jun,09	45.68
		Mar,10	98.71	Aprl,10	95.83
10	DDA-Siri Fort-Badminton & Squash	Aprl,09	62.36	May,09	46.12
		Sep,09	79.03	Nov,09	62.92
		Feb,10	95.61	Mar,10	88.86
11	DDA-Yamuna-Archery	Aprl,09	44.03	May,09	6.24
		Nov,09	64.03	Dec,09	51.23
		Feb,10	100.00	Mar,10	94.56
12	DDA-Yamuna-TableTennis	Aprl,09	64.36	May,09	46.69
		Sep,09	77.82	Nov,09	61.14
		Feb,10	95.19	Mar,10	85.43
13	GNCTD-Thyagaraj-Netball	1 Dec,09	100.00	30 Dec,09	90.93
14	NDMC-Talkatora-Boxing	Nov,08	70.66	Dec,08	55.49
Training Venues					
1	AITA-RKKhanna TRG-Tennis	1 Dec,09	84.97	30 Dec,09	80.35
2	CPWD-MDC TRG-Hockey	Oct,08	53.14	Nov,08	46.97
		May,09	90.05	Jun,09	77.52
		Sep,09	94.35	Nov,09	89.30
3	DDA-GameVillage TRG-Athletics	Sep,09	84.43	Nov,09	31.27
		Feb,10	86.14	March,10	75.13
4	DDA-GameVillage TRG-Swimming	Sep,09	57.99	Nov,09	23.30
5	DDA-Saket-TRG-Badminton	Aprl,09	44.03	May,09	3.12
		Sep,09	57.41	Nov,09	16.83
		Feb,10	83.47	March,10	71.57
6	DDA-Siri Fort-TRG-Badminton	Aprl,09	44.03	May,09	3.13
		Sep,09	29.75	Nov,09	15.54
		Feb,10	89.06	March,10	77.49
7	DDA-Siri Fort-TRG-Squash	Aprl,09	44.03	May,09	2.88
		Sep,09	52.61	Nov,09	10.23
		Feb,10	85.87	March,10	72.23
8	DDA-Siri Fort-TRG-Swimming	Aprl,09	40.89	May,09	4.32
		Sep,09	27.00	Nov,09	10.95
		Feb,10	86.72	March,10	69.84

Sl. No	Name of the agency – venue-sports discipline	Planned work before revising the timeline		Planned work after revision of timeline	
		Month	percentage	Month	percentage
9	DDA-Siri Fort-TRG-Tennis	Aprl,09	44.26	May,09	3.81
		Sep,09	30.83	Nov,09	21.12
		Feb,10	90.64	Mar,10	73.65
10	DDA-Yamuna TRG-Gymnastics	Aprl,09	39.85	May,09	9.20
		Sep,09	81.25	Nov,09	48.61
		Feb,10	87.18	Mar,10	69.12
11	DDA-Yamuna TRG-Hockey	Sep,09	76.14	Nov,09	10.37
		Feb,10	76.33	Mar,10	69.44
12	DDA-Yamuna TRG-Lawn Bowls	Aprl,09	44.03	May,09	8.64
		Sep,09	76.14	Nov,09	20.39
		Feb,10	82.18	Mar,10	77.67
13	DDA-Yamuna TRG-Swimming	Aprl,09	40.89	May,09	11.58
		Sep,09	49.81	Nov,09	38.45
		Feb,10	89.91	Mar,10	71.01
14	DDA-Yamuna TRG-Archery	Aprl,09	44.26	May,09	8.64
		Sep,09	53.30	Nov,09	47.04
15	DU-Polo Ground TRG-Athletics	Jun,09	75.19	Jul,09	62.88
		Mar,10	99.22	Aprl,10	59.75
16	DU-SRCC TRG-Wrestling(W)	Jan,09	18.87	Feb,09	7.83
		Mar,10	96.09	Aprl,10	82.52
17	GNCTD-Chhatrasal TRG-Athletics	Aprl,09	89.07	May,09	20.92
18	GNCTD-Ludlow Castle TRG-Wrestling(M)	Aprl,09	75.96	May,09	9.19
		1 Dec,09	100.00	30 Dec,09	89.54
19	GNCTD-ThyagarajTRG-Athletics	1 Dec,09	100.00	30 Dec,09	90.98
20	JMI-Rugby7sTRG	Jan,10	100.00	Feb,10	88.52
21	JMI-Table Tennis TRG	May09	39.23	Jun,09	26.12
		Jan,10	100.00	Feb,10	88.52
22	NDMC-Shivaji TRG-Hockey	Mar,10	100.00	Aprl,10	85.58

Annexes to Chapter 6

Annexe 6.1 - Category List of projects approved from Ministry of Finance ,D/o Expenditure

(Rs. in crore)						
Sl. No.	Name of the Project/ Proposal	Type of grant/loan	Date of initial proposal	Amount proposed	Date of final approval	Amount approved
Ministry of Youth Affairs and Sports						
1.	Development & Up-gradation/ renovation of SAI stadia for CWG	Plan Grant	28.08.2006	1300.00	15.03.2007	1000.00
			23.01.2009	2497.00	08.05.2009	2460.00
2.	Operational Budget of Organisation Committee of CWG-2010	Approved as Non-plan Loan	30.11.2005	896.04	15.03.2007	767.00
			16.06.2009	1857.89	05.11.2009	1620.00
3.	Budget of OC for overlays of CWG-2010	Plan Grant	28.07.2009	400.00	19.03.2010	687.00
4.	Scheme for preparation of Indian team for CWG-2010	Plan Grant	12.02.2008	802.00	10.06.2009	678.00
5.	Development and up-gradation/renovation of competition training venues of DU, JMI and DPS, RK Puram, New Delhi.	Plan Grant	19.12.2007	258.29	27.03.2008	257.41
			11.02.2009-JMI	304.41	08.10.2009	350.71
			23.02.2009-DU	41.57		
6.	Budget of MTNL as telecom service provider for CWG-2010	Plan Grant	21.10.2009	182.00	10.02.2010	182.00
7.	Procurement of (i) Timing scoring & result system (TSR) (ii) Sports equipments for various competition venues of CWG-2010	Plan Grant	24.09.2009	87.25	18.11.2009	87.25
8.	Development & Up-gradation Training Venues of Lawn Tennis	Plan Grant	02.11.2006	30.00	22.09.2009	65.65
9.	Electronic target securing system & other related equipment at Dr. Karni Singh Shooting Range.	Plan Grant	14.07.2009	30.15	23.08.2009	30.15
10.	Construction of full bore shooting range of CRPF Group centre, Kadarapur, Gurgaon.	Plan Grant	07.05.2008	20.20	01.08.2008	15.00
			27.05.2009	30.36	08.10.2009	28.50
11.	Procurement of fitness	Plan Grant	23.03.2010	14.45	Not processed in MOF.	

Sl. No.	Name of the Project/ Proposal	Type of grant/loan	Date of initial proposal	Amount proposed	Date of final approval	Amount approved
	equipment for various sports infrastructure projects of SAI for CWG-2010				Approved by the concerned Ministry	
Ministry of Urban Development						
12.	Construction of game village & sports venues by DDA	Plan Grant	12.07.2006	474.70	15.10.2009	827.85
Ministry of Information and Broadcasting						
13.	Host Broadcasting International Broadcasting Centre & Main press Centre	Plan Loan + grant	18.12.2007	542.00	03.10.2008	463.00
			16.11.2009	482.57	14.12.2009	473.52
Ministry of Home Affairs						
14.	Integrated security system for installation of CCTVs & access control equipments at all training venues of CWG-2010	Plan Grant	09.09.2009	374.82	04.02.2010	375.00
15.	Development of Traffic communication network in NCR & Mega cities.	Plan Grant	29.12.2008	200.00	13.08.2009	200.00
Ministry of Health and Family Welfare						
16.	National Programme for prevention of Burn Injuries at Safdarjung Hospital, New Delhi.	Plan Grant	09.04.2010	29.20	Not processed in MOF. Approved by the concerned Ministry	
17.	Sports Injury Centre, Safdarjung Hospital, New Delhi	Plan Grant	25.06.2008	70.72	14.07.2008	70.72

Annexe 6.2 – Category-wise profile of approvals/ sanctions by GNCTD

Category/ Activity	Amount (in Rs. Crore)
Flyovers, Roads & Bridges	3,670
Power Projects	1,100
DTC Augmentation	1,071
Stadiums	747
CP Restoration	615
Bus Parking	458
StreetScaping	455
Road Improvement	394
Street Lighting	347
RUB/ROB	216
IGIA Terminal 3	206
Signages	94
Construction of Depots	82
Water Supply	63
Health	46
Communication & IT	28
Greening of Venues	28
Cultural Events	28
Bus Q Shelter	20
Fire Station	3
Grand Total	9,672*

**This includes funding from Gol – (a) components of JNNURM: Rs. 761 crore and (b) Additional Central Assistance for CWG-related projects: Rs 2800 Crore.*

Annexes to Chapter 7

Annexe -7.1

Approval obtained in Indian currency but payment in foreign currency					
Sl. No.	Functional Area	Name of Contract	Approval amount (Rs. in crore)	Payment amount	Remarks
1	Technology	Games Management Service	21.02	USD 4,797,669	
2	Technology	Timing, Scoring & Results	112.45	CHF 24,990,000	
3	Press Operation	Games News Service	9.06	USD 20.60 million	Excess payment of Rs.58 lakh
4	Catering	Caterer for Games Village (Mgt Fees)	7.35	AUD 1.79 million	Excess payment of Rs.49 lakh

Annexe 7.2

Outstanding Advances as on 25 February 2011

S No	Name to whom advance given	(Amount in Rs)	(Functional Area Total, in Rs.)
	Accommodation Key Personnel		
1.	<i>IN Sailor Institute Sagar</i>	28,000	
2.	<i>La passage to India Tours & Travels .P Ltd</i>	7,91,424	8,19,424
	Accommodation		
3.	<i>Hotel RAZA Motels & Hotels India P Ltd</i>	81,000	
4.	<i>Hotel Apeejay Surrendra Park</i>	90,300	
5.	<i>Hotel Corporation of India Ltd</i>	96,852	
6.	<i>Hotel Country Inn & Suites, Sahibabad</i>	1,73,250	
7.	<i>Hotel Radisson, Delhi</i>	3,69,797	
8.	<i>ITDC Unit Hotel Janpath</i>	5,80,557	
9.	<i>New Delhi YMCA Tourist Hostel</i>	8,07,751	
10.	<i>Hotel Claridges Hotels Pvt Ltd</i>	29,16,867	
11.	<i>Hotel Radisson Marina</i>	31,50,000	
12.	<i>Hotel-The Oberoi, New Delhi</i>	42,64,922	
13.	<i>ITDC Ltd. Unit Ashok Hotel</i>	1,00,49,752	
14.	<i>Hotel-The Indian Hotels Co. Ltd</i>	1,19,68,212	
15.	<i>Hotel Queen Road Pvt Ltd</i>	1,82,01,036	
16.	<i>ITDC</i>	2,00,00,000	
17.	<i>The Lalit</i>	7,38,01,720	14,65,52,016
	Catering		
18.	<i>Ms. Sharayu Almelkar, PO-Catering</i>	20,000	
19.	<i>Taste Buds</i>	20,68,707	
20.	<i>Delhi Tourism & Tran. Development Corp. Ltd</i>	58,50,000	
21.	<i>AFP Manufacturing Co. Pvt Lt</i>	2,62,50,000	
22.	<i>Delaware North Companies, (Australia)</i>	44,14,31,256	47,56,19,963
	Ceremonies		
23.	<i>Nandakumar R S</i>	40,851	
24.	<i>Awesome Brand Product)</i>	1,25,000	
25.	<i>Prachi Sharma- Ceremonies</i>	1,49,740	
26.	<i>Ms. Priyanka Bhatia, APO (Ceremony)</i>	1,85,625	
27.	<i>Ms. Purnima Pendse, DDG</i>	2,23,876	
28.	<i>Surya Recreational Travels Pvt Ltd</i>	5,52,104	
29.	<i>Delhi Metro Rail Corporation-DMRC</i>	10,00,000	
30.	<i>Delhi Transport Corporation-DTC</i>	1,80,00,000	2,02,77,196
	Communication, Image & Look		

31.	Ms. Shruti Tekriwal(APO Publicity)	26,000	
32.	Priya Paul Singh,ADG-Comm.	50,000	
33.	Spring Box Films Pvt Ltd	13,80,000	14,56,000
	Finance & Accounts		
34.	Prasant Rath-PO & Cashier	43,980	43,980
	Games Vill. Dev. & Op.		
35.	Adarsh Junega-Games Village	40,000	
36.	A.S & Company	2,02,725	
37.	Diamond Fabcare Pvt Ltd-Mobilization	3,87,432	6,30,157
	Logistics		
38.	Varun Mahajan,APO-Logistics Imprest Adv	20,000	
39.	India Trade Promotion Organisation-ITPO	2,28,777	
40.	Executive Engineer Vigyan Bhawan CPWD	11,41,500	13,90,277
	Medical & Doping Control		
41.	Dr. Munish Chander Dir Dope Control	52,829	
42.	Ms.Jyoti Mittal, PO-Doping Control	52,829	1,05,658
	Office Admn.		
43.	Gp.Capt.N.L.Khan-Director Admn	10,000	
44.	Raj Singh, Director-CS	33,600	
45.	Amar Singh, Dir.Admin	42,508	
46.	Directorate of Audio Visual Publicity - DAVP	65,116	
47.	Alisha Travels Pvt Ltd.	6,00,000	7,51,224
	Overlays		
48.	TIM Delhi Airport Advt Pvt Ltd	24,05,720	24,05,720
	Press Operations		
49.	Manish Kumar, Director-Press Operation	1,65,000	1,65,000
	Protocol & CGF Rel.		
50.	B.B.Kaura	69,100	
51.	Md Aslam Khan	4,64,400	
52.	Balmer Lawrie & Co. Ltd.	4,09,64,120	
53.	Air Travel Grant	10,56,21,055	14,71,18,675
	QBR		
54.	Young Friends & Co.	15,680	
55.	Dr. Kaarthikeyan(Member Sub Committee)	23,761	
56.	Ms.Sangeeta Welinker, JDG	23,875	
57.	Tapasu Ming Leung Wai	27,197	
58.	Kemp & Co. Ltd	30,048	
59.	Ms. Avny Lavasa, APO-YBR	30,841	
60.	Event Travel Office	56,936	
61.	Capt Chetan Chauhan, PO-QBR	1,00,935	

62.	Ms. Louis Rosa-QBR	1,47,415	
63.	Ashish Maitra, QBR	1,49,890	
64.	Akhilendra Pratap Singh, APO-QBR	2,00,620	
65.	Vijay Ingale	2,97,069	
66.	Director,N.Zone,Cultural Centre	5,50,000	
67.	Ankit Rampal, APO-QBR	5,78,583	
68.	Lt.Col.K.S.Banshtu, Director	8,14,287	
69.	Shivansh Bhatnagar, Admn.Asst.	10,28,581	
70.	Ms.Subie Issac	13,33,296	
71.	Ms. Priyanka Negi, AA-QBR	15,46,512	
72.	M.Jeychandren, Addl DG	50,49,652	
73.	Sanjay Mohindroo, DDG	67,58,578	
74.	AM Car & Van Hire.	1,05,34,374	
75.	AM Films UK Ltd.	1,11,98,746	4,04,96,877
	Security		
76.	Shamsher Singh, DDG-Security	22,000	
77.	DG NCC Camp Fund	1,95,360	2,17,360
	Sports		
78.	Athletic Federation of India	6,828	
79.	Visa Fees	22,800	
80.	Bowling Federation of India	52,705	
81.	S.R.Singh, Mgr.Sports Operation-Boxing	73,948	
82.	Cuddikotta Valson, Competition Manager	1,07,600	
83.	Bharat Refrigeration Works	1,46,000	
84.	Manpreet Kandhari, Comp Manager-Tennis	1,75,000	
85.	Gehmann Gmb H +Co. K.G.-Germany	1,87,762	
86.	V.N Singh,Manager-Sports Operations	1,93,369	
87.	Fiocchi Munizioni S.P.A.Italy	2,48,326	
88.	Netball Federation of India	3,00,000	
89.	Heritage Sporting Prdts.Pty Ltd., Australia	3,47,387	
90.	Crescent Comms Ltd.UK	4,62,582	
91.	Nammo Lapua Oy	4,68,952	
92.	UCS,USA	4,88,984	
93.	Ruag Ammotec GmbH,Germany	5,36,624	
94.	Lapua Gmbh-Germany	5,43,880	
95.	Eley Ltd.,UK	5,43,881	
96.	KOPOJIS	5,85,000	
97.	RC Eximport S.R.L-Italy	7,84,066	
98.	S.P.Pillai, Director	8,65,515	
99.	Agentur"M" Sports-Germany	9,76,619	

100.	Free Church-Sansad Marg	11,11,111	
101.	Indian Rugby Football Union	13,20,514	
102.	Archery Association of India	15,00,000	
103.	Badminton Association of India	15,90,000	
104.	Indian Boxing Federation	20,00,000	
105.	Gymnastic Federation of India	20,63,683	
106.	National Rifle Association of India	25,42,776	2,02,45,912
	Technology		
107.	Razaullah Khan, PO	4,400	
108.	G.Rajaraman, Consultant-Web	5,000	
109.	Aksh Optifibre Limited	12,000	
110.	S C Naik, PO	24,800	
111.	Bharti Airtel Ltd.	4,13,906	
112.	National Informatics Centre Ser. Inc - NICSI	4,94,343	
113.	MTNL	10,01,768	
114.	Telecommunication Consultants India Ltd.	18,39,137	
115.	Hungama Digital Entertainment P Ltd-Mobil	29,50,000	
116.	TCIL-Cable TV Service	31,38,134	
117.	TCIL-Data Cabinet	34,05,551	
118.	MTNL(Test Event at Various Venues)	60,00,000	
119.	Radius Infratel Pvt Ltd-Mobilization	87,66,933	
120.	TCIL-Cabling System	1,18,79,496	
121.	TCIL-Office Automation	1,48,72,424	
122.	TCIL-Network Equipment	5,78,98,180	11,27,06,072
	Venue Dev. & Operations		
123.	Pushpinder Dillon-Badminton	587	
124.	G S Mander, Venue Administrator-IGW	928	
125.	Dr. Clement Rajkumar, Vice Principal	10,000	
126.	Dr. Mustaq Ali, Prof-Uni Polytecnic	10,000	
127.	Jai Inderpal Singh, Prof-Hindu College	10,000	
128.	Munesh Chakravorty, Prof-Ramjas College	10,000	
129.	Noor Mohammad, Dir-Phy Edu	10,000	
130.	N Suresh, DPS	10,000	
131.	Parveen Kaur Sahni, Prof-Khalsa College	10,000	
132.	Surinder Singh, Coach-DU	10,000	
133.	Dr. Kuljeet Kaur, Prof-Shri Ram College	20,000	
134.	Narendra Batra, Venue Administrator-NSH	25,000	
135.	Krishnapoojan Sharma-Siri Fort	40,000	
136.	D C Dey, Venue Administrator-Flats-VK	73,800	
137.	Ashok Gangopadya-Sansad Marg	75,000	

138.	M C Mahapatra, Venue Administrators-IGC	75,000	
139.	Zafar Iqbal, Venue Administrator-NSH	75,000	
140.	G S Shekhawat, Venue Administrator-IGC	79,064	
141.	AVM Ajit Singh, Venue Administrator-JNC	99,950	
142.	Ajeet Shekhawat, Venue Administrator-JNB	1,00,000	
143.	DK Sharma, Venue Administrator-JNW	1,00,000	
144.	Harish Kumar, Venue Administrator-SFB	1,00,000	
145.	Khazan Singh, Venue Administrator-SMA	1,00,000	
146.	Maj Gen U Bhattacharya, Venue Admin-ITPO	1,00,000	
147.	Maj OP Bhatia, Venue Administrator-THN	1,00,000	
148.	Manmeet Singh, Venue Administrator-KSS	1,00,000	
149.	M S Rawat, Venue Administrator-KFB	1,00,000	
150.	M S Upadhyay, Venue Administrator-TSB	1,00,000	
151.	Qamar Ahmed, Venue Administrator-JNA	1,00,000	
152.	S N Jha, Venue Administrator-NEC	1,00,000	
153.	S P Gupta, Venue Administrator-YCT	1,00,000	
154.	Sudershan Pathak, Venue Administrator-DUR	1,00,000	
155.	Umesh Kumar Katna, Venue Administrator-IGG	1,00,000	
156.	V K Batra, Venue Administrator-RKT	1,00,000	
157.	KDS Dullat, Venue Administrator-SFS	1,00,000	
158.	Brig N B Singh, Venue Administrator, YCA	1,98,000	
159.	Mathew Todd Jankowski, Director	13,29,171	37,71,500
	Workforce		
160.	Col.Dhanraj, Archery-Yamuna Sports Complex	10,000	
161.	Imprest with Amar Singh, Director Admn	10,000	
162.	Ms Payal-Training Wing	10,800	
163.	Ms.Uma Badve, Director-Volunteer Prog	14,852	
164.	Brig.UK Dhar, DDG-Volunteers Prog	99,724	
165.	Rent	2,92,700	
166.	Captain Baldev Singh	3,00,000	
167.	Nikita Saigal-Workforce	24,27,600	
168.	Reebok India Ltd	3,60,42,480	3,92,08,156
	Grand Total	1,01,39,81,166	1,01,39,81,166

Annexe- 7.3**Deficiencies in Contract Management****A. Contracts awarded on nomination basis**

Sl. No.	Functional Area	Contract and Vendor	Contract amount (in Rs. crore)
1.	QBR	QBR Launch Ceremony (AM Films)	1.17
2.	QBR	QBR Launch Ceremony (AM Car & Van Hire Ltd.)	1.90
3.	Catering	Kitchen Equipment (PKL London)	8.63
4.	Catering	Venue Caterers (19 Nos.)	13.00
5.	Ceremony	Ground Leveling (Hortus Consultants)	0.48
6.	Catering	Caterer at airport (Global Gourmet)	0.33
7.	Catering	Caterer at airport (Premium Port Lounge Management Company)	0.41
8.	Ticketing	Ticketing consultant (Bruce Wilkie)	1.19
9.	Communication	Production and broadcast of celebrity endorsement film (CNN)	0.48
10.	Communication	Production and broadcast of celebrity endorsement film (NDTV)	0.24
11.	Communication	Production and broadcast of special episodes on development of games (CNN)	2.50
12.	Communication	Promotion of QBR in India (NDTV) and G.Next Media	0.31
13.	Communication	NDTV (Greenathon)	0.25
14.	Communication	Publication of 'Go Delhi' book (Rush Entertainment Ltd.)	0.14
15.	Communication	Outdoor advertising on Youth Baton Relay, Pune (M/s Billboard and M/s JC Decaux advertising Ltd.)	0.44
16.	Communication	Promotion of CWG through schools, colleges and music concerts (SPIC-MACAY)	0.20
17.	Communication	Spread awareness about CWG in CHOGM 2009 (First Magazine UK & M/s Publications UK Ltd)	0.11
18.	Procurement	Uniform (Hastkala)	0.08
19.	Procurement	Supply of suitcases (Young Friend & Co)	0.23
20.	Procurement	Supply of shirts (Young Friend & Co)	0.05

Sl. No.	Functional Area	Contract and Vendor	Contract amount (in Rs. crore)
21.	Technology	Turnkey Implementation Agency (TCIL)	92.17
22.	Technology	IPTV, Wi-fi, High Speed Internet, fax, phone, GVN, enabling of Network Services (Radius Infratel Pvt. Ltd.)	2.95
23.	Venue Development	Project Scheduling, Review and Monitoring, Part C (EKS)	14.50
24.	Venue Development	Venue Brief, Preparation of Site Plan, Part A (EKS)	5.20
25.	Sports	Sports Presentation (Great Big Events -1st contract)	2.25
26.	Sports	Sports Presentation (Great Big Events -2nd contract)	3.82
27.	Technology	High speed bandwidth (TCL) & Bharti Airtel	11.80
28.	Technology	Data cards (MTNL, Reliance, Tata)	0.80
29.	Technology	IPTV Services (Bharti Airtel)	0.60
30.	Technology	Audio/Video Equipment (Samsung Electronics)	3.79
31.	Technology	Purchase of desktop (Agmatel, CIPL)	5.79
32.	Games Village	Employment of lift man at residential towers of Games Village (Schindler India Pvt. Ltd)	0.40
33.	Ceremonies	Theme song (A R Rahman)	5.04
34.	Ceremonies	Band Stand (Mark Fisher)	2.90
35.	Ceremonies	Props (Omung Kumar- Blue Lotus)	16.49
36.	Ceremonies	Creative Director (Bharat Bala)	3.00
37.	Ceremonies	Aerostat (K-events)	35.82
38.	Ceremonies	Costume Suppliers (Anna Singh, Leena Ashima and Seerath Narendra)	6.98
39.	Ceremonies	Choreographer (Santosh Shetty)	1.33
40.	Ceremonies	Choreographer (Devendra Shiller)	1.33
41.	Ceremonies	Cast Management (Rang Puhar)	0.95
42.	Ceremonies	Music Arranger (Ranjit Barot)	1.93
43.	Ceremonies	Segment Director (Kalpesh Dalal)	0.40
44.	Ceremonies	Rigging Equipment (Stage One)	1.32
45.	Ceremonies	Cast Provider (Rangbhoomi)	1.06
46.	Ceremonies	AGNI Segment (Samudra)	1.58
47.	Ceremonies	Cast & Dancer (Shiamak Davar)	2.82
48.	Ceremonies	Production Designer (Mark Fisher)	0.90
49.	Ceremonies	Technical and Staging Manager (Andrew Garrod)	0.49
50.	Ceremonies	Master Scheduler (Sarah Grubb)	0.18
51.	Ceremonies	Audio Designer (Scott Willsallen)	0.33
52.	Ceremonies	CAD Manager (Aaron Felker)	0.43

Sl. No.	Functional Area	Contract and Vendor	Contract amount (in Rs. crore)
53.	Ceremonies	Technical Director (Piers Shepperd)	0.72
54.	Ceremonies	Lighting Designer (Durham Marengi)	1.58
55.	Ceremonies	Technical System Manager (Ian Baldwin)	0.47
56.	Ceremonies	Production Rigging (James Lee)	0.26
57.	Ceremonies	Scenic Engineer and Rigging Manager (Richard Hartman)	0.54
58.	Ceremonies	Communication Designer (Larry Estrin)	0.76
59.	Ceremonies	Roof Loading Study (Knut Stockhusen)	0.03
60.	Ceremonies	Show Caller (Laura Thatcher)	0.11
61.	Ceremonies	Technical Director (Ola Melzig)	0.39
62.	Ceremonies	Rigging Consultant (Stage One)	0.37
63.	Ceremonies	Electrical System Consultant (Linus Lopez)	0.41
64.	Accreditation	Consultant (Thomas C. Cisewski)	0.04
65.	Catering & cleaning and waste management	Consultant (David Payne)	1.82
66.	Finance	Ernst & Young	0.40
67.	Venue Development	Lary Sengstock	0.04
68.	Sports	Consultant (Greg Bowman)	0.77
69.	Sports	Tsogas Achillefs	0.32
70.	Image and Look	Matt Burton & Simon Dietsch	0.05
71.	Administration	Chief Advisor (BS Ojha)	0.04
72.	Broadcasting	Consultant (Patrick Thomas Furlong)	2.80
73.	Catering	Legal Consultant (Abraham M Pattiyani)	0.02
74.	QBR/BCI	Consultant (Saba Ali)	0.17
75.	Communication	Consultant (Anupam Gulati)	0.13
76.	Coordination	Consultant, International Relation (Shashi Tharoor)	0.13
77.	Finance	Consultant (Nishigandha Mathur)	0.02
78.	Finance	Pr. Advisor, Taxation (Anita Sahani)	0.07
79.	Games Village	Consultant (John Lade)	0.92
80.	Legal	Advisor (Shivani Chopra)	0
81.	Legal	Advisor (Sushil Salwan)	0.28
82.	Legal	Advisor (Lovekesh Sahani)	0.04
83.	Media	Advisor (R. Ramachandran)	0.15
84.	Media	Advisor (Sandeep Mehta)	0
85.	Media	Consultant, Communication (V. Krishnaswamy)	0.03
86.	Media	Advisor (Sandhya Mulchandani)	0.11
87.	Venue Development	Advisor, Infrastructure (Lt. Gen. Yash Malhotra)	0.09
88.	Media	Consultant, Main Press Centre (BS Khosla)	0

Sl. No.	Functional Area	Contract and Vendor	Contract amount (in Rs. crore)
89.	Protocol	Advisor, Revenue & Marketing (Vikram Kaul)	0.11
90.	Security	Advisor (RK Das)	0.08
91.	Security	Advisor (BKR Rao)	0
92.	Sponsorship	SMAM (Pune)	3.36
93.	Technology	Consultant (Brian Nourse)	0.95
94.	Venue Development and Overlays	Consultant (Bhoop Singh)	0.04
95.	Venue Development and Overlays	Consultant (GP Singh)	0.02
96.	Venue Development and Overlays	Consultant (Radhesh Gupta)	0.02
97.	Venue Development and Overlays	Consultant (Nawal Kant Sethi)	0.01
98.	Venue Development and Overlays	Consultant (Dhruv Kapur)	0.01
99.	Venue Development and Overlays	Architect/Consultant (B. Uma Shankar)	0.02
100.	Venue Development and Overlays	Architect /Consultant (Prema Joshi)	0.01
101.	Venue Development and Overlays	Architect /Consultant (Nitin Srivastava)	0.02
102.	Venue Development and Overlays	Architect /Consultant (Nidhi Gupta)	0.02
103.	Venue Development and Overlays	Architect /Consultant (Bushra Jung)	0.01
104.	Venue Development and Overlays	Architect /Consultant (Shamin Akhtar)	0.01
105.	Venue Development and Overlays	Architect /Consultant (Divya badhan)	0.02
106.	Administration	Advisor, Transport & Security (Rajiva Srivastava)	0.40
107.	Technology	Official Telecom service provider (MTNL)	30.00
Total			310.68

B. Contracts awarded on single tender

Sl. No.	Functional Area	Name of the Contract	Rs. in crore	Remarks
1	Ceremonies	Ground Cloth for Opening Ceremonies (Geofabrics)	1.74	Open Tender
2	Ceremonies	Ground Cloth for Closing Ceremonies (Lalit Art Studio)	0.97	Open Tender
3	Ceremonies	Turf Replacement (Hortus Consultants)	7.26	Open Tender
4	Catering	Master caterer for Games Village(DNC)	66.50	Open Tender
5	Catering	Transportation of Kitchen Equipment from Airport to Games Village (Balmer Lawrie & Company)	0.15	Limited Tender
6	Communication	Appointment of Sports Promotion consultant (Percept Ltd)	1.90	Open tender
7	Sport	Under water sound system, under water speaker (Swatantra Stores)	0.08	Open Tender
8	Sport	Warm up roller (Swatantra Stores)	0.05	Open Tender
9	Sport	Boundary scope (Swatantra Stores)	0.04	Open Tender
10	Sport	Boxing competition rings (Swatantra Stores)	0.18	Open Tender
11	Sport	Boxing gloves (Swatantra Stores)	0.26	Open Tender
12	Sport	Boxing Headgears (Swatantra Stores)	0.10	Open Tender

Sl. No.	Functional Area	Name of the Contract	Rs. in crore	Remarks
13	Sport	Punching bag stand/tower heavy duty (Swatantra Stores)	0.02	Limited Tender
14	Sport	Hook & Jab Pad (Swatantra Stores)	0.02	Limited Tender
15	Sport	Punching bag (Swatantra Stores)	0.07	Limited Tender
16	Sport	Boxing glove, head gear, punching glove rack stand (Swatantra Stores)	0.01	Limited Tender
17	Sport	Power lifting equipment- M/s Eleiko Sports, (Swatantra Stores)	0.27	Open Tender
18	Sport	Automatic Electronic Scoring Target system (SIUS ASCOR, Switzerland)	1.01	Open Tender
19	Sport	Long throw equipment retriever tele controller (M/s Vinex Enterprises Pvt. Ltd.)	0.12	Open Tender
20	Sport	Badminton equipment (M/s Sunrise PT Ltd. Singapore)	0.54	Open Tender
21	Technology	Games Management System (Gold Medal System)	21.02	Open Tender
22	Technology	Timing, Scoring and Results (Swiss Timing)	112.45	Open Tender
23	Games Planning and Project Management	Games Planning and Project Management (Consortium of E&Y and EKS)	29.66	Open tender

Sl. No.	Functional Area	Name of the Contract	Rs. in crore	Remarks
24	Venue Development & Overlays	Providing and Installing of Signage at Pragati Maidan and JNL (Meroform)	0.86	Open Tender
25	Work Force	Work Force Consultancy (Consortium of E&Y and EKS)	22.36	Open Tender
26	TV Rights	International Broadcast Rights Consultant (Fast Track Events)	29.44	Open Tender (Commission Charges)
27	Sponsorship	International Consultant (SMAM)	50.00	Open Tender (Commission Charges invoice submitted by SMAM)
28	Press Operation	Games News Agency (Info Strada)	9.06	Open tender
Total			356.14	

C. Ineligible vendors

Sl. No.	Functional Area	Name of the Work	Value of Contract (in crore)
1	Venue Development & Overlays	Contract for overlays	630.00
2	Sponsorship	Consultant (SMAM)	450.00 ¹
3	Catering	Food Stalls at Games Venues (Fast Trax)	0.92
4	Catering	Master Caterer (DNC)	66.50
5	Catering	Kitchen equipments supplier and installer (Constellations)	9.50
6	Ceremonies	Ground Cloth for Opening Ceremony (Geofabrics)	1.74
7	Ceremonies	Ground Cloth for Closing Ceremony (Lalit Arts Studio)	0.97
8	Games Village	Housekeeping for Games Village (Kalpataru Hospitality)	3.44
9	Technology	Games Management System (Gold Medal System)	21.02
10	Merchandising & Licensing	Licensee (PBL)	4.52
11	Work Force	Work Force Consultancy(EKS in consortium with Ernst & Young)	22.36
12	Cleaning & Waste Management.	Cleaning Services	21.29
13	Catering	Venue Catering (AFP Manufacturers Pvt. Ltd)	8.75
14	Ceremony	CYG-2008, Pune (Wizcraft)	12.77
		Total	1253.78

¹Sponsorship target of SMAM as per contract.

D. Restrictive Clauses

Sl. No	Functional Area	Name of the Contract	Restrictive conditions	Amount (in crore)
1	Ceremonies	Ground Cloth for Opening Ceremony (Geo-Fabrics)	Experience in Olympics, CWG and Asian Games	1.74
2	Catering	Master caterer for Games Village (DNC)	Experience in Olympics, CWG and Asian Games	66.50
3	Ceremonies	Communication Systems (Reidel Communications)	Experience in Olympics, CWG and Asian Games	1.57
4	Ceremonies	CYG-2008, Pune (Wizcraft)	Annual turnover of Rs. 125 crore	12.77
5	Ceremonies	Lighting & Search Light (PRG Belgium)	Experience in Olympics, CWG and Asian Games	15.75
6	Accreditation	Procurement of lanyard (Tristar Enterprises)	Resistance upto 800 degree Celsius	0.68
7	Communication	Appointment of Sports Promotion consultant (Percept Ltd)	Higher turnover of Rs. 250 crore	1.90
8	Sports	Hiring of audio/video equipments for Sports Presentation (Modern Stage)	Experience of providing audio/video equipments in Olympics, Asian games, CWG and World Mega Sports competition	6.75
9	Technology	Games Management System (Gold Medal System)	Experience in Olympic, CWG and Asian Games during last five years	21.02
10	Technology	Timing, Scoring and Results (Swiss Timing Omega)	Experience in Olympic, CWG and Asian Games during last five years	112.45
11	Venue Development & Overlays	Overlays (Turnkey Contract)	Exorbitant turnover (Rs. 1075 crore) Experience of CWG/Asian Games/Olympics	630.18
12	Image and Look	Games Look Provider	Annual turnover of Rs. 4 crore for allotment-one cluster, 8 crore for second cluster etc.	25.94
13	Work Force	Work Force Consultant	Annual turnover of more than Rs. 50 crore or equivalent in foreign currency from consulting fees in each of the preceding years. Experience of providing advisory services to at least two multi-sport events of the stature of Olympics, Asian Games and CWG	22.36
14	Games Planning & Venue Development	Games Planning & Project Management Consultant	Experience of only CWG/Asian Games/Olympics was considered for qualification	29.66
15	Technology	Official Website Provider	Work experience of	2.95

Sl. No	Functional Area	Name of the Contract	Restrictive conditions	Amount (in crore)
			Olympics/CWG/Asian Games, PAN American Games or any other international multi sport events	
16	Cleaning & Waste Management	Cleaning Services	Annual turnover of Rs 5 Crore in each of the last financial year to undertake one tender package, and for venues having seating capacity of greater than 500, annual turnover should be Rs. 10 Crore or more for at least the last 3 yrs	21.29
		Total		973.51

E: Retendering due to non submission of EMD

Sl. No.	Name of the Functional Area	Name of the Contract/work	Value of Contract (in crore)	Remarks
1	Catering	Master Caterer for Games Village	72.00	Though EMD was not obtained, the commercial bid was opened. Subsequently, re-tendering was ordered.
2	Ceremony	Turf Replacement	7.26	Rs.7.26 crore after retendering. The Retendering was done, as no EMD was received.

F: EMD not obtained

Sl. No.	Name of the Functional Area	Name of the Contract	Value of Contract/Tender Value (Rs in crore)	Remarks
1	Ceremony	Signature Fencing	8.22	EB authorised Chairman to waive off the EMD
2	Sponsorship	SMAM	On commission basis	No EMD
3	TV Rights	International Broadcast Rights Sales consultant Service agreement	On commission basis	No EMD
4	Ceremony	Video Content	3.80	No EMD
5	Ceremony	Stage Safe	0.34	No EMD

G. Negotiation held with Vendors other than L1

Sl. No.	Functional Area	Name of the work	Parties with which negotiations held	Contract awarded to (L2, L3, L4 etc)	Value of contract (in crore)
1	Ceremonies	Video Contents	L3 (highest Bidder)	L3	3.80
2	Image and Look	Graphic Design Agency	L2	L2	2.81
3	TV Rights	International Broadcast Rights Consultancy	L2	L2	29.44
4	Games Village	House Keeping Contract	L1 & L2	L1 & L2 (Divided among L1 & L2)	3.44
5	Catering	Venue Catering	L1, L2 & L3	L1, L2 & L3	5.99
6	Administration	Renovation of NDCC building (2nd to 6th floor)	L1, L2 & L3	L1, L2 & L3	19.66
7	Administration	Renovation of NDCC building (7th to 9th floor)	L1, L2	L1, L2	8.89
Total					74.03

H. Sufficient time not given for bidders to respond to RFP

Sl. No.	Functional Area	Name of the work/contractor	Value of work (in crore)	Time allowed to Respond to RFP
1	Technology	Official Games Website Provider	2.95	10 Days
2	Technology	Games Management	21.02	3 weeks
3	Technology	Supply of Audio Video Equipments	3.79	2 weeks
4	Venue Development and Overlays	Providing and Installing of Signages at Pragati Maidan and JLN	0.86	5 days

Sl. No.	Functional Area	Name of the work/contractor	Value of work (in crore)	Time allowed to Respond to RFP
5	Venue Development and Overlays	Glazing black out of glass	0.32	5 days
6	TV Rights	International Broadcast Rights Consultancy	29.44	2 weeks
7	Sports	Hiring of audio/video equipment	6.75	10 days
8	Ceremonies	Lighting and search lighting	15.75	2 weeks
9	Ceremonies	Pyrotechnic	3.38	3 weeks
10	Ceremonies	Audio System	5.18	2 weeks
11	Ceremonies	Communication System	1.57	2 weeks
12	Ceremonies	Ground protection	7.87	2 weeks
13	Ceremonies	Ground cloth for Opening Ceremony	1.74	2 weeks
14	Ceremonies	Ground cloth for Closing Ceremony	0.97	2 weeks
15	Ceremonies	Turf replacement	7.26	2 weeks
16	Ceremonies	International consultant	10.33	19 days
17	Ceremonies	Event Management Firm	21.49	2 weeks
18	Sponsorship	Consultant	50.0	2 weeks
19	QBR	QBR consultant	8.00	2 weeks
20	QBR	QBR Launch	1.81	2 weeks
21	QBR	QBR International uniform	0.19	10 days
22	Administration	Interior designer consultant	1.27	2 weeks
23	Administration	Renovation of NDCC building (2nd floor to 6th floor)	19.66	2 weeks

Sl. No.	Functional Area	Name of the work/contractor	Value of work (in crore)	Time allowed to Respond to RFP
24	Administration	Renovation of NDCC building (7th floor to 9th floor)	8.89	2 weeks
25	Catering	Food stalls (venue catering)	0.93	10 days
26	Catering	Lounge catering (venue catering)	13.93	7 days
27	Catering	Food packets (venue catering)	9.00	7 days
28	Catering	Installation and supply of kitchen equipment	9.50	10 days
Total			263.85	
Less time allowed to respond after taking approval of Chairman				
Sl. No.	Functional Area	Name of the work/contractor	Value of work (in crore)	Time allowed to Respond to RFP
1	Press Operation	Games News Agency	9.06	2 weeks
2	Image & Look	Games Look Provider	25.94	2 weeks
3	Sports FA	Hiring of audio video equipment	6.75	2 weeks
Total			41.75	

I. RFP/EOI Cancelled and Retendering resorted to

Sl.No	Functional Area	Name of the contract
1	Catering	Games Village Catering (DNC)
2	Catering	Venue Catering
3	Games village development & Operation	House Keeping Contract Games Village
4	Merchandising & Licensing	Merchandising & Licensing
5	Technology	Purchase of Audio Video equipment
6	Sports	Sports Presentation- 2nd Contract
7	Ceremony	Turf Replacement
8	Ticketing	Ticketing Agency
9	Risk Management	Insurance consultant

J. Value of unused items

Sl. No.	Functional Area	Name of work/items	Value of Items Purchased (in Rs crore)	Items remained un-used (in Rs crore)
1	Ceremonies	Properties for Ceremonies (Ground Protection)	7.87	2.02
2	Ceremonies	Ground Cloth for Opening Ceremony	1.74	0.20
3	Ceremonies	Props for Closing Ceremony	4.04	2.83
4	Ceremonies	Props for Opening Ceremony	12.45	0.36
5	Sports	Sports equipment	2.27	2.27
6	Procurement	Purchase of Laptops	1.00	0.26
7	Ticketing	Printing of Raw tickets	1.86	0.78
8	Communication	Provide creative strategy & creative Plan (audio visual)	1.34	1.27
9	Procurement	Men Shirt(Peter England)	0.05	0.01
10	Procurement	Saree/Blouse Petticoat	0.08	0.01
11	Procurement	Ladies Shoes (Bata)	0.02	0.00
12	Procurement	Men Shoes (Bata)	0.04	0.01
13	Procurement	Suitcase(Tourists)	0.23	0.03
14	Procurement	Shera (Resin)	0.11	0.05
15	Procurement	Shera (Resin)	0.01	0.00
16	Procurement	Acrylic Mementos	0.24	0.08
17	Procurement	Mega Phone	0.03	0.01
18	Procurement	Souvenir Mug	0.05	0.03
19	Procurement	Souvenir Pen	0.01	0.01
20	Procurement	Souvenir Umbrella	0.09	0.05
21	Procurement	Commemorative Medals	3.49	2.64
22	Procurement	Souvenir -Tie	0.32	0.22
23	Procurement	Laptop stickers	0.03	0.02
24	Procurement	Lapel-Pin	0.34	0.23
25	Procurement	Scarf	0.09	0.01
26	Procurement	Commemorative Plate	0.25	0.15
27	Procurement	Commemorative Coins	0.00	0.00
28	Procurement	Commemorative Coins	0.00	0.00
		Total	38.05	13.55

K. Detailed Scope of work not defined in the agreement

Sl.No	Functional area	Name of Consultant	Criteria of appointment whether nomination or through RFP	Designation/Broad Scope of Work
1.	Administration	BS Ojha	Nomination	Chief advisor
2.	Broadcasting	Goverdhan Sharma	Search committee	Broadcasting advisor
3.	Catering	Sunil Khanna	Search Committee	Establishment of village kitchen
4.	Catering	Ajay Grover	Search committee	Catering Consultant
5.	Catering	Abraham M Pattiyani	Nomination	Legal
6.	CBC/BCI	Saba Ali	Nomination	Additional manpower to deliver the Baton Launch
7.	Communication	Ms. Geetanjali Aiyer	Search committee	Communication consultancy
8.	Communication	Rajiv Desai	Search committee	Communication consultancy
9.	Communication	Arun Shaw	Search committee	Increase of work load in FA
10.	Coordination	Shashi Tharoor	Nomination	Engaging city, national and international communities
11.	Finance	Nishigandha Mathur	Nomination	Drafting of Games Time financial policies, setting up of insurance desk at OC during Games Time
12.	Finance	Anita Sahani	Nomination	Principal Advisor Taxation (part time)
13.	Finance	Ernst & Young	Nomination	Revalidated budget
14.	Legacy and CGA relation	Asha Nayar Basu	Search committee	Legacy and Communication (part time)
15.	Legal	Shivani Chopra	Nomination	Legal Advisor
16.	Legal	Sushil Salwan	Nomination	Legal Advisor
17.	Legal	Lovekesh Sahani	Nomination	Legal Advisor
18.	Media	Sandeep Mehta	Nomination	Media Advisor
19.	Media	Sandhya Mulchandani	Nomination	Advisor Media
20.	Medical/ Protocol	Sujata Khanduja	Search committee	Consultancy in Medical/ Protocol

Sl.No	Functional area	Name of Consultant	Criteria of appointment whether nomination or through RFP	Designation/Broad Scope of Work
21.	Venue Development	Lt. Gen. Yash Malhotra	Nomination	Infrastructure Advisor
22.	Venue Development	Lary Sengstock	Nomination	Review of Competition Schedule
23.	Media	BS Khosla	Nomination	Main Press Centre
24.	Accomodation	Shobha Narain	Search committee	Hospitality (Part time)
25.	Protocol	Stuti Mishra	Search committee	Protocol consultancy
26.	Protocol	Vikram Kaul	Nomination	Advisor for revenue, marketing and communication (but later shifted to hospitality)
27.	QBR	Ashutosh Sharma	Search Committee	Advisor, QBR
28.	QBR	Satish Pardhan	Search Committee	Advisor, QBR
29.	Risk Management	Marsh India Private Limited and Trinity Insurance Brokers Pvt. Ltd.	RFP	Consultancy for insurance
30.	Security	RK Das	Nomination	Security Advisor
31.	Security	BKR Rao	Nomination	Security issues
32.	Technology	Rajiv Arora	Search committee	Audio-video (part time)
33.	Technology	Brian Nourse	Nomination	I st phase: Not defined; II nd phase: Assistance in preparation of scope of work for different aspects of technology FA
34.	Ticketing	Mohan Phadke	Search committee	Ticketing Advisor

Sl.No	Functional area	Name of Consultant	Criteria of appointment whether nomination or through RFP	Designation/Broad Scope of Work
35.	Workforce	Surendra Kumar Chopara	Search committee	Training consultancy in workforce
36.	Workforce	Nivedita Saboo	Search Committee	Increased of work load in Uniform FA
37.	Venue development and overlays	Bhoop Singh	Nomination	Verification of quantities of various venues for different vendors.
38.	Venue development and overlays	GP Singh	Nomination	Verification of quantities of various venues for different vendors.
39.	Venue development and overlays	Radhesh Gupta	Nomination	Verification of quantities of various venues for different vendors.
40.	Venue development and overlays	Nawal Kant Sethi	Nomination	Verification of quantities of various venues for different vendors.
41.	Venue development and overlays	Manohar Lal	Search committee	Quantity surveyor
42.	Venue development and overlays	Rohit Bisht	Search committee	Architect consultant
43.	Venue development and overlays	R. Sangeetha	Search committee	Architect consultant
44.	Venue development and overlays	Mohd. Quasim Ali Mirza	Search committee	Architect consultant
45.	Venue development and overlays	Nikesh Jain	Search committee	Architect consultant
46.	Venue development and overlays	Meenakshi Bhagat	Search committee	Architect consultant

Sl.No	Functional area	Name of Consultant	Criteria of appointment whether nomination or through RFP	Designation/Broad Scope of Work
47.	Venue development and overlays	T. Saravanan	Search committee	Architect consultant
48.	Venue development and overlays	Dhruv Kapur	Nomination	Consultant Overlays
49.	Venue development and overlays	B. Uma Shankar	Nomination	Architect consultant
50.	Venue development and overlays	Prema Joshi	Nomination	Architect consultant
51.	Venue development and overlays	Nitin Srivastava	Nomination	Architect consultant
52.	Venue development and overlays	Nidhi Gupta	Nomination	Architect consultant
53.	Venue development and overlays	Bushra Jung	Nomination	Architect consultant
54.	Venue development and overlays	Shamin Akhtar	Nomination	Architect consultant
55.	Venue development and overlays	Divya Badhan	Nomination	Architect consultant
56.	Technology	G Rajaraman	Search committee	Web-designing
57.	Technology	Dimakh Sahasrabuddhe	Search committee	Web-designing
58.	Workforce	Rajiva Srivastava	Nomination	Principal Advisor

L. Scope of work in Agreement different from RFP/EOI

Sl. No.	Functional Area	Name of Contract	Amount (in crore)	Remarks
1	Ceremonies	Lighting & Search Lighting	15.75	Two RFPs issued, but later merged one contract signed
2	Ceremonies	Ground Protection	7.87	Earlier plan to procure on hire, converted to purchase
3	Merchandising Licensing	Providing revenue from sale of merchandise	4.52	Category wise licensing changed to single master licensee
4	Sports	Sports presentation workshop and basic music/video pack service agreement	3.82	EOI was floated for 17 sports presentation managers and 3 victory ceremony producers but in the agreement this was changed to sports presentation workshop and basic music/video pack service agreement
5	Technology	Technology services	2.95	Scope of work enhanced/changed to include IPTV, Wi-fi, High Speed Internet, fax, phone, GVN enabling Network services
6	Image and Look	Games Look Provider	25.94	Out of the 9 clusters, scope of work decreased in 7 clusters and increased in 2 clusters after the award of the contract
7	Work Force	Work Force consultancy	22.36	Schedule for delivery of services not included in the contract.
8	Technology	Timing, Scoring and Results	112.45	Due to clarification issued after the issue of RFP, cost of test events was called for separately. Test events were later excluded from the scope of work.
9	Catering	Games Village Catering	79.00	Scope of work reduced and changed
10	QBR	QBR Launch Ceremony	1.87	Scope reduced but price enhanced
Total			276.53	

M. Conflict of Interest

Sl. No.	Functional Area	Name of the Contract	Value of Contract (in Rs.crore)	Remarks
1	Catering	Installation of Kitchen Equipment	9.5	Mr. Sunil Khanna, Consultant for the work was involved with Aster Technologies (in consortium with Constellations)
2	Ceremonies	Aerostat	35.82	Spectak Productions (Shri Ric Birch) and K Events (Aerostat supplier) with part of the Film Master Group
3	Sports	Sports presentation	2.25	Mr. Greg Bowman was engaged as the consultant for sports presentation. Finally he involved his company Great Big Event for the job.
4	Ceremonies	Piers Shepperd	0.72	They earlier submitted their consent to work with Wizcraft. However later individually appointed by OC on nomination basis on recommendation of Ric Birch (International consultant).
5	Ceremonies	Mark Fisher (Production Designer)	0.90	do
6	Ceremonies	Durham Mereghi	1.58	do
7	Ceremonies	Richard Hurtman	0.54	do
8	Ceremonies	Lawrence Estrin	0.76	do
9	Ceremonies	Mark Fisher (Band Stand)	2.90	do
Total			54.97	

N. Advance paid in excess of the limit of 30 per cent for private parties and 40 per cent for Govt. firm

Sl. No.	Name of the Functional Area	Contract and Contractors	Value of Contract (in Rs. crore)	Amount of Advance (in Rs. crore)	Percentage of Advance
1	Catering	Kitchen Equipment (PKL)	8.63	8.63	100
2	Ceremonies	Designing of Bandstand (Mark Fisher)	2.90	2.90	100
3	Communication	To provide creative strategy & media plan for launch of 1000 days to go campaign (JWT)	1.20	0.60	50
4	Image and Look	Games Look Provider	25.94	12.02	50
5	QBR	AM Films	1.17	1.17	100
6	QBR	Indian Hotels	0.76	0.76	100
		Total	40.60	26.08	

Annexe 7.4 – List of consultants and advisor

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	Whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
1.	Accreditation	Thomas C. Cisewski	Nomination	Accreditation consultancy	Yes	Yes	Yes	14.10.09	
2.	Administration	BS Ojha	Nomination	Chief advisor	No	No	No	07.07.08	Earlier DG up to July 2008. Thereafter, appointed as chief advisor from the same day.
3.	Administration	Sunil Kumar	Search committee	Supervision of interior work	Yes	No	No	15.09.08	
4.	Administration	MIS	RFP	Interior design consultant	Yes	Yes	Yes	09.06.08	
5.	Venue Development	Bhoop Singh	Nomination	Verification of quantities of various venues for different vendors	No	No	No	23.08.10	
6.	Broadcasting	Goverdhan Sharma	Search committee	Broadcasting advisor	No	No	No	29.12.07	His fees was upgraded to the scale of ADG w.e.f April 2008, however later on appointed as ADG broadcasting w.e.f 31.12.09.
7.	Broadcasting	Patrick Thomas Furlong	Nomination	Broadcasting and media consultancy	Yes	No	No	23.03.07	
8.	Catering	Sunil Khanna	Search Committee	Establishment of village kitchen	No	No	No	14.05.10	He resigned from his post, as he was associated with one of the firm who got a contract in

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
									catering.
9.	Catering	Ajay Grover	Search committee	Catering Consultant	No	No	No	05.11.09	
10.	Catering	Abraham M Pattiyan	Nomination	Legal	No	No	No	28.06.10	
11.	Catering & cleaning and waste management	David Payne	Nomination	Consultancy in catering & cleaning and waste management	Yes	Yes	No	01.04.09	
12.	CBC/BCI	Saba Ali	Nomination	Additional manpower to deliver the Baton Launch	No	No	No	28.04.09	Appointed only up to Nov.09. However, the contract was extended in Feb 2010 up to Nov. 2010.
13.	Ceremony	Bharat Bala	Nomination	Creative consultant for opening and closing ceremony	Yes	Yes	No	Mar-10	
14.	Ceremony	Spectak Productions (Ric Birch)	RFP	Advisory and consultancy service to make ceremonies spectacular	Yes	Yes	No	03.12.09	
15.	Ceremony	Mark Fisher	Nomination	Production designer	Yes	Yes	No	15.04.10	
16.	Ceremony	Piers Shepperd	Nomination	Technical production	Yes	Yes	No	16.04.10	
17.	Ceremony	Andrew Garrod	Nomination	Technical and staging	Yes	Yes	No	04.05.10	
18.	Ceremony	Sarah Grubb	Nomination	Master scheduler	Yes	Yes	No	10.07.10	
19.	Ceremony	Scott Willsallen	Nomination	Audio director	Yes	Yes	No	25.05.10	
20.	Ceremony	Aaron Felkar	Nomination	CAD manager	No	No	No	16.04.10	
21.	Ceremony	Durham Marengi	Nomination	Lighting designer	Yes	Yes	No	02.03.10	
22.	Ceremony	Ian	Nomination	Technical systems	Yes	Yes	No	02.05.10	

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
		Baldwin							
23.	Ceremony	James Lee	Nomination	Production rigging	Yes	Yes	No	01.05.10	
24.	Ceremony	Richard Hartman	Nomination	Scenic rigging and scenic rigging manager	Yes	Yes	No	15.04.10	
25.	Ceremony	Laurence Estrin	Nomination	Communication design	Yes	Yes	No	17.04.10	
26.	Ceremony	Knut Stockhusen	Nomination	Roof loading study	Yes	Yes	yes	04.03.10	
27.	Ceremony	Laura Thatcher	Nomination	Show caller and stage manager	Yes	Yes	No	11.09.10	
28.	Ceremony	Ola Melzig	Nomination	Technical requirement of the ceremonies	Yes	Yes	No	25.08.10	
29.	Ceremony	Stage One	Nomination	Rigging	Yes	Yes	No	30.09.10	
30.	Ceremony	Stage Safe	RFP	Health and safety	Yes	Yes	No	13.08.10	
31.	Ceremony	Linus Lopez	Nomination	Electrical service consultancy	Yes	Yes	No	24.07.10	
32.	Communication	M/s Percept Ltd.	RFP	Sport promotion and sponsor communication sport	Yes	Yes	No	17.07.10	
33.	Communication	Geetanjali Aiyer	Search committee	Communication consultancy	No	No	No	26.03.10	
34.	Communication	Rajiv Desai	Search committee	Communication consultancy	No	No	No	18.08.10	
35.	Communication	Arun Shaw	Search committee	Increase of work load in FA	No	No	No	23.08.10	
36.	Communication	Anupam Gulati	Nomination	Communication advisor	Yes	No	No	12.08.08	Appointed for one year later extended his term and fees on the recommendation of Chairman.
37.	coordination	Shashi Tharoor	Nomination	Engaging city, national and international communities	No	No	No	24.07.08	

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Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	Whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
38.	Finance	Nishigandha Mathur	Nomination	Drafting of Games Time financial policies, setting up of insurance desk at OC during Games Time	No	No	No	15.04.10	
39.	Finance	Anita Sahani	Nomination	Principal Advisor. Taxation (parttime)	No	No	No	31.12.07	
40.	Finance	Ernst & Young	Nomination	Revalidated budget	No	No	No	17.03.07	
41.	Finance	P Aggarwal & Sons	RFP	Provide services on taxation, advisory and regulatory matters	Yes	No	Yes	01.10.08	
42.	Games Village	John Lade	Nomination	Review of overlays proposal and village operational planning	Yes	Yes	No	27.10.09	
43.	Legacy and CGA relation	Asha Nayar Basu	Search committee	Legacy and communication (part time)	No	No	No	05.11.09	
44.	Legal	Shivani Chopra	Nomination	Legal	No	No	No	03.09.10	
45.	Legal	Sushil Salwan	Nomination	Legal advisor	No	No	No	13.12.07	
46.	Legal	Lovekesh Sahani	Nomination	Legal advisor	No	No	No	13.12.07	
47.	Legal	R. Ramachandran	Nomination	Media advisor	Yes	No	No	27.03.08	Nominated by Sandeep Mehta, PRO IOA. He mentioned that he will work with close coordination with Sandeep Mehta, who was not employee of OC.
48.	Media	Sandeep Mehta	Nomination	Media advisor	No	No	No	29.04.10	He was PRO of IOA and appointed without salary but OC agreed

Annexes to Chapter 7

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
									to pay other perks.
49.	Media	V. Krishnaswamy	Nomination	Media/website/communication consultant	Yes	No	No	15.05.07	Terminated contract from October 2007
50.	Media	Sandhya Mulchandani	Nomination	Advisor media	No	No	No	29.09.06	
51.	Medical/Protocol	Sujata Khanduja	Search committee	Consultancy in Medical/ Protocol	No	No	No	11.03.10	
52.	Accommodation	Shobha Narain	Search committee	Hospitality (Part time)	No	No	No	21.04.10	
53.	Venue Development	Lt. Gen. Yash Malhotra	Nomination	Infrastructure advisor	No	No	No	18.08.07	
54.	NA	Lary Sengstock	Nomination	Review of competition schedule	No	No	Yes	24.3.08	Nominated by Mike Hooper
55.	Press Operation	BS Khosla	Nomination	Main press centre	No	No	No	19.09.10	
56.	Protocol	Stuti Mishra	Search committee	Protocol consultancy	No	No	No	28.04.10	
57.	Protocol	Vikram Kaul	Nomination	Advisor for revenue, marketing and communication but later shifted to hospitality	No	No	No	16.11.09	He was chairman, sub-committee (revenue, marketing and communication) and member of OC CWG 2010. He was appointed as advisor (revenue, marketing and communication) but later shifted

Annexes to Chapter 7

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
									to hospitality
58.	QBR	Maxxam	RFP	All baton planning and operations services for QBR	Yes	Yes	Yes	Feb-2008	
59.	QBR	Ashutosh Sharma	Search Committee	Advisor QBR	No	No	No	16.04.10	He is honorary secretary of JK Olympic association. Appointed as coordinator Venue operation on 16.4.2010
60.	QBR	Satish Pardhan	Search Committee	Advisor QBR	No	No	No	05.06.10	Ex- MP Rajya sabha
61.	Risk Management	Marsh India Private Limited and Trinity Insurance Brokers Pvt. Ltd.	RFP	Consultancy for Risk Management	No	Yes	No	June 2008	
62.	Risk Management	RK Das	Nomination	Security advisor	No	No	No	17.07.09	
63.	Security	BKR Rao	Nomination	Security issues	No	No	No	12.07.07	
64.	Sponsorship	SMAM (Pune)	Nomination	Consultancy for sponsorship and licencing	Yes	Yes	Yes	26.10.07	
65.	Sponsorship	SMAM (CWG 2010)	RFP	Consultancy for sponsorship and licencing	Yes	Yes	Yes	25.07.07	
66.	Sports	Greg Bowman	Nomination	Delivery of sports presentation programme	Yes	Yes	No	06.10.09	
67.	Sports	Tsogas Achillefs	Nomination	Sports advisor	Yes	Yes	No	08.04.10	
68.	Sustainability & Environment	IL&FS	RFP	Green games consultant	Yes	Yes	Yes	05.01.08	
69.	Technology	Rajiv Arora	search committee	Audio-video (part time)	No	No	No	08.12.09	

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	Whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
70.	Technology	Brian Nourse	Nomination	Ist phase: Not defined; IInd phase: Assistance in preparation of scope of work for different aspect of Technology FA	No	Yes	No	23.12.07	
71.	Ticketing	Mohan Phadke	Search committee	Ticketing advisor	No	No	No	15.04.10	
72.	Ticketing	Bruce Wilkie	Nomination	Preparation of ticketing strategy and programme development for Games	Yes	Yes	Yes	Sept-09	
73.	Workforce	Surendra Kumar Chopara	Search committee	Training consultancy in workforce	No	No	No	09.04.10	
74.	TV Rights	Fast Track Event London	RFP	International broadcast rights consultancy	Yes	Yes	Yes	22.03.07	
75.	Workforce	Nivedita saboo	Search Committee	Increased of work load in Administration FA	No	No	No	02.03.10	
76.	Venue Development	Consortium of EYS & EKS	RFP	Games planning and risk management	Yes	Yes	No	12.7.07	Tender document not submitted
77.	Venue development and overlays	GP Singh	Nomination	Verification of quantities of various venues for different vendors	No	No	No	01.09.10	
78.	Venue development and overlays	Radhesh Gupta	Nomination	Verification of quantities of various venues for different vendors	No	No	No	23.08.10	
79.	Venue development and overlays	Nawal Kant Sethi	Nomination	Verification of quantities of various venues for different vendors	No	No	No	04.09.10	
80.	Venue development and overlays	Manohar Lal	Search committee	Quantity surveyor	No	No	No	20.05.09	Earlier consultant but later on appointed as APO wef 31.10.2009
81.	Venue	Rohit	Search	Architect consultant	No	No	No	20.05.09	Earlier

Annexes to Chapter 7

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
	development and overlays	Bisht	committee						consultant but later on appointed as APO wef 31.10.2009
82.	Venue development and overlays	R. Sangeetha	search committee	Architect consultant	No	No	No	20.05.09	Earlier consultant but later on appointed as APO wef 31.10.2009
83.	Venue development and overlays	Mohd. Quasim Ali Mirza	search committee	Architect consultant	No	No	No	20.5.09	Earlier consultant but later on appointed as APO wef 31.10.2009
84.	Venue development and overlays	Nikesh Jain	Search committee	Architect consultant	No	No	No	20.5.09	Earlier consultant but later on appointed as APO wef 31.10.2009
85.	Venue development and overlays	Meenakshi Bhagat	Search committee	Architect consultant	No	No	No	20.5.09	Earlier consultant but later on appointed as APO wef 31.10.2009
86.	Venue development and overlays	T. Saravanan	Search committee	Architect consultant	No	No	No	20.05.09	Earlier consultant but later on appointed as APO wef 31.10.2009
87.	Venue development and overlays	Dhruv Kapur	Nomination	consultant Overlays	No	No	No	25.05.09	Earlier consultant but later on appointed as APO wef 31.10.2009
88.	Venue development and overlays	Samantha Cotterell	Search committee	Scoping, designing and delivery of overlays	Yes	Yes	No	20.5.09	
89.	Venue development and overlays	Vasileios P. Klaitzis	Search committee	Scoping, designing and delivery of overlays	Yes	Yes	No	26.2.09	

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Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
90.	Venue development and overlays	John Pauline	Search committee	Scoping and design of Phase I of the Overlays for non competition venues	Yes	Yes	No	26.2.09	
91.	Venue development and overlays	Yiannis Roussakis	Search committee		Yes	No	No		Only draft agreement dated 5.5.2009 was found in record
92.	Venue development and overlays	Alexander Louvris	Search committee		Yes	No	No		
93.	Venue development and overlays	EKS Part A	Nomination	Preparation of venue brief	Yes	Yes	No		
94.	Venue development and overlays	EKS Part C	Nomination	Project scheduling, review and monitoring	Yes	Yes	No	Jun-06	
95.	Venue development and overlays	B. Uma shankar	Nomination	Architect consultant	No	No	No	04.06.09	Earlier consultant but later on appointed as PO wef 31.10.2009
96.	Venue development and overlays	Prema Joshi	Nomination	Architect consultant	No	No	No	09.06.09	Earlier consultant but later on appointed as APO wef 31.10.2009
97.	Venue development and overlays	Nitin Srivastava	Nomination	Architect consultant	No	No	No	04.06.09	Earlier consultant but later on appointed as PO wef 31.10.2009
98.	Venue development and overlays	Nidhi Gupta	Nomination	Architect consultant	No	No	No	4.6.09	Earlier consultant but later on appointed as PO wef 31.10.2009
99.	Venue development and overlays	Bushra Jung	Nomination	Architect consultant	No	No	No	21.07.09	Earlier consultant but later on appointed as

Annexes to Chapter 7

Sl. No	Functional area	Name of Consultant	Criteria of appointment	Broad Scope of work	Details scope of work defined or not	whether contract signed or not	Whether payment linked with deliverables Yes/No	Date of award of work or date of contract	Remarks
									APO wef 31.10.2009
100.	Venue development and overlays	Shamin Akhtar	Nomination	Architect consultant	No	No	No	09.06.09	Earlier consultant but later on appointed as APO wef 31.10.2009
101.	Venue development and overlays	Divya Badhan	Nomination	Architect consultant	No	No	No	04.06.09	Earlier consultant but later on appointed as PO wef 31.10.2009
102.	Technology	G Rajaraman	Search committee	Web-designing	No	No	No	27.08.09	
103.	Technology	Dimakh Sahasrabudhe	Search committee	Web-designing	No	No	No	03.03.10	
104.	Workforce	ABC consultancy	RFP	Executive search	Yes	Yes	Yes	27.10.08	
105.	Workforce	Lease People strong consortium	RFP	Executive search	Yes	Yes	Yes	27.10.08	
106.	Workforce	Ma Foi management consortium	RFP	Executive search	Yes	Yes	Yes	27.10.08	
107.	Workforce	Consortium of E&Y & EKS	RFP	Workforce consultancy	Yes	Yes	No	24.03.08	
108.	Workforce	Rajiva Srivastava	Nomination	Principal Advisor	No	No	No	20.03.07	DG till 20.3.2007. Later appointed as principal advisor from the same day.

Annexes to Chapter 9

Annexe: 9.1 - Instances of Different Rates across vendors and across clusters

(Amount in Rs.)

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
1.01	MARQUEE - Workforce Check-in(Footprint:20mx30.0m) with counter type shuttered window	71,96,162	1,46,69,962
1.02	MARQUEE - Athletes Room(Footprint:25.0mx10.0m)	29,14,474	47,03,034
1.03	MARQUEE - Venue Operations Centre(Footprint:12.0mx12.0m)	18,18,640	34,29,350
1.04	MARQUEE - Press (Footprint:25.0mx35.0m) with acoustical treatment	1,62,97,192	2,48,16,424
1.05	MARQUEE - Press Conference(Footprint:16.0mx16.0m)	33,49,748	52,24,587
1.06	MARQUEE - Press Conference(Footprint:20.0mx35.0m)	68,76,757	1,31,82,887
1.07	MARQUEE - Games Family(Footprint:20.0mx35.0m)	94,47,950	1,84,82,806
1.08	MARQUEE - Sports Federation Offices (Footprint: 16.0mx48.0m) with 12 glass windows.	1,12,89,440	2,13,65,181
1.09	MARQUEE - Call Room (Sports)(Footprint:16.0mx16.0m)	37,90,223	73,67,430
1.10	MARQUEE - Press Conference(Footprint:20.0mx8.0m)	22,78,844	41,07,135
1.11	MARQUEE - Venue Command Center(Footprint:36.0mx6.0m)	31,21,711	47,53,561
1.12	MARQUEE - Workforce Break Area(Footprint:12.0mx15.0m)	23,07,536	35,13,783
1.13	MARQUEE - Workforce Area(Footprint:12.0mx15.0m)	23,37,283	38,37,187
1.14	MARQUEE - Games Family Lounge(Footprint:10.0mx10.0m)	13,99,883	32,13,849
1.15	MARQUEE - Press Conference(Footprint:5.0mx10.0m)	7,52,707	26,17,890
1.16	MARQUEE - Athletes Lounge / Reception(Footprint:10.0mx15.0m)	18,95,662	29,79,603
1.17	MARQUEE - Look of Games Storage(Footprint:5.0mx5.0m)	3,62,703	5,52,304
1.18	MARQUEE - Technical Officials(Footprint:25.0mx10.0m)	33,13,287	57,78,336
1.19	MARQUEE - Press Area(Footprint:25.0mx10.0m)	35,86,259	60,46,880

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
1.20	MARQUEE - BIO / CCR(Footprint:5.0mx5.0m)	4,18,068	12,68,253
1.21	MARQUEE - Site Management Office(Footprint:5.0mx5.0m)	4,53,414	7,22,158
1.22	MARQUEE - Protocol Assistant / Waiting Area & Reception / Ceremonies / Athletes first / final call room(Footprint:5.0mx10.0m)	8,70,412	15,36,626
1.23	MARQUEE - Catering Preparation(Footprint:5.0mx10.0m)	7,79,854	11,87,517
1.24	MARQUEE - Contractors Office and Workshop / Press Lounge / Physiotherapy (Footprint:5.0mx10.0m)	7,39,325	22,21,272
1.25	MARQUEE - Venue Operations(Footprint:21.0mx6.0m)	17,32,380	35,11,038
1.26	MARQUEE - Technology Operations(Footprint:27.0mx6.0m)	28,90,829	58,11,217
1.27	MARQUEE - Equipment Repair Room(Footprint:10.0mx5.0m)	6,75,241	10,57,928
1.28	MARQUEE - Team Pits / Technical Official Work Area(Footprint:5.0mx5.0m)	3,00,915	4,58,215
1.29	MARQUEE - Technology Operations(Footprint:25.0mx15.0m)	45,92,911	87,22,830
1.30	MARQUEE - Media Centre - Squash and Badminton(Footprint:20.0mx15.0m)	33,84,742	64,84,055
1.31	MARQUEE - Press Conference(Footprint:10.0mx15.0m)	14,36,560	34,58,360
1.32	MARQUEE - Athletes Lounge(Footprint:20.0mx10.0m)	32,48,500	60,97,515
1.33	MARQUEE - Ceremonies(Footprint:20.0mx25.0m)	65,56,219	97,23,486
1.34	MARQUEE - Ceremonies(Footprint:15.0mx25.0m)	39,40,336	77,24,905
1.35	MARQUEE - Ceremonies(Footprint:8.0mx12.0m)	13,33,812	23,30,032
1.36	MARQUEE - Ceremonies(Footprint:15.0mx10.0m)	20,22,359	32,32,391
1.37	MARQUEE - Press Conference(Footprint:25.0mx15.0m) of 3.5m height	35,94,609	72,30,736
1.38	MARQUEE - Asymmetrical lightweight fabric structures of 3.5m height	10,41,916	36,15,497
1.39	MARQUEE - Work force check-in and Break area(Footprint:12.0mx12.0m)	15,56,287	26,65,600
1.40	MARQUEE - Protocol office and Transport office(Footprint:6.0mx6.0m)	4,36,804	7,59,246
1.41	MARQUEE - Athletes Lounge(Footprint:15.0mx10.0m)	27,85,390	39,34,352
2 1	Venue Accreditation Help Office (VAHO) - SMALL(Footprint:5.0mx5.0m)	5,01,694	13,29,195

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
2 2	Venue Accreditation Help Office (VAHO) - MEDIUM(Footprint:5.0mx8.0m)	6,93,423	13,66,170
2 3	Venue Accreditation Help Office (VAHO) - LARGE(Footprint:5.0mx10.0m)	9,13,115	51,40,785
2 4	Catering Preparation(Footprint:5.0mx10.0m) - with water provision which must be fit for human consumption - gas connection provision - with heat sustenance and adequate ventilation	8,65,033	20,72,763
2 5	Catering Preparation (Footprint:10.0mx30.0m) - with water provision which must be fit for human consumption - gas connection provision - with heat sustenance and adequate ventilation	7,79,695	67,93,020
2 6	Spectator Food Concessions(Footprint:5.0mx5.0m) - 2 no. service counters at 1.1m high - Floor : 10cm raised timber floor, covered in plywood and vinyl (linoleum)	4,09,193	8,90,588
2 7	Logistics Bulk Storage(Footprint:10.0mx30.0m)	1,40,884	48,02,955
2 8	First Aid Station(Footprint:6.0mx6.0m) - open able glazing in accordance with the drawings	3,81,490	10,60,111
2 9	First Aid Station (Footprint:6.0mx10.80m) - Open able Window : 5no. 0.9m x 1.1m = 0.99m ² at three locations on the tent including - The examination room is to be furnished with a sink connected to the existing water and drainage system	3,81,185	17,98,542
2.010	Spectator Merchandising Concessions(Footprint:5.0mx5.0m) - 2 no. serving counters at 1.1m high - Floor : 10cm raised timber floor, covered in plywood and vinyl (linoleum) - 1 PSTN Line credit card	4,52,702	9,25,721
2.011	Spectator Merchandising Concessions (Footprint: 8.0mx19.0m) - Central room fully open able from one side. - Service counters to be provided and concessions to be catered uniformly on site as per contractors specs and in accordance with drawings - Floor : 10cm raised timber floor, covered in plywood and vinyl (linoleum) - 1 PSTN Line credit card	14,09,385	29,64,540
2.012	Media Lounge / Look of Games storage(Footprint:5.0mx5.0m)	4,49,394	26,12,194
2.013	Press Work Area(Footprint:15.0mx15.0m)	20,79,714	50,26,965
2.014	Mag and Bag Security -	81,985	57,21,795

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	Athletes(Footprint:3.0mx3.0m)		
2.015	Mag and Bag Security - Games Family / VIP(Footprint:3.0mx3.0m)	81,985	83,95,648
2.016	Mag and Bag Security - Media and Technical Official AND GAMES FAMILY(Footprint:5.0mx5.0m)	2,03,804	42,68,342
2.017	Mag and Bag Security - Work Force and Spectators(Footprint:5.0mx5.0m)	2,03,804	27,88,575
2.018	Mag and Bag Security - Work force (BOH)(Footprint:4.0mx6.0m)	1,96,190	56,31,764
2.019	Vehicle Check point - SINGLE POINT - TRUCKS(Footprint:6.0mx10.0m) Height 4.5m	4,20,718	9,19,319
2.020	Vehicle Check point - TWO POINT - VEHICLES(Footprint:6.0mx15.0m) Height 4.5m	5,65,336	13,35,380
2.021	Vehicle Screening point - TWO POINT - VEHICLES - PARALLEL(Footprint:10.0mx10.0m) Height 4.5m	1,52,686	14,83,150
2.022	Vehicle Check point - FOUR POINT - VEHICLES - PARALLEL(Footprint:10.0mx15.0m) Height 4.5m	1,56,731	21,20,343
2.023	Security Break Area / Security Retiring Room(Footprint:6.0mx18.0m)	1,53,121	19,25,831
2.024	Security Retiring Room(Footprint:15.0mx20.0m)	1,54,427	68,95,319
2.025	Security Break Area - Footprint:15.0mx8.0m	17,97,417	45,98,253
2.026	Security Break Area/ Work Force Break Area-Footprint:25.0mx15.0m	7,19,129	59,70,037
2.027	Security Break Area- Footprint:24.0mx18.0m	30,02,544	98,90,001
2.028	Security Break Area- Footprint:15.0mx15.0m	11,99,209	37,58,495
2.029	Security Break Area- Footprint:24.0mx18.0m	8,15,126	75,38,368
2.030	Security Break Area- Footprint:15.0mx10.0m	7,99,521	25,94,675
2.031	Security Break Area- Footprint:6.0mx5.0m	5,25,911	13,09,467
2.032	Staff Check-in / Check-out- Footprint:15.0mx20.0m	30,30,363	69,54,587
2.033	Security Break Area / Workforce Area- Footprint: 40.0mx10.0m - 65.8m internal partitions. The internal partitions divide the tent into 10 rooms with different usage - 10 windows of size 0.8m x 0.8m	30,01,806	1,42,37,353
2.034	Security Break Area / Worker Rest Area-Footprint:10.0mx5.0m	9,65,441	13,09,762
2.035	Golf Cart Storage & Charging Tents	2,36,710	15,75,343
2.036	Site Management Office / Media Lounge-Footprint:10.0mx15.0m	26,00,854	29,05,533
2.037	Site Management Office- Footprint:10.0mx10.0m	17,36,955	27,76,100

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
2.038	Sponsor Showcasing Concession- Footprint:5.0mx5.0m - 2 no. serving counters at 1.1m high	5,96,380	27,38,035
2.039	Sponsors Hospitality Lounge- Footprint:10.0mx10.0m	18,98,128	22,63,401
2.040	Sponsors Hospitality Lounge- Footprint:7.5.0mx15.0m - 15.0m x 2.5m balcony extension in front of tent	17,43,253	33,49,974
2.041	Spectator Ticket Rips	86,351	63,49,755
2.042	Spectator Info Desk- Footprint:3.0mx3.0m	79,461	2,59,114
2.043	Spectator Info Desk- Footprint:3.0mx3.0m	1,43,464	3,91,202
2.044	Stroller Storage for Spectators- Footprint:3.0mx3.0m	77,030	2,29,477
2.045	Athletes Lounge - <u>WARM UP AREA-</u> <u>Footprint:15.0mx15.0m</u>	34,10,348	41,25,257
2.046	<u>Athlete -Warm-up Area (COMPETITION</u> <u>MANAGEMENT)- Footprint:10.0mx5.0m</u>	10,64,857	12,32,256
2.047	Competition Management Room / Venue Result Room- Footprint:5.0mx5.0m	5,41,038	6,50,728
2.048	Athletes Rest Room- Footprint:5.0mx5.0m	5,07,685	5,71,192
2.049	Trampoline Height 6m - removable stairs with entry platform - Open able Window : 3no. 0.9m x 0.6.m = 0.54m ² at three locations on the tent The examination room is to be furnished with a sink connected to the existing drainage sewer system. Structural base: 90 cm above ground level.	24,21,880	31,31,905
2.050	Athletes Lounge / Athletes First Call Room- Footprint:10.0mx15.0m	23,15,160	26,99,706
2.051	Athletes Lounge- Footprint:20.0mx15.0m - 2 no. 5m internal glazed partition, - 1 no. 15m length internal partition of same height - 2 no. clear glass doors on the longer internal partition	40,99,728	52,06,025
2.052	Radio Distribution - Floor : provided with 'Pirelli' type antistatic flooring material	18,08,654	23,96,203
2.053	Technology - Floor : provided with 'Pirelli' type antistatic flooring material	10,03,155	14,73,325
2.054	Drivers Lounge- Footprint:5.0mx5.0m	4,45,560	5,02,313
2.055	Driver Lounge- Footprint:6.0mx15.0m	5,07,934	5,70,958
2.056	Drivers Lounge- Footprint:6.0mx5.0m	5,07,934	5,70,958
2.057	Drivers Lounge- Footprint:5.0mx10.0m	7,78,043	10,84,185
2.058	Drivers Lounge- Footprint:5.0mx15.0m	11,26,259	14,25,090

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
2.059	Drivers Lounge- Footprint:10.0mx15.0m	18,19,965	23,64,112
2.060	Drivers Lounge- Footprint:10.0mx25.0m	32,43,821	38,83,704
2.061	Workforce Break Area/ Athletes Lounge- Footprint:15.0mx10.0m	26,02,136	28,84,097
2.062	Staff Check-in / Check-out- Footprint:15.0mx15.0m - 2 no. 5m internal glazed partition, - 1 no. 15m length internal partition of same height - 25m internal partitions	32,72,365	42,71,644
2.063	Workforce / Site Management Office / Security Command Centre- Footprint:5.0mx10.0m	9,54,544	14,49,797
2.064	Staff Check-In- Footprint:5.0mx10.0m - Open able Window : 2 no. 0.9m x 1.1m + 1.2m x 1.1m at long side of tent	16,75,837	21,02,337
2.065	Work Force Area- Footprint: 10.0mx10.4m - 10.3m internal partitions length. This partition divides tent into 2 rooms with different usage. - 5 windows of size 0.8m x 0.8m	15,45,069	18,97,556
2.066	Workforce Break and Check-in-Area- Footprint:15.0mx5.0m	11,94,614	13,55,398
2.067	Catering Preparation- Footprint:15.0mx10.0m - with water provision which must be fit for human consumption - gas connection provision - with heat sustenance and adequate ventilation - 15A electrical sockets - 12 nos.	31,45,265	38,53,255
2.068	Catering Preparation- Footprint: 10.0mx10.0m - 1 No. Transportable Gable end - with water provision which must be fit for human consumption - gas connection provision - with heat sustenance and adequate ventilation - 15A electrical sockets - 10 no.	18,93,821	24,28,040
2.069	Workforce Satellite Break Area- Footprint:5.0mx5.0m - 2 no. service counters at 1.1m high - Floor : 10cm raised timber floor, covered in plywood and vinyl (linoleum)	3,26,453	5,27,466
2.070	First Aid Station- Footprint:5.0mx5.0m - open able glazing in accordance with the drawings	5,80,007	8,54,832
2.071	Spectator Merchandising Concessions- Footprint:10.0mx25.0m - Service counters to be provided and concessions to be catered uniformly on site as per contractors specs and in accordance with drawings - Floor : 10cm raised timber floor, covered in plywood and vinyl (linoleum)	32,65,489	49,49,677

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	- 1 PSTN Line credit card		
2.072	Media Lounge- Footprint:10.0mx15.0m	24,58,339	33,53,328
2.073	Press Work Area / Staff Work Area / Venue Operations- Footprint:15.0mx8.0m	28,49,788	45,22,093
2.074	Press Conference- Footprint:10.0mx15.0m	9,74,428	17,31,239
2.075	Security Break Area / Security Retiring Room- Footprint:5.0mx15.0m - 4 no. windows	11,84,892	13,34,437
2.076	Security Retiring Room- Footprint:15.0mx10.0m	20,01,232	33,91,073
2.077	Security Retiring Room- Footprint:15.0mx10.0m	21,55,255	23,93,874
2.078	Security Break Area/ Work Force Break Area- Footprint:20.0mx10.0m	34,29,372	37,53,318
2.079	Security Break Area- Footprint:10.0mx10.0m	15,48,620	16,25,261
2.080	Staff Check-in / Check-out- Footprint:10.0mx10.0m	14,92,177	18,38,147
2.081	Games Family Arrival Desk- Footprint:3.0mx3.0m	1,20,982	2,30,877
2.082	Weight Training room / FOP Equipment Storage- Footprint:15.0mx15.0m	24,82,914	34,35,584
2.083	Athletes Medical Area- Footprint:15.0mx25.0m	51,08,827	58,25,736
2.084	Athletes Medical Area- Footprint:15.0mx60.0m	1,16,39,054	1,64,32,322
2.085	Drivers Lounge- Footprint:6.0mx15.0m	12,81,058	16,04,825
2.086	Staff break area- Footprint:20.0mx10.0m Height 3m	33,59,355	38,04,539
2.087	Staff Check-In- Footprint:10.0mx10.0m - Transparent Gable End - Open able Window : 2 no. 0.9m x 1.1m + 1.2m x 1.1m at long side of tent	19,69,887	27,93,455
2.088	Timing & Scoring Control Room- Footprint: 10.8mx6.0m - Ceiling and Sides: Insulated Metal Sandwich Panel. - Floor : provided with 'Pirelli' type antistatic flooring material	12,74,300	27,25,969
2.089	Press Conference- Footprint:10.0mx15.0m Height 3.5m	30,19,349	34,49,103
2.090	Catering Preparation Area- Footprint:5.0mx5.0m - with water provision which must be fit for human consumption - gas connection provision - with heat sustenance and adequate ventilation - Floor : 10cm raised timber floor, covered in plywood and vinyl (linoleum) - 15A Sockets - 5 nos.	8,17,733	13,76,986
2.091	Bike Storage Area / Catering Storage- Footprint:10.0mx10.0m - 15A electrical sockets - 5 nos.	15,36,712	16,22,117

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
2.092	Golf Cart Storage & Charging Tents- Footprint:3.0mx3.0m	1,14,891	3,48,355
2.093	Drivers Lounge- Footprint:10.0mx10.0m	13,82,950	17,42,114
2.094	Press Work Area- Footprint:15.0mx25.0m	45,64,573	66,44,633
2.095	Athletes Shade Tents / Equipment Check / FOP Equipment Storage- Footprint:5.0mx3.0m	3,24,635	3,92,356
2.096	Director of Shooting- Footprint: 5.0mx3.0m Base raised 1.5m high.	3,24,635	3,92,356
2.097	Security Break Area/ Work Force Break Area- Footprint:10.0mx20.0m	26,38,992	45,73,685
2.098	Drivers Lounge (Footprint:10.0mx10.0m)	12,48,690	22,19,697
2.099	Drivers Lounge- Footprint:10.0mx10.0m	12,85,103	22,72,415
2.100	Athletes Lounge- Footprint: 10.0mx15.0m - 5 no. open able windows of size 0.8m x 0.8m to be allowed for. - Ceiling and Sides : Insulated Metal Sandwich panel	29,56,038	36,29,454
2.101	Workforce Break Area/ Athletes Lounge- Footprint:15.0mx10.0m	26,96,803	30,64,659
2.102	Staff Check-in / Check-out- Footprint:15.0mx8.0m - 2 no. 5m internal glazed partition, - 1 no. 15m length internal partition of same height - 12m internal full height partitions	15,19,964	32,97,962
2.103	Catering Preparation- Footprint: 10.0mx15.0m Height 3m - with heat sustenance & adequate ventilation - 16A electrical sockets - 5 no. - Air changing unit to be provided Structural base: 50 cm above ground level.	9,35,483	15,67,248
2.104	Venue Accreditation Help Office (VAHO) - MEDIUM- Footprint:15.0mx5.0m	6,74,622	10,67,310
2.105	Physiotherapy / Contractor Office / Press Lounge- Footprint:4.0mx9.0m - with water provision which must be fit for human consumption	7,36,561	15,13,566
3.01	Commentary Control Room (CCR)(Footprint:5.0mx10.0m)	7,76,439	12,06,418
3.02	Broadcast Information Office (BIO)(Footprint:3.60mx6.0m)	7,72,452	12,06,418
3.03	Timing & Scoring Control Room(Footprint:3.6mx6.0m)	8,47,538	30,88,626
3.04	Caterers Office / Logistic Office / Merchandising Office / Site Management Office / Cleaning & Waste Office / Broadcast / Venue Management Office(Footprint:15.0mx8.0m)	1,38,894	12,06,418
3.05	Ceremonies (double storey prefabricated office units)	8,01,224	18,48,779

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	connected with external staircase)(Footprint:15.0mx8.0m)		
3.06	Doping Control (Footprint:6.0mx14.40m)	24,03,671	48,25,673
3.07	Doping Control with 5 WC cubicle and sink in each(Footprint:10.6mx14.4m)	11,59,244	85,25,357
3.08	Athletes Doping & Medical Block with 4WC cubicles(Footprint:14.7mx11.7m)	8,83,141	96,06,107
3.09	Games family with 3WC, 2washbasins and 1 urinals.(Footprint:10.0mx40.0m)	12,93,378	2,23,41,083
3.10	Logistic Manager Office(Footprint:3.6mx6.0m)	8,01,224	12,06,418
3.11	Athletes Medical - SMALL with concertina door and sink(Footprint:6.0mx7.20m)	16,95,076	24,12,837
3.12	Athletes Medical - LARGE(Footprint:6.0mx10.80m)	25,42,614	36,19,255
3.13	Athletes First Aid / Doping Area with 3WC pans and 3 sinks(Footprint:10.0mx12.2m)	47,87,020	68,14,030
3.14	Press Operations(Footprint:10.0mx45.0m)	21,06,297	2,51,33,718
3.15	Sentry Post(Footprint:1.5mx1.5m)	88,285	1,25,668
3.16	Site Management Office / Competition Manager / Venue Results / Sports Volunteers(Footprint:3.6mx6.0m)	8,47,538	12,06,418
3.17	Athletes Change Room - LARGE with 5 shower cubicles(Footprint:7.20mx9.0m)	25,42,614	36,19,255
3.18	Athletes block(Footprint:55.0mx25.0m)	5,95,93,273	7,67,97,471
3.19	Athletes Block(Footprint:55.0mx25.0m)	73,25,317	1,04,27,142
3.20	Sports Presentation Room(Footprint:47.7mx12.7m)	8,47,538	12,06,418
3.21	Technical Officials / Time Scoring / Sports Volunteers(Footprint:3.6mx9.0m)	12,71,307	18,09,628
3.22	Ticket booth - SMALL (x 2) with 4nos open able glazing(Footprint:3.6mx4.2m)	5,93,277	8,44,493
3.23	Ticket booth - MEDIUM (x 4)(Footprint:3.6mx6.6m)	9,32,292	13,27,060
3.24	Ticket booth - LARGE (x 8)(Footprint:3.6mx11.4m)	16,10,322	22,92,195
3.25	Management Offices - Transport Manager office / Load Zone Supervisor(Footprint:3.6mx6.0m)	8,47,538	12,06,418
3.26	Venue Operation's (Footprint:5.0mx10.0m)	19,61,893	27,92,635
3.27	Venue Operations(Footprint:15.25mx45.0m)	2,69,26,986	3,83,28,920
3.28	Venue Operations(Footprint:30.0mx40.0m)	4,70,85,440	6,70,23,248
3.29	Work Force(Footprint:10.0mx40.0m)	1,55,43,004	2,23,41,083
3.30	Work Force Area(Footprint:8.0mx10.0m)	31,37,079	44,68,217
3.31	Sponsor Showcasing Concession with 2no serving counter 1.1 high(Footprint:5.0mx5.0m)	9,80,947	13,96,318
3.32	TSR / Sports Presentation (double storey prefabricated office units connected with external staircase) with 15 nos 15A electrical	16,17,723	30,99,800

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	sockets(Footprint:3.6mx9.6m)		
3.33	Ceremonies / Federation Offices / Games Family Lounge (double storey prefabricated office units connected with external staircase) (Footprint:17.2mx10.0m)	61,63,913	1,44,29,083
3.34	Venue Operations (Footprint:8.0mx20.0m)	62,78,059	89,36,433
3.35	Technical Officials Block (Footprint:18.0mx10.0m)	70,62,816	1,00,53,487
3.36	Timing & Scoring Control Room(Footprint:10.8mx6.0m)	25,42,614	36,19,255
3.37	Ticket booth - LARGE (x 10)(Footprint:3.0mx13.8m)	16,24,448	23,12,302
3.38	Ticket booth - LARGE (x 10)(Footprint:3.6mx12.0m)	16,95,076	24,12,837
4.01	Waterless toilets(Footprint:1.35mx1.35m) Supply, erection and dis-assembling of Waterless Toilets of a) Footprint - 1.35m x 1.35m with minimum internal height of 2.5m - 1 no. single door, - 1 no. WC pan and sink b) Material: - Ceiling and Sides: Insulated Metal Sandwich Panel. - Floor : provided with vinyl flooring throughout	57,813	5,14,625
4.02	Accessible Waterless toilets(Footprint:2.0mx2.5m) Supply, erection and dis-assembling of Waterless Toilets (for Physically Challenged) of a) Footprint - 2.0m x 2.5m with minimum internal height of 2.5m - 1 no. door - 1 no. WC pan and sinks - external accessible temporary ramp b) Material: - Ceiling and Sides: Insulated Metal Sandwich Panel. - Floor : provided vinyl flooring throughout	1,58,986	10,65,802
4.03	Prefabricated WC unit(Footprint:3.5mx3.0m) Supply, erection and dis-assembling of prefabricated WC unit of a) Footprint - 3.5m x 3.0m with minimum internal height of 2.5m - 2 no. external doors - 2 no. internal doors - 2 no. WC pans and 2 no. sinks - external accessible temporary ramp - necessary drainage and sewage connection to existing systems b) Material: - Ceiling and Sides: Insulated Metal Sandwich	5,01,348	7,27,448

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	Panel. - Floor : provided vinyl flooring throughout		
4.04	Prefabricated WC unit(Footprint:3.5mx10.0m) Supply, erection and dis-assembling of prefabricated WC unit of a) Footprint - 3.5m x 10.0m with minimum internal height of 2.5m - 2 no. external doors - 12 no. internal doors - 10 no. WC pans and 6 no. sinks and 4 no. urinals - necessary drainage and sewage connection to existing systems upto 50m - external accessible temporary ramp b) Material : - Ceiling and Sides : Insulated Metal Sandwich Panel. - Floor : provided vinyl flooring throughout	5,14,625	13,44,198
4.05	Prefabricated WC unit(Footprint:8.3mx3.1m) Supply, erection and dis-assembling of prefabricated WC unit of a) Footprint - 8.3m x 3.1m with minimum internal height of 2.5m - 1 no. doors - 6 no. WC pan and 4 no. sinks - external accessible temporary ramp b) Material : - Ceiling and Sides : Insulated Metal Sandwich Panel - Floor : provided vinyl flooring throughout	6,16,006	14,58,020
4.06	Prefabricated WC unit(Footprint:12.0mx3.6m) Supply, erection and dis-assembling of prefabricated WC unit of a) Footprint - 12.0m x 3.6m with minimum internal height of 2.5m - 2 no. external doors - 13 no. internal doors - 13 no. WC pans and 7 no. sinks - external accessible temporary ramp b) Material: - Ceiling and Sides: Insulated Metal Sandwich Panel. - Floor : The prefabricated WC unit shall be provided vinyl flooring throughout	6,16,006	13,99,547
5.01	Container (6.0mx2.5m) 6.0m x 2.5m container with double doors at one end and removable accessible ramp. Fire extinguishers to be supplied in accordance with relevant building code	98,034	3,95,175

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	regulations.		
5.02	Refrigerated Containers 6.0m x 2.5m refrigerated container with double doors at one end and removable accessible ramp. Fire extinguishers to be supplied in accordance with relevant building code regulations.	3,07,338	14,48,625
5.03	Chilled Containers 6.0m x 2.5m refrigerated container with double doors at one end and removable accessible ramp. Fire extinguishers to be supplied in accordance with relevant building code regulations.	3,07,338	16,32,623
6.01	External Fences Supply and installation of external venue perimeter fence, 2.5m high fence, erected in accordance with security requirements and vertical supports at distances no wider than 2.5m apart. The contractor will ensure that the fence structure is adequately fixed into the ground in order to support IMAGE AND IDENTITY fence fabric and withstand subsequent wind loads. Wherever necessary, the Contractor should allow for concrete foundations and cross bracing.	2,511	3,725
6.02	Internal Fences Supply and installation of temporary internal fence, 2.0m high fence, erected with galvanized steel poles at distances no wider than 2.5m apart and with rolled barbed wire fence stretched and fixed between the poles. The contractor will ensure that the poles are adequately fixed into the ground in order to support IMAGE AND IDENTITY fence fabric and withstand subsequent wind loads. Wherever necessary, the Contractor should allow for concrete foundations and cross bracing.	2,422	3,137
6.03	Spectator on route fences - bamboo Supply and installation of perimeter fence, 1.5m high fence, erected in accordance with security requirements and vertical supports at distances no wider than 2.5m apart. The contractor will ensure that the fence structure is adequately fixed into the ground in order to support IMAGE AND IDENTITY fence fabric and withstand subsequent wind loads. Wherever necessary, the Contractor should allow for concrete foundations and cross bracing.	39	12,153
6.04	Gate - Vehicles (2 doors each 2.0m wide) Supply and installation of galvanised steel gates consisting of 2 doors each 2.0m wide (4.0m opening for vehicular access - BOOM GATES)	4,914	95,397

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
6.05	Gate - Pedestrian (single door each 1 m wide) Supply and installation of galvanised steel gate consisting of a single door each 1.0m wide (1.0m opening for pedestrian access)	3,822	46,965
6.06	Barricades – Seating	1,872	13,208
6.07	Rope Line / Games Look String Lines	365	6,838
7.01	Wooden Structures (<50 cm height) Removable timber platforms and timber raised floors up to 50cm height. The Contractor should allow for pedestrian loads on these platforms.	3,550	10,347
7.02	Wooden Structures (>50 cm height) Removable timber platforms and timber raised floors taller than 50cm height. The Contractor should allow for pedestrian loads on these platforms.	7,071	11,932
8.01	Temporary grandstand seating tribunes- width 5.5 m, length 15.2m	7,965	16,855
8.02	Temporary grandstand seating tribunes. Size 1.8m x 40m, 1st row seating starting at a height of 1 m	7,919	11,651
8.03	Temporary seating grandstand tribunes. Size 1.8m x 40m, 1st row seating starting at a height of 2.1 m	7,919	16,533
8.04	Temporary seating grandstand tribunes, Size 8.1m x 40m, 1st row seating starting at a height of 1 m.	7,919	21,176
8.05	Temporary seating grandstand tribunes. Size 8.1m x 40m, 1st row seating starting at a height of 2.1 m	7,919	21,176
8.06	Temporary grandstand seating tribunes, footprint 8.1m, total 1485 seats	7,539	20,196
8.07	Temporary grandstand seating tribunes, footprint width 8.1m, length 55.50m, 900 seats	7,539	15,104
8.08	Front passage temporary seating grandstand tribunes	7,919	17,816
8.09	Front passage temporary seating grandstand tribunes	7,919	19,436
8.10	Front passage temporary seating grandstand tribunes	5,385	17,816
8.11	Front passage temporary seating grandstand tribunes. 1st row seating starting at a height of 2.1 m	7,919	13,363
8.12	Front passage temporary seating grandstand tribunes	7,919	17,496
8.13	Corner stand temporary seating tribunes	7,919	24,292
8.14	Corner stand temporary seating tribunes	7,919	24,292
8.15	Front access temporary grandstand seating tribunes	7,919	17,816
8.16	Front access temporary grandstand seating tribunes	7,919	17,816
8.17	Front access temporary grandstand seating tribunes	7,919	16,522
8.18	Front access temporary grandstand seating tribunes	7,919	19,436
8.19	Retractable grandstand seating tribunes	24,726	48,611
8.20	Retractable grandstand seating tribunes	24,726	48,611
8.21	Retractable grandstand seating tribunes	24,726	48,611

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
8.22	Retractable grandstand seating tribunes	24,726	48,611
8.23	Retractable grandstand seating tribunes	24,726	48,611
8.24	Retractable grandstand seating tribunes	24,726	48,611
8.25	Retractable grandstand seating tribunes	24,726	48,611
8.26	Retractable grandstand seating tribunes	24,726	48,611
8.27	Retractable grandstand seating tribunes	24,726	48,611
8.28	Retractable grandstand seating tribunes	19,020	48,611
8.29	Retractable grandstand seating tribunes	24,726	48,611
8.30	Retractable grandstand seating tribunes	24,726	48,611
8.31	Broadcast tribune platforms (COM CAM positions)	10,620	49,107
8.32	Broadcast tribune (3 positions)	13,697	77,044
8.33	Press tribune (3 positions)	13,697	77,044
8.34	Press tribune (2 positions)	13,697	51,362
8.35	Press tribune (1 position)	13,697	38,904
8.36	Tribune Platforms Structural steel platforms constructed to support Broadcast and Press tribunes (H<1.0m) The Contractor should allow for pedestrian loads on these platforms.	7,292	15,077
8.37	Camera Platforms (H<1.0m) Structural steel platforms constructed to support Broadcast Camera personnel and their equipment (H<1.0m) The Contractor should allow for pedestrian loads on these platforms.	7,292	31,419
8.38	Camera Platforms (1.0m<H<2.0m) Structural steel platforms constructed to support Broadcast Camera personnel and their equipment (1.0m < H < 2.0m) The Contractor should allow for pedestrian loads on these platforms.	9,722	12,517
8.39	Camera Platforms (H>2.0m) Structural steel platforms constructed to support Broadcast Camera personnel and their equipment (H > 2.0m) The Contractor should allow for pedestrian loads on these platforms.	13,368	16,020
8.40	Ramps - 1.4m wide ramp constructed to cover a height difference of up to 0.5m Pedestrian	5,715	93,382
8.41	Ramps - 1.4m wide ramp constructed to cover a height difference of 0.5m - 1.0m, Volunteer	11,431	1,24,207
8.42	Staircase - Steel staircase width 1.2m to cover height up to 1.0m	17,147	1,10,340
8.43	Staircase - Steel staircase width 1.2m to cover height greater than 1.0m	28,578	1,89,334
8.44	Temporary metal structure supporting canvas fabric as shading device	11,827	5,56,644

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
8.45	Sentry Posts (14 m high) Temporary metal structure supporting upto 14 mtrs. High with sentry platform on top with shade and a climbing ladder, with concrete base. The complete structure shall designed to withstand the wind load.	1,61,881	7,88,943
8.46	Steel (Raised floor below tent structure- contours) SUB TOTAL	6,859	1,63,215
8.47	High Scaffold post	60,764	3,23,030
8.48	Time Keepers (Manual) - having 4 steps of (1.5 x 2) to be made in wood and carpeted	21,042	1,21,528
8.49	Temporary Bridge -2.5 x 50mts	6,07,638	26,61,632
8.50	FRAMED STEEL STRUCTURE (SUB TOTAL) Framed steel structure designed to raise the temporary seating upto 3 meters above the ground level. The steel structure should be designed in such a way that it has intermediate spans to accommodate prefabricated office structures measuring 3.6m x 6.9m and clear height of 2.5m.	11,719	73,889
8.51	JUDGES BLINDS Protective structures on FOP having 2 sides open. The structure should be designed to protect the penetration of arrow through walls.	36,458	13,64,086
8.52	FOP BLINDS Protective structures on FOP having 2 sides open. The structure should be designed to protect the penetration of arrow through walls.	36,458	13,64,086
8.53	BLINDS / BOXES Protective structures on FOP having 2 sides open. The structure should be designed to protect the penetration of arrow through walls.	36,458	13,64,086
8.54	JURY PLATFORM (4.4.x5.4, 600mm) 4.4 X 5.4, 600mm High in having RAMP of width 1200mm on right hand side and railing 900mm high on three sides.	91,146	8,46,009
8.55	JURY PLATFORM(6x3.5, 600mm High) 6 X 3.5, 600mm High in having RAMP of width 1200mm on backside and railing 900mm high on three sides.	91,146	7,55,175
8.56	JURY PLATFORM (1.8 mtr.x 3.6 mtr, 350 mm High) 1.8 mtr X 3.6 mtr, 350mm High having a Step with riser 175mm, on the longer back side	68,418	6,82,043
8.57	REFREE PLATFORM (1350mmx1800mm, 350mm High) 1350 mm x 1800mm, 350mm High having a Step with riser 175mm, 1800mm long.	25,657	2,72,817
8.58	Temporary grandstand seating tribunes	9,722	24,031

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
8.59	Temporary grandstand seating tribunes.1st row seating starting at a height of 1 m	9,722	24,031
8.60	Temporary grandstand seating tribunes	9,722	24,031
8.61	Temporary grandstand seating tribunes.1st row seating starting at a height of 1 m	9,722	24,031
8.62	Temporary seating grandstand tribunes.1st row seating starting at a height of 1 m	9,722	24,031
8.63	Temporary seating grandstand tribunes.1st row seating starting at a height of 1 m	9,722	24,031
9 1	Safe Small FOH	8,973	20,515
9 2	Safe Small BOH	7,473	20,515
9 3	Cupboard Pigeon Holes FOH	14,440	56,664
9 4	Cupboard Pigeon Holes BOH	8,342	56,664
9 5	Bookcase 4 shelves FOH	8,206	13,404
9 6	Bookcase 4 shelves BOH	7,655	13,404
9 7	Cabinet 1020 high FOH	8,314	11,667
9 8	Cabinet 1020 high BOH	6,926	11,667
9 9	Cabinet 1800 high FOH	11,076	21,446
9.010	Cabinet 1800 high BOH	9,225	19,659
9.011	Security Locker Single Tier FOH	4,103	11,233
9.012	Security Locker Single Tier BOH	4,103	9,829
9.013	Security Locker 2 Tier FOH	7,750	11,784
9.014	Security Locker 2 Tier BOH	7,750	10,723
9.015	Cabinet Filing 2 drawer FOH	5,927	9,829
9.016	Cabinet Filing 2 drawer BOH	5,468	9,829
9.017	Cabinet Filing 4 drawer FOH	7,112	13,404
9.018	Cabinet Filing 4 drawer BOH	6,870	13,404
9.019	Bench Change Rooms FOH	3,738	25,558
9.020	Bench Change Rooms BOH	3,738	21,273
9.021	Chair Sofa 3 seater (Fabric) FOH	19,071	35,743
9.022	Chair Sofa 3 seater (Fabric) BOH	19,071	36,458
9.023	Chair Sofa Swivel FOH	7,112	13,404
9.024	Chair Sofa Swivel BOH	7,112	12,152
9.025	Chair Sofa 1 seater (Fabric) FOH	10,030	15,304
9.026	Chair Sofa 1 seater (Fabric) BOH	10,030	18,229
9.027	Chair Sofa 2 seater (Fabric) FOH	12,323	24,487
9.028	Chair Sofa 2 seater (Fabric) BOH	12,323	24,216
9.029	Chair Office FOH	3,556	7,595
9.030	Chair Office BOH	1,318	4,535
9.031	Visitor Chair Stackable FOH	1,542	3,476

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
9.032	Visitor Chair Stackable BOH	1,178	2,192
9.033	Chair Patio FOH	1,276	12,244
9.034	Chair Patio BOH	1,276	10,254
9.035	Chair Folding – Padded FOH	1,459	3,306
9.036	Chair Folding – Padded BOH	1,374	3,217
9.037	FOP Bench 1FOHx 430 FOH	4,467	9,183
9.038	FOP Bench 1FOHx 430 BOH	4,467	8,936
9.039	Sink Running Water FOH	11,496	36,383
9.040	Sink Running Water BOH	9,533	18,191
9.041	Stool, Clinic FOH	1,541	6,839
9.042	Stool, Clinic BOH	1,541	6,839
9.043	Curtain, Medical FOH	2,392	6,382
9.044	Curtain, Medical BOH	2,348	6,382
9.045	Examination Light FOH	2,804	6,900
9.046	Examination Light BOH	1,402	6,900
9.047	Medical Dressing Trolley FOH	9,070	23,524
9.048	Medical Dressing Trolley BOH	8,903	25,099
9.049	Crash Carts Trolley FOH	4,535	35,559
9.050	Crash Carts Trolley BOH	4,451	35,559
9.051	Message / Examination FOH	6,032	22,038
9.052	Message / Examination BOH	6,032	21,062
9.053	Office Partition FOH	4,873	25,256
9.054	Office Partition BOH	4,486	25,256
9.055	Fan Pedestal FOH	2,594	7,736
9.056	Fan Pedestal BOH	2,431	7,881
9.057	Whiteboard Easel FOH	2,994	8,264
9.058	Whiteboard Easel BOH	2,994	8,264
9.059	Whiteboard Large FOH	4,038	13,869
9.060	Whiteboard Large BOH	3,365	13,869
9.061	Coat Stand 1800 high FOH	2,188	4,915
9.062	Coat Stand 1800 high BOH	1,963	4,915
9.063	Clothes Rail FOH	2,243	6,341
9.064	Clothes Rail BOH	1,963	6,224
9.065	Mirror Standing H:160 cm FOH	1,682	5,362
9.066	Mirror Standing H:160 cm BOH	1,402	5,347
9.067	Wall Clock FOH	701	2,000
9.068	Wall Clock BOH	603	2,000
9.069	Notice Board FOH	3,101	5,362

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
9.070	Notice Board BOH	3,101	4,535
9.071	Umbrella Patio FOH	1,542	5,719
9.072	Umbrella Patio BOH	1,304	5,137
9.073	Traffic Cone FOH	322	1,139
9.074	Traffic Cone BOH	266	1,608
9.075	Stanchion Velour Rope FOH	86	4,467
9.076	Stanchion Velour Rope BOH	88	4,467
9.077	Post and Chain FOH	922	7,595
9.078	Post and Chain BOH	911	7,595
9.079	Water Filled Barrier FOH	4,486	21,883
9.080	Water Filled Barrier BOH	3,785	22,294
9.081	Pedestrian Barricade FOH	4,206	9,036
9.082	Pedestrian Barricade BOH	3,505	9,036
9.083	Press Table FOH	4,012	14,583
9.084	Press Table BOH	4,012	14,583
9.085	Office Table FOH	3,507	8,723
9.086	Office Table BOH	3,507	7,956
9.087	Table Patio 1540x1000 FOH	2,994	10,774
9.088	Table Patio 1540x1000 BOH	2,664	10,774
9.089	Table 1000 dia. FOH	3,084	9,946
9.090	Table 1000 dia. BOH	2,524	9,946
9.091	Table Folding 1200x760 FOH	3,191	10,774
9.092	Table Folding 1200x760 BOH	3,191	10,774
9.093	Table Folding 1800x760 FOH	4,285	7,191
9.094	Table Folding 1800x760 BOH	4,285	7,191
9.095	Table Folding 2400x760 FOH	5,288	9,946
9.096	Table Folding 2400x760 BOH	5,288	9,946
9.097	Table Poseur H:110 cm FOH	3,556	19,266
9.098	Table Poseur H:110 cm BOH	3,556	19,266
9.099	Table Television 1FOH High FOH	9,829	14,386
9.100	Table Television 1FOH High BOH	9,829	14,386
9.101	Coffee Table 1200x400 FOH	3,830	8,042
9.102	Coffee Table 1200x400 BOH	3,830	7,595
9.103	Reception Counter 1800x460 H:1150 FOH	8,297	26,808
9.104	Reception Counter 1800x460 H:1150 BOH	7,010	24,127
9.105	Security Search Table 2000x400 FOH	4,377	13,404
9.106	Security Search Table 2000x400 BOH	4,377	13,404
9.107	Table Patio complete with umbrella FOH	7,145	62,595

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
9.108	Table Patio complete with umbrella BOH	7,145	52,035
9.109	Refrigerator Large FOH	13,129	56,210
9.110	Refrigerator Large BOH	13,129	49,864
9.111	Refrigerator Small FOH	9,848	38,261
9.112	Refrigerator Small BOH	9,848	22,957
9.113	Barricades FOH	2,019	13,404
9.114	Barricades BOH	1,682	13,404
9.115	Security Bed FOH	5,927	16,085
9.116	Security Bed BOH	5,927	16,085
9.117	Curtains/ Curtain strips FOH	639	2,449
9.118	Door Mats FOH	322	939
9.119	Rubbish Bins (Small 15 litre) BOH	245	7,618
9.120	Magnetic Board FOH	3,191	9,829
9.121	Bookcase FOH	4,518	12,153
9.122	Hand Held Golf Umbrella FOH	939	1,459
9.123	Safe Large BOH	14,020	26,442
9.124	Lockable Cage FOH	4,535	21,883
9.125	Equipment Racks BOH	5,986	34,435
9.126	Open Shelves FOH	3,556	24,306
9.127	Photo Benches FOH	2,553	8,417
9.128	Lectern BOH	6,729	48,611
9.129	Barricade Tape - Apprx. Contractor to site measure BOH	274	5,357
9.130	Whiteboard Dry Erase Kit FOH	109	1,541
9.131	Clothes Steamer FOH	1,402	10,426
9.132	Loud hailer BOH	2,103	9,027
9.133	Witches Hats - Transport BOH	547	1,787
9.134	Curtains - Black Out FOH	2,524	30,382
9.135	Bookcase,5 shelf,Beech,(1.8w*0.3d*0.9h) FOH	3,556	21,446
9.136	Lockers Half, lock, Grey,(0.545w*0.603d*1.78h) BOH	6,076	13,404
9.137	Fridges Bar 110L FOH	7,922	18,132
9.138	Front surface mirros FOH	1,402	3,932
9.139	ICE BOX, Large, 70L FOH	4,467	16,070
9.140	ICE BOX, Medium, 27L FOH	2,644	8,417
9.141	Fridge 450L Lockable FOH	26,808	1,53,044
9.142	Caution Tapes BOH	161	396
9.143	Country Board FOH	1,318	36,458
9.144	Country Flag FOH	1,234	18,229

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
9.145	Folding Bed BOH	1,612	9,722
9.146	Fan - Pedestal, Commercial, 46cm High BOH	1,915	7,149
9.147	Fan - Pedestal, Domestic, 40cm High, White BOH	1,550	4,468
9.148	Colour TV FOH	19,659	36,265
9.149	Plasma TV FOH	28,460	72,917
9.150	Washing Machine & Dryer FOH	13,940	61,218
9.151	Computer terminals with network connection FOH	32,861	81,596
9.152	Printer FOH	5,457	21,446
9.153	Steel Racks 180cm x 180 cm x 60cm (depth). With 6 racks BOH	9,027	17,567
10.01	Public Display System - Large Size - 30'x20' Pitch 16mm, Including structural stand	1,71,36,255	2,26,90,426
10.02	Public Display System - Medium Size - 22'x16' Pitch 16mm, Including structural stand	1,03,26,603	1,46,30,019
10.03	Public Display System - Small Size - 16'x12' Pitch 10mm, Including structural stand	67,14,397	1,00,35,244
10.04	Public Display System - 6M x 3.3M Pitch 16mm, Including structural stand	63,46,328	1,14,72,857
10.05	Public Display System - 5M x 3M Pitch 16mm, Including structural stand	56,21,034	79,75,145
10.06	Public Display System - 6M x 3.3M Pitch 10mm, Including structural stand	63,46,328	1,20,91,508
10.07	Public Display System - 5M x 3M Pitch 10mm, Including structural stand	45,96,779	86,98,517
10.08	Public Display System, Size - Pitch 7m x 4m – 16mm, Including structural stand	85,73,768	1,48,41,836
11.01	Press Conference - 0.5cm thick carpet, colour to be determined by representative of OC	317	972
11.02	0,5 cm thick carpet, colour to be determined (Games Family Lounge, VIP Lounge, Federation Office, VVIP Lounge, Doping Control, Reception Office, Processing Area, Athletes Lounge etc.)	379	1,185
11.03	Technology - Non static 'PIRELLI' type PVC flooring applied to technology spaces	985	1,823
11.04	Mopable linoleum flooring in break / dining areas (Workforce break Area , Security break Area)	628	1,823
12.01	Machinery - Fork lift truck	2,23,370	6,30,100
12.02	Machinery - Hydraulic palette	48,611	1,37,868
12.03	Machinery - Golf cart	3,03,819	4,46,811
12.04	Machinery - Digger	7,24,964	16,00,181
12.05	Machinery - Mini trolley	7,169	15,758
12.06	Machinery - Office trolley	12,254	89,830
12.07	Machinery - Drum trolley	6,286	42,202

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
12.08	Machinery - Office Trailers	38,104	2,00,421
12.09	Machinery - Golf cart for People	3,03,819	4,46,811
12.10	Machinery - Golf cart stretchers	4,46,811	7,03,371
12.11	Machinery - Tugger & Trailer	70,953	9,01,894
12.12	Machinery - Crane for Container Lifting	10,88,181	28,99,819
12.13	Machinery - Helicopter (Rented for 1 day from Air Force) (TO BE ARRANGED BY DELHI GOVT.)	1,66,352	1,30,41,515
12.14	Machinery - Open SUVs	1,21,528	7,94,078
12.15	Machinery - Open Heavy Vehicle	1,31,394	8,43,487
12.16	Machinery - High Speed Motorcycles	24,306	4,15,880
12.17	4 Wheeler CNG Operated Goods Carrier	3,28,485	9,66,606
13.01	6A, 1 phase, plug points	305	2,449
13.02	16A, 1 phase, plug points	342	3,673
13.03	20A, 1 phase, plug points	917	3,673
13.04	32A, 1 phase, plug points	977	18,219
13.05	32A, 3 phase, plug points	2,322	22,775
13.06	4 plug, 5A, 1 phase extension boards	486	4,441
13.07	Surge Protector	616	31,581
13.08	3C x 2.5 mm ² Cu Armoured Cable with connection	123	546
13.09	3C x 4.0 mm ² Cu Armoured Cable with connection	243	1,035
13.10	4C x 4.0 mm ² Cu Armoured Cable with connection	167	458
13.11	4C x 6.0 mm ² Cu Armoured Cable with connection	243	608
13.12	4C x 10.0 mm ² Cu Armoured Cable with connection	379	672
13.13	4C x 16.0 mm ² Cu Armoured Cable with connection	543	855
13.14	3.5C x 25.0 mm ² Cu Armoured Cable with connection	111	1,099
13.15	3.5C x 35.0 mm ² Cu Armoured Cable with connection	965	1,528
13.16	3.5C x 50.0 mm ² Cu Armoured Cable with connection	1,388	2,431
13.17	3.5C x 70.0 mm ² Cu Armoured Cable with connection	573	2,688
13.18	3.5C x 95.0 mm ² Cu Armoured Cable with connection	2,534	3,646
13.19	3.5C x 120.0 mm ² Cu Armoured Cable with connection	3,137	4,521
13.20	3.5C x 150.0 mm ² Cu Armoured Cable with connection	4,706	7,189
13.21	3.5C x 185.0 mm ² Cu Armoured Cable with connection	4,827	9,076
13.22	DG Sets 1 KVA - 415V, 50 Hz, 1500 RPM	48,720	1,82,291

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
13.23	DG Sets 2 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	58,043	1,82,291
13.24	DG Sets 5 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	88,152	2,32,173
13.25	DG Sets 10 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	1,82,291	2,53,991
13.26	DG Sets 15 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	1,82,291	5,87,747
13.27	DG Sets 20 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	2,43,055	3,52,608
13.28	DG Sets 40 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	2,90,217	5,58,380
13.29	DG Sets 62.5 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall	3,48,260	6,07,638

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	comply to CPCB norms.		
13.30	DG Sets 82.5 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	4,06,303	8,81,620
13.31	DG Sets 125 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	4,93,368	10,30,862
13.32	DG Sets 180 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	6,09,455	12,28,508
13.33	DG Sets 200 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	7,25,541	13,47,970
13.34	DG Sets 250 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base.	9,28,692	16,45,016
13.35	DG Sets 300 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	10,44,779	20,20,258
13.36	DG Sets 380 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall	10,22,864	23,90,195

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	comply to CPCB norms.		
13.37	DG Sets 500 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	18,22,913	29,29,651
13.38	DG Sets 1000 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor Type in sound proof enclosure. The Diesel Engine shall with engine safety like Low Lube Oil Pressure (LLOP) and High Temperature (HT). Both the engine and the alternator shall be mounted on a common base. The DG sets shall comply to CPCB norms.	15,84,719	1,45,83,305
13.39	Fuel Oil Tank for Diesel Storage - Steel Tank 1500 lts. with motor and pipes to fill diesel in DG set.	25,497	1,17,550
13.40	Consumption of DG Power	11	73
13.41	Generator aux equipment	34,826	2,03,497
13.42	GI Pipe Earthing	5,040	9,496
13.43	Air conditioning HVAC - 2T	69,652	1,46,733
13.44	Air conditioning HVAC - 3T	92,869	2,64,120
13.45	Air conditioning HVAC - 5.5T	1,16,087	3,76,348
13.46	Air conditioning HVAC - 11T	2,03,151	7,47,005
13.47	Air conditioning HVAC - 150T	16,21,809	2,08,87,833
13.48	Power - 600VA Uninterruptible Power Supply -	2,371	60,688
13.49	Power - 1kVA Uninterruptible Power Supply -	5,581	1,13,790
13.50	Power - 2kVA Uninterruptible Power Supply -	60,764	2,57,924
13.51	Power - 5kVA Uninterruptible Power Supply -	1,82,291	4,93,089
13.52	Power - 10kVA Uninterruptible Power Supply -	4,86,110	11,27,726
13.53	Power - 20kVA Uninterruptible Power Supply -	6,03,795	10,48,760
13.54	Power - 40kVA Uninterruptible Power Supply -	10,36,653	14,99,000
13.55	Power - 60kVA Uninterruptible Power Supply -	12,13,758	17,46,715
13.56	Power - 180 kVA Uninterruptible Power Supply -	14,54,100	60,76,377
13.57	Power - 200kVA Uninterruptible Power Supply -	18,85,406	62,72,892
13.58	Power - 250kVA Uninterruptible Power Supply -	20,73,947	72,91,652
13.59	Power - 320kVA Uninterruptible Power Supply -	23,75,612	2,43,05,508
13.60	Power - 400kVA Uninterruptible Power Supply -	26,39,569	5,46,87,394
14.01	Portable Site Lighting Portable lighting units with flood lights for use at compounds	6,623	2,27,580
14.02	High Mast Site Lighting	3,03,440	16,21,881

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
	30M high tubular Lighting Mast with raising / lowering lantern carriage consisting of Flood Lights		
14.03	Fixed Flood Lighting Poles Fixed lighting poles of 11M height with flood lights	65,697	3,22,404
14.04	Portable Fire Extinguishers	3,939	7,969
14.05	Desk Lamp plus Light globe	646	3,793
14.06	Lamp Adjustable, 1.35m High	646	22,758
14.07	Emergency Light	608	3,951
15.01	Gypsum Dry wall construction	1,765	3,082
15.02	Glazed office partitions	2,759	12,153
15.03	Block work Partition	98	5,078
15.04	Demolition of wall	98	13,368
15.05	DECKING Wooden platform / pathway raised 150mm above the ground constructed on steel base frame covered with plywood and finished with weatherproof material. The structure should be designed to take appropriate pedestrian live loads throughout. The steel should be painted or galvanized to protect it from rusting. Adequate steps should be taken to ensure that the decking supports do not punch in case of water logging.	3,416	7,671
15.06	FOP Matting	1,051	23,014
15.07	Minor Works - Carpentry, Painting, Venue Alterations etc	392	5,467
16.01	Phlebotomy Chair	39,238	1,18,526
16.02	Biohazard Waste Bags	6	3,068
16.03	Ice Making Machine 400 Kg	27,870	4,86,110
16.04	Ice Making Machine 50 Kg	32,220	1,45,833
16.05	Biodegradable Garbage Bags	6	3,068
16.06	Garbage Solid Waste Bags	4	3,068
16.07	Garbage Solid Waste Container 6' x 6'	7,194	1,16,446
17.01	Mist Station a) Each mist station consists of ten no. shower heads in sequence activated by sensors b) Connecting to existing water source c) Generator power to be provided	2,91,799	6,20,160
17.02	Hydrotherapy Pool Facilities Provision and installation of hydrotherapy pools at training venues a) The pools will be provided and connected to the existing water source.	7,22,666	11,85,148
17.03	Treadmill	4,03,603	8,83,953

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
17.04	Cross Trainer	1,46,765	8,01,066
17.05	Stepper	5,706	3,06,087
17.06	Multi Gym - 12 stations with pulley and leg extension cables	2,20,147	9,01,484
17.07	Adjustable Benches : Normal	24,306	1,23,621
17.08	Adjustable Benches : Inclined	24,306	1,38,456
17.09	Adjustable Benches : Declined	24,306	1,55,763
17.10	Weights, Dumbbells and Barbells	85	317
17.11	Vibrators	15,215	49,864
17.12	Twisters	3,803	29,353
17.13	Skipping Ropes	480	1,268
17.14	Gym Mirrors - Full Height	2,435	15,305
18.01	Specialized labour	135	435
18.02	Un-specialized labour	68	308
18.03	Site clearing of land fill, construction debris and other materials in order to create tent or pref. structure hard stand	51	486
19.01	MPC Custom Welcome Desk with Feature Wall	7,621	78,152
19.02	Long Range High Speed Laser Head with tripod	30,220	1,30,793
19.03	Environmental Unit	5,256	1,43,872
19.04	Ambient Air Temperature Sensor (wavelength compensation)	1,182	1,17,714
19.05	Material Temperature Sensor (machine thermal expansion compensation)	8,507	1,56,951
19.06	Optics - Linear, Angular, Flatness, Straightness (10' short range & 100' long range)	8,507	1,70,031
19.07	Precision Rotary Index Table AA GAGE Ultradex 360 degree x 1 degree increment.	12,088	1,83,110
19.08	Tissue Paper Boxes	84	295
19.09	Low Oxygen Hypoxia for 6 users in 1 room	2,61,586	2,57,84,558
20.01	3M or equivalent Black out film applied to skylight windows around FOP	263	1,841
20.02	Automatic shower sprinklers	13,140	1,82,291
20.03	Sports Information Display Board	6,076	34,307
20.04	Mosquito Repellent	114	188
20.05	Designated Lane Marker Tapes	365	1,580
20.06	First Aid Kit	938	6,711
20.07	Reflex Hammer	90	4,741
20.08	Light Angle poised on castors	1,215	15,804
20.09	Tissue Paper Towels	62	3,751
20.1	Tissue Rolls	22	3,751

Code	Items	Lowest Rate contracted by OC	Highest rate contracted by OC
20.11	Bathroom shelves	972	5,627
20.12	Concrete Boxes	1,215	9,379
20.13	Blue Paint	263	1,215
20.14	White Paint	263	1,215
20.15	Table Cloth - Green	328	1,903
20.16	Table cloth -White	328	1,903
20.17	Table cloth -Red	328	1,903
20.18	Table cloth -Yellow	328	1,903
20.19	Brush	65	1,841
20.2	Water Jug	152	1,944
20.21	Plastic Rope in 5m	38	2,762
20.22	Disposable Glasses	1	37
20.23	Toiletries	789	9,515
20.24	Office Stationary (Paper, Stapler, Resister, pens, pencils etc,)	657	9,246
20.25	Air Freshener	266	1,456
20.26	Tissue Paper Dispenser	654	4,652
20.27	Liquid Soap Dispenser	187	9,379
20.28	Water Dispenser - 20 Lts.	1,776	32,986
20.29	Canopy	1,944	37,086

(Amount in Rs.)

Vendors	Clusters	Value of the items at the lowest rate Items wise across the clusters	Contract Value	Avoidable Amount
ESAJV	Cluster V	49,49,81,023	84,25,86,312	34,76,05,289
PICO	Cluster I	75,18,88,124	1,23,95,97,128	48,77,09,004
PICO	Cluster VI	55,46,69,972	85,24,55,662	29,77,85,690
Nussli	Cluster II	37,08,21,436	57,47,77,574	20,39,56,138
Nussli	Cluster IV	50,12,00,455	70,42,21,779	20,30,21,324
GL	Cluster III	49,35,43,588	77,63,10,843	28,27,67,255
GL	Cluster VII	55,28,19,552	72,36,49,986	17,08,30,434
Total		3,71,92,85,339	5,71,35,99,284	1,99,36,75.134

Annexe - 9.2:

(Amount in Rs.)

Statement showing the difference in rate for power consumption & the excess expenditure thereto								
Sl. No.	Name of the Vendor	Cluster No.	Rate Quoted (in agreement)	Lowest Rate (in the agreement of Pico)	Total Unit as per Agreement	Total Expenditure (On the basis of the quoted rate of the vendor)	Expenditure based on the lowest rate	Excess Expenditure
1	M/s Pico-Deepali	I	14	11	26,26,083	3,67,65,162	2,88,86,913	78,78,249
2	M/s Nussli	II	73	11	5,17,360	3,77,67,280	56,90,960	3,20,76,320
3	M/s GL Meroform	III	27	11	1,89,936	51,28,272	20,89,296	30,38,976
4	M/s Nussli	IV	73	11	4,62,768	3,37,82,064	50,90,448	2,86,91,616
5	M/s ESAJV	V	68	11	1,67,100	1,13,62,800	18,38,100	95,24,700
6	M/s Pico - Deeplai	VI	11	11	71,100	7,82,100	7,82,100	0
7	M/s GL Meroform	VII	27	11	27,000	7,29,000	2,97,000	4,32,000
						1,26,316,678	4,46,74,817	8,16,41,861

Annexe 9.3: Instances of Different Rates charged by the same vendor**(Amount in Rs.)**

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
1.33	Ceremonies-s footprint-20.0mx25.0m	No.	1	77,87,077	0	65,56,219	12,30,858
1.34	Ceremonies- footprint-15.0mx25.0m	No.	2	46,80,091	0	39,40,336	14,79,510
1.35	Ceremonies Footprint-8.0mx12.0m	No.	1	15,84,220	0	13,33,812	2,50,408
1.36	Ceremonies- footprint-15.0mx10.0m	No.	2	24,02,035	0	20,22,359	7,59,352
1.37	Press Conference- Footprint-25.0mx15.0m	No.	2	42,69,458	0	35,94,609	13,49,698
2 1	Venue Accreditation Help Office (VAHO)-Footprint- 5.0mx5.0m	No.	1	5,26,523	8	5,01,694	24,829
2 2	Venue Accreditation Help Office (VAHO) Footprint- 5.0mx8.0m	No.	3	7,27,741	4	6,93,423	1,02,954
2 5	Catering Preparation-Footprint 10.0mx30.0m	No.	1	67,93,020	0	64,72,688	3,20,332
2 6	Spectator Food Concessions- Footprint-5.0mx5.0m	No.	10	6,47,170	17	6,16,652	3,05,180
2.010	Spectator Merchandising Concessions- Footprint-5.0mx5.0m	No.	15	5,63,329	7	5,36,765	3,98,460
2.019	Vehicle Check point-SINGLE POINT-TRUCKS- Footprint-6.0mx10.0m	No.	1	9,19,319	5	8,75,966	43,353
2.020	Vehicle Check point-TWO POINT-TRUCKS- Footprint-6.0mx15.0m	No.	4	13,35,380	7	12,72,408	2,51,888
2.024	Security Retiring Room- Footprint-15.0mx20.0m	No.	3	40,32,550	1	38,42,390	5,70,480
2.029	Security Break Area-Footprint-24.0mx18.0m	No.	2	75,38,368	0	71,82,887	7,10,962
2.033	Security Break Area/Workforce Area-	No.	1	79,77,256	0	76,01,078	3,76,178

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
	Footprint-40.0m x 10.0m						
2.036	Site Management Office/Media Lounge	No.	2	27,93,797	0	26,62,052	2,63,490
2.038	Sponsor Showcasing Concession- Footprint- 5.0m x 5.0m	No.	15	6,25,895	8	5,96,380	4,42,725
2.046	Athlete Warm-up Area (COMPETITION MANAGEMENT)	No.	1	12,32,256	0	11,74,147	5,81,09
2.047	Competition Management Room/Venue Result Room	No.	5	5,67,814	28	5,41,038	1,33,880
2.050	Athletes Lounge/Athletes First Call Room- Supply, erection and dis-assembling tent of Footprint-10.0m x 15.0m	No.	2	26,61,747	0	25,36,230	2,51,034
2.051	Athletes Lounge-Supply, erection and dis-assembling tent of Footprint-20 m x 15.0m	No.	1	43,02,623	0	40,99,728	2,02,895
2.054	Drivers Lounge-f Footprint-5.0.m x5.0m	No.	1	5,02,313	8	4,78,626	23,687
2.060	Drivers Lounge-Footprint-10.0m x 25.0m	No.	1	38,65,916	0	36,83,614	1,82,302
2.068	Catering Preparation-Footprint 10.0mx10.0m	No.	1	24,28,040	1	23,13,543	1,14,497
2.070	First Aid Station-Footprint-5.0m x5.0m	No.	7	6,34,992	5	6,05,048	2,09,608
2.073	Press Work Area/Staff Work Area/Venue Operations- Footprint-10.0m x 15.0m	No.	10	29,90,824	1	28,49,788	14,10,360
2.082	Weight Training room/FOP Equipment Storage- Footprint-15.0m x 15.0m	No.	2	31,74,227	0	30,24,542	2,99,370
2.083	Athletes Medical Area-Footprint-15.0m x 25.0m	No.	2	53,61,663	0	51,08,827	5,05,672
3.080	Athletes Doping & Medical Block	No.	1	96,06,107	0	80,50,697	15,55,410
3.130	Athletes First	No.	2	68,14,030	0	57,10,710	22,06,640

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
	Aid/Doping Area-Footprint 10.0m x 12.20m						
3.170	Athletes Change Room-LARGE Footprint - 7.20x9 m	No.	2	36,19,255	2	30,33,229	11,72,052
3.230	Ticket both-MEDIUM(x4)-prefabricated office unit	No.	2	13,27,060	4	11,12,184	4,29,752
3.250	Management Offices-Transport Manager Office/Load Zone-Footprint-3.6mx6.0m	No.	1	12,06,418	5	10,11,076	1,95,342
3.380	Ticket both-LARGE(x10) Footprint-3.6m x12.0m	No.	1	24,12,837	0	20,22,153	3,90,684
4.020	Accessible Waterless toilets-Footprint-2.0m x2.5m	No.	4	1,86,647	9	1,58,986	1,10,644
4.030	Prefabricated WC unit-Footprint-3.5mx3.0m	No.	6	7,27,448	20	6,19,644	6,46,824
4.050	Prefabricated WC unit-Footprint-8.3mx3.1m	No.	14	12,01,871	19	10,23,759	24,93,568
4.060	Prefabricated WC unit-Footprint-12.0mx3.6m	No.	18	13,99,547	7	11,92,140	37,33,326
6.01	External Fences	mtr	520	2,945	3,350	2,511	2,25,680
6.02	Internal Fences	mtr	5830	2,945	6,125	2,511	25,30,220
6.04	Gate-Vehicles	No.	49	5,763	85	4,914	41,601
6.05	Gate-Pedestrian	No.	44	4,482	66	3,822	29,040
7.01	Wooden Structure-removable timber platforms and timber raised floors up to 50 cm height	Sq. mtr.	1315	4,578	342	3,550	13,51,820
8.33	Press tribune (3 positions)	Sq. mtr.	175	77,044	91	64,564	21,84,000
8.36	Tribune Platform	Sq. mtr.	58	9,917	342	8,310	93,206
8.37	Camera Platform-Structural steel platforms constructed to support Broadcast and Press tribunes (H<1.0m)	Sq. mtr.	40	9,917	33	8,310	64,280
8.41	Ramps-height difference upto 1.0m, volunteer	No.	2	13,641	11	11,431	4,420
8.44	Temporary metal	No.	2	14,112	12	11,827	4,570

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
	structure supporting canvas						
8.45	Sentry Posts	No.	12	3,41,022	34	4,57,251	39,51,786
8.54	Jury Platform-4.4.x5.4, 600mm High in having RAMP width 1200mm on right hand side and railing 900 high on three sides	No.	1	3,38,173	0	2,83,395	54,778
8.55	Jury Platform-4.4.x5.4, 600mm High in having RAMP width 1200mm	No.	1	3,05,119	0	2,55,695	49,424
8.56	Jury Platform-1.8mtrx3.6mtr, 350mm High having a step with riser 175mm,1800mm long	No.	1	6,82,043	0	5,71,564	1,10,479
8.57	Referee Platform-1350mmx1800mm High having a Strip with riser 175mm, 1800mm long	No.	3	2,72,817	0	2,28,625	1,32,576
8.58	Temporary grandstand seating tribunes, footprint size 9.0mx40m with total number of 224 seats	per seat	176	24,031	0	20,907	5,49,824
8.59	Temporary grandstand seating tribunes, footprint size 9.0mx40m with total number of 192 seats	per seat	196	24,031	0	20,907	6,12,304
8.6	Temporary grandstand seating tribunes, footprint width 12.7m, length 40 with total number of 392 seats	per seat	392	24,031	0	20,907	12,24,608
8.61	Temporary grandstand seating tribunes, footprint size 9.0mx40m with total number of 288 seats	per seat	294	24,031	0	20,907	9,18,456
8.62	Temporary grandstand seating tribunes, footprint size 15.4mx40m with total number of 224 seats	per seat	448	24,031	0	20,907	13,99,552

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
8.63	Temporary grandstand seating tribunes, footprint size 8.7mx40m with total number of 112 seats	per seat	120	24,031	0	20,907	3,74,880
9 1	Safe Small FOH	No.	5	9,795	50	8,973	4,110
9 2	Safe Small BOH	No.	8	8,157	8	7,473	5,472
9 3	Cupboard Pigeon Holes FOH	No.	60	15,764	110	14,440	79,440
9 4	Cupboard Pigeon Holes BOH	No.	1	9,106	4	8,342	764
9 5	Bookcase 4 shelves FOH	No.	5	10,912	13	9,996	4,580
10.01	Display system large size- 30'x20' Pitch 16mm, inc. Stand	No.	4	2,26,90,426	8	1,06,73,920	4,80,66,024
10.04	Public Display System-6Mx3.3M Pitch 16mm, including structural stand	No.	1	76,85,467	0	63,46,328	13,39,139
10.05	Public Display System-5Mx3M Pitch 16mm, including structural stand	No.	1	68,07,128	0	56,21,034	11,86,094
10.7	Public Display System-5Mx3M Pitch 10mm, including structural stand	No.	2	68,43,725	1	56,51,254	23,84,942
11.01	PressConference-0.5 thick carpet	Sq. mtr.	530	767	342	637	68,900
11.02	0.5 cm thick carpet	Sq. mtr.	4125	1,185	2050	985	8,25,000
11.03	Technology- Non static ;PIRELLI' type	Sq. mtr.	470	1,185	1325	985	94,000
12.03	Machinery-Golf cart	No.	5	4,04,235	18	3,54,763	2,47,360
12.11	Machinery-Tugger & Traller	No.	2	80,847	6	70,953	19,788
13.01	6A, 1 phase, plug pints	No.	810	359	1,208	305	43,740
13.02	16A, 1 phase, plug points	No.	352	402	456	342	21,120
13.03	20A, 1 phase, plug points	No.	75	1,077	152	917	12,000
13.04	32A, 1 phase, plug points	No.	60	1,148	76	977	10,260
13.05	32A, 3 phase, plug points	No.	31	2,728	41	2,322	12,586
13.06	4 Plug, 5A, 1 phase extension boards	No.	780	646	981	550	74,880

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
13.07	Surge Protector	No.	230	31,581	421	26,883	10,80,540
13.31	DG sets 125 KVA-415V, 50Hz, 1500 RPM	No.	2	5,65,125	13	4,93,368	1,43,514
13.34	DG sets 250 KVA-415V, 50Hz, 1500 RPM	No.	3	10,63,765	9	9,28,692	4,05,219
13.35	DG sets 300 KVA-415V, 50Hz, 1500 RPM	No.	3	11,96,736	4	10,44,779	4,55,871
13.39	Fuel Oil Tank for Diesel Storage-Steel Tank 1500 lts with motor pipes	No.	19	39,891	24	34,826	96,235
13.4	Consumption of DG Power	kw	26,26,083	14	71100	11	78,78,249
13.41	Generator aux equipment	No.	53	39,891	40	34,826	2,68,445
13.42	GI Pipe Earthing	No.	98	6,648	128	5,804	82,712
13.51	Power-5kVA Uninterruptable Power Supply	No.	9	22,46,37	5	2,19,186	49,059
13.52	Power-10kVA Uninterruptable Power Supply	No.	3	5,62,300	4	5,48,654	40,938
13.53	Power-20kVA Uninterruptable Power Supply	No.	12	6,15,986	27	6,03,795	1,46,292
13.54	Power-40kVA Uninterruptable Power Supply	No.	6	10,96,344	9	10,36,653	3,58,146
13.55	Power-60kVA Uninterruptable Power Supply	No.	6	13,56,301	14	13,23,386	1,97,490
13.56	Power-180kVA Uninterruptable Power Supply	No.	2	15,25,839	6	14,80,104	91,470
13.57	Power-200kVA Uninterruptable Power Supply	No.	3	62,72,892	1	61,20,664	4,56,684
14.01	Portable Site Lighting	No.	30	9,482	32	7,884	47,940
14.05	Desk Lamp plus Light globe	No.	90	2,370	185	1,971	35,910
14.06	Lamp Adjustable, 1.35m High	No.	150	7,901	275	6,569	1,99,800
14.07	Emergency Light	No.	5	3,951	273	3,285	3,330
15.01	Gypsum Dry wall construction	Sq. mtr.	1,200	3,082	3650	2,562	6,24,000

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
15.02	Glazed Office partitions	Sq. mtr.	240	3,319	742	2,759	1,34,400
15.03	Block work Partition	Sq. mtr.	250	2,370	780	1,971	99,750
15.04	Demolition of wall	Cu.mtr	10	3,951	142	3,285	6,660
16.01	Phlebotomy Chair	No.	2	1,18,526	0	98,546	39,960
16.04	Ice Making Machine 50 Kg	No.	4	1,06,299	0	83,961	89,352
16.07	Garbage Solid Waste Container 6"x6"	No.	2	1,16,446	0	91,976	48,940
17.020	Hydrotherapy Pool Facilities	No.	2	8,41,741	6	7,22,666	2,38,150
17.030	Treadmill	set	2	5,35,654	14	4,59,879	1,51,550
17.040	Cross Trainer	set	2	2,65,531	14	2,27,968	75,126
17.050	Stepper	set	2	3,06,087	14	2,62,788	86,598
17.060	Multigym-12 stations with pulley and leg extension cables	set	2	5,89,219	14	5,05,867	1,66,704
17.070	Adjustable Benches: Normal	set	2	30,609	14	26,279	8,660
17.080	Adjustable Benches: Inclined	set	2	32,139	14	27,593	9,092
17.090	Adjustable Benches: Declined	set	2	33,670	14	28,907	9,526
17.100	Weights, Dumbbells and Barbells	kg	1000	153	7,000	131	22,000
17.110	Vibrators	Set	2	30,609	14	26,279	8,660
17.130	Skipping Ropes	set	2	559	14	480	158
17.140	Gym Mirrors-Full Height	set	17	15,305	14	13,140	36,805
19.050	Material Temperature Sensor (machine thermal expansion compensation)	No.	1	13,433	15	11,169	2,264
20.01	3M or equivalent Black out film applied to skylight windows around FOP	Sq. mtr.	300	316	5,469	263	15,900
20.05	Designated Lane Marker Tapes	No.	50	1,580	333	1,314	13,300
20.06	First Aid Kit	No.	4	4,741	120	3,942	3,196
20.09	Tissue Paper Towels	No.	25	1,580	208	1,314	6,650
20.11	Bathroom shelves	No.	100	1,580	2	1,314	26,600
20.22	Disposable Glasses	No.	25,000	2	0	1	25,000
20.23	Toiletries	No.	7	948	13	789	1,113
20.24	Office Stationary (Paper, Stapler,	Lot	7	790	22	657	931

Code	Items	Unit	Qty I	Rate Pico I	Qty VI	Rate Pico VI	Excess amt (Rs)
	Register, Pens, Pencils etc.)						
20.25	Air Freshener	No.	30	790	244	657	3,990
20.26	Tissue Paper Dispenser	No.	45	1,897	340	1,577	14,400
20.27	Liquid Soap Dispenser	No.	45	1,501	290	1,248	11,385
20.28	Water Dispenser - 20 lts.	No.	500	11,852	845	9,855	9,98,500
						Total	11,06,31,180

Annexe- 9.4 Comparison of rates by CIF value**(CIF- Cost, Insurance, Freight, declared to customs)****(Amount in Rs.)**

Code	Items	Lowest Rate charged to OC	Mkt Rate/Cost declared to custom	Percentage	Vendor
9 003	Cupboard Pigeon Holes FOH	14,440	5,200	178	Pico
9 006	Bookcase 4 shelves BOH	7,655	2,840	170	Pico
9.101	Coffee Table 1200x400 FOH	3,830	1,500	155	Pico
9.102	Coffee Table 1200x400 BOH	3,830	1,500	155	Pico
9.060	Whiteboard Large BOH	3,365	1,420	137	Pico
9.062	Coat Stand 1800 high BOH	1,963	830	137	Pico
9.005	Bookcase 4 shelves FOH	8,206	3,470	136	Pico
9.007	Cabinet 1020 high FOH	8,314	3,520	136	Pico
9.001	Safe Small FOH	8,973	3,870	132	Pico
9.087	Table Patio 1540x1000 FOH	2,994	1,300	130	Pico
9.133	Witches Hats - Transport BOH	547	250	119	Pico
9.070	Notice Board BOH	3,101	1,420	118	Pico
9.103	Reception Counter 1800x460 H:1150 FOH	8,297	3,850	116	Pico
9.031	Visitor Chair Stackable FOH	1,542	720	114	Pico
9.059	Whiteboard Large FOH	4,038	1,890	114	Pico
9.061	Coat Stand 1800 high FOH	2,188	1,030	112	Pico
9.088	Table Patio 1540x1000 BOH	2,664	1,300	105	Pico
9 9	Cabinet 1800 high FOH	11,076	5,460	103	Pico
9.089	Table 1000 dia. FOH	3,084	1,550	99	Pico
9 8	Cabinet 1020 high BOH	6,926	3,520	97	Pico
9.063	Clothes Rail FOH	2,243	1,160	93	Pico
9.065	Mirror Standing H:160 cm FOH	1,682	870	93	Pico
9 2	Safe Small BOH	7,473	3,870	93	Pico
9.095	Table Folding 2400x760 FOH	5,288	2,800	89	Pico
9.096	Table Folding 2400x760 BOH	5,288	2,800	89	Pico
9.015	Cabinet Filing 2 drawer FOH	5,927	3,150	88	Pico
9.094	Table Folding 1800x760 BOH	4,285	2,300	86	Pico
9 4	Cupboard Pigeon Holes BOH	8,342	4,780	75	Pico
9.035	Chair Folding - Padded FOH	1,459	840	74	Pico

9.114	Barricades BOH	1,682	980	72	Pico
9.093	Table Folding 1800x760 FOH	4,285	2,500	71	Pico
9.064	Clothes Rail BOH	1,963	1,160	69	Pico
9.010	Cabinet 1800 high BOH	9,225	5,460	69	Pico
9.120	Magnetic Board FOH	3,191	1,890	69	Pico
9.092	Table Folding 1200x760 BOH	3,191	1,900	68	Pico
9.099	Table Television 1FOH High FOH	9,829	5,940	65	Pico
9.100	Table Television 1FOH High BOH	9,829	5,940	65	Pico
9.069	Notice Board FOH	3,101	1,880	65	Pico
9.032	Visitor Chair Stackable BOH	1,178	720	64	Pico
9.036	Chair Folding - Padded BOH	1,374	840	64	Pico
9.091	Table Folding 1200x760 FOH	3,191	2,000	60	Pico
9.130	Whiteboard Dry Erase Kit FOH	109	70	56	Pico
9.037	FOP Bench 1FOHx 430 FOH	4,467	2,900	54	Pico
9.038	FOP Bench 1FOHx 430 BOH	4,467	2,900	54	Pico
9.118	Door Mats FOH	322	210	53	Pico
9.142	Caution Tapes BOH	161	105	53	Pico
9.013	Security Locker 2 Tier FOH	7,750	5,130	51	Pico
9.115	Security Bed FOH	5,927	4,050	46	Pico
9.116	Security Bed BOH	5,927	4,050	46	Pico
9.082	Pedestrian Barricade BOH	3,505	2,470	42	Pico
9.119	Rubbish Bins (Small 15 litre) BOH	245	180	36	Pico
9.122	Hand Held Golf Umbrella FOH	939	695	35	Pico
9.074	Traffic Cone BOH	266	200	33	Pico
9.078	Post and Chain BOH	911	690	32	Pico
9.057	Whiteboard Easel FOH	2,994	2,310	30	Pico
9.058	Whiteboard Easel BOH	2,994	2,310	30	Pico
9.073	Traffic Cone FOH	322	250	29	Pico
9.083	Press Table FOH	4,012	3,260	23	Pico
9.077	Post and Chain FOH	922	820	12	Pico
9.124	Lockable Cage FOH	4,535	4,380	4	Pico
9.033	Chair Patio FOH	1,276	1,250	2	Pico
9.034	Chair Patio BOH	1,276	1,250	2	Pico

Annexe: 9.5 Differences between Rates of Subcontract and the Contract with OC**(Amount in Rs.)**

Sl. No.	Item Description	Unit	Min. Rate quoted by Pico for Cluster I & VI	Hiring Rate of Pico (Sub-Contract)	Rate of Other Vendors for other Clusters		Excess Rate in per cent
					Min. Rate charged to OC	Max. Rate to OC	
1	Power - 180 KVA Uninterruptible Power Supply -	No.	14.80 lakh	5.50 lakh	14.54 lakh	60.76 lakh	264% to 1105%
2	Power - 40kVA Uninterruptible Power Supply -	No.	10.36 lakh	1.80 lakh	10.37 lakh	14.99 lakh	576% to 833%
3	Power - 20kVA Uninterruptible Power Supply	No.	6.04 lakh	1.12 lakh	6.07 lakh	10.49 lakh	539% to 936%
4.	Power - 200kVA Uninterruptible Power Supply	No.	61.20 lakh	5.50 lakh	18.85 lakh	62.72 lakh	343% to 1140%
4	DG Sets 250 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor	No.	9.29 lakh	5 lakh	9.72 lakh	16.45 lakh	186% to 329%
5	DG Sets 180 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor.	No.	6.09 lakh	4 lakh	7.29 lakh	12.29 lakh	152% to 307%
6	DG Sets 125 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor.	No.	4.93 lakh	3.10 lakh	7.29 lakh	10.31 lakh	159% to 333%
7	DG Sets 82.5 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor	No.	4.06 lakh	2.5 lakh	6.55 lakh	8.82 lakh	162% to 353%
8	DG Sets 40 KVA - 415V, 50 Hz, 1500 RPM Diesel Generator Set Indoor.	No.	2.90 lakh	1.90 lakh	4.25 lakh	5.58 lakh	152% to 293%

Annex: 9.6 Rental Price Vis a vis Construction Cost of Pre Fabricated Cabin Taking CPWD Rate

Code	Items	Per unit Area (Sq m)	Quantity cluster I	Quantity cluster II	Quantity cluster III	Quantity Cluster IV	Quantity Cluster V	Quantity cluster VI	Quantity cluster VII	Area Cluster I	Area Cluster II	Area Cluster III	Area Cluster IV	Area Cluster V	Area Cluster VI	Area Cluster VII
3.01	Commentary Control Room (CCR)(Footprint:3.6mx 6.0m)	21.6	0	0	0	0	0	1	0	0	0	0	0	0	21.6	0
3.02	Broadcast Information Office (BIO)(Footprint:3.60m x6.0m)	21.6	0	0	0	0	0	1	0	0	0	0	0	0	21.6	0
3.03	Timing & Scoring Control Room(Footprint:3.6mx 6.0m)	21.6	0	0	0	0	2	0	0	0	0	0	0	43.2	0	0
3.04	Caterers Office / Logistic Office / Merchandising Office / Site Management Office / Cleaning & Waste Office / Broadcast / Venue Management Office(Footprint:15.0m x8.0m)	21.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.05	Ceremonies (double storey prefabricated office units connected with external staircase)(Footprint:15 .0mx8.0m)	21.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.06	Doping Control (Footprint:6.0mx14.40 m)	86.4	0	1	1	1	1	1	0	0	86.4	86.4	86.4	86.4	86.4	0
3.07	Doping Control with 5 WC cubicle and sink in each(Footprint:10.6mx 14.4m)	152.64	0	0	0	1	0	0	0	0	0	0	152.64	0	0	0
3.08	Athletes Doping & Medical Block with 4WC cubicles(Footprint:14.7 mx11.7m)	171.99	1	0	0	0	0	0	0	171.99	0	0	0	0	0	0
3.09	Games family with 3WC, 2washbasins and 1	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Code	Items	Per unit Area (Sq m)	Quantity cluster I	Quantity cluster II	Quantity cluster III	Quantity Cluster IV	Quantity Cluster V	Quantity cluster VI	Quantity cluster VII	Area Cluster I	Area Cluster II	Area Cluster III	Area Cluster IV	Area Cluster V	Area Cluster VI	Area Cluster VII
	urinals.(Footprint:10.0mx40.0m)															
3.10	Logistic Manager Office(Footprint:3.6mx6.0m)	21.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.11	Athletes Medical - SMALL with consertina door and sink(Footprint:6.0mx7.20m)	43.2	0	0	0	0	0	0	24	0	0	0	0	0	0	1037
3.12	Athletes Medical - LARGE(Footprint:6.0mx10.80m)	64.8	0	1	1	1	0	2	0	0	64.8	64.8	64.5	0	129.6	0
3.13	Athletes First Aid / Doping Area with 3WC pans and 3 sinks(Footprint:10.0mx12.2m)	122	2	0	0	0	0	0	0	244	0	0	0	0	0	0
3.14	Press Operations(Footprint:10.0mx45.0m)	450	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.15	Sentry Post(Footprint:1.5mx1.5m)	2.25	0	3	0	0	10	3	0	0	6.75	0	0	22.5	6.75	0
3.16	Site Management Office / Competition Manager / Venue Results / Sports Volunteers(Footprint:3.6mx6.0m)	21.6	0	0	0	0	2	0	0	0	0	0	0	43.2	0	0
3.17	Athletes Change Room - LARGE with 5 shower cubicles(Footprint:7.20mx9.0m)	64.8	2	0	2	2	0	2	0	130	0	129.6	130	0	129.6	0
3.18	Athletes block(Footprint:55.0mx25.0m)	1375	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.19	Athletes Block(Footprint:14.7mx12.7m)	186.69	0	0	0	0	0	1	0	0	0	0	0	0	186.7	0
3.20	Sports Presentation Room(Footprint:3.6mx6.0m)	21.6	0	0	0	0	0	1	0	0	0	0	0	0	21.6	0

Code	Items	Per unit Area (Sq m)	Quantity cluster I	Quantity cluster II	Quantity cluster III	Quantity Cluster IV	Quantity Cluster V	Quantity cluster VI	Quantity cluster VII	Area Cluster I	Area Cluster II	Area Cluster III	Area Cluster IV	Area Cluster V	Area Cluster VI	Area Cluster VII
3.21	Technical Officials / Time Scoring / Sports Volunteers(Footprint:3.6mx9.0m)	32.4	0	0	0	0	1	1	0	0	0	0	0	32.4	32.4	0
3.22	Ticket booth - SMALL (x 2) with 4nos open able glazing(Footprint:3.6m x4.2m)	15.12	0	1	1	0	0	1	0	0	1	2	0	0	15.1	0
3.23	Ticket booth - MEDIUM (x 4)(Footprint:3.6mx6.6 m)	23.76	2	0	0	1	2	4	0	4	0	0	2	47.5	95.0	0
3.24	Ticket booth - LARGE (x 8)(Footprint:3.6mx11.4 m)	41.04	0	3	0	1	1	0	0	0	1	0	4	41.0	0	0
3.25	Management Offices - (Footprint:3.6mx6.0m)	21.6	1	0	0	0	0	5	0	2	0	0	0	0	108	0
3.26	Venue Operation's (Footprint:5.0mx10.0m)	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.27	Venue Operations(Footprint:15.25mx45.0m)	686.25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.28	Venue Operations(Footprint:30.0mx40.0m)	1200	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.29	Work Force(Footprint:10.0m x40.0m)	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.30	Work Force Area(Footprint:8.0mx10.0m)	80	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.31	Sponsor Showcasing Concession (Footprint:5.0mx5.0m)	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.32	TSR / Sports Presentation(Footprint: 3.6mx9.6m)	34.56	0	0	1	2	0	0	0	0	0	3	6	0	0	0
3.33	Ceremonies /	172	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Code	Items	Per unit Area (Sq m)	Quantity cluster I	Quantity cluster II	Quantity cluster III	Quantity Cluster IV	Quantity Cluster V	Quantity cluster VI	Quantity cluster VII	Area Cluster I	Area Cluster II	Area Cluster III	Area Cluster IV	Area Cluster V	Area Cluster VI	Area Cluster VII
	Federation Offices (Footprint:17.2mx10.0 m)															
3.34	Venue Operations (Footprint:8.0mx20.0m)	160	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.35	Technical Officials Block (Footprint:18.0mx10.0 m)	180	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.36	Timing & Scoring Control Room (Footprint:10.8m x6.0m)	64.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.37	Ticket booth - LARGE (x 10) (Footprint:3.0mx13.8m)	41.4	2	0	0	0	0	0	0	82.8	0	0	0	0	0	0
3.38	Ticket booth - LARGE (x 10) (Footprint:3.6mx12.0m)	432	1	0	0	0	0	0	0	432	0	0	0	0	0	0
	Total Area/									11130	296	572	567	316.3	854.4	1037
Grand total area:														4773.06 sq mt		
Area in Sq.mt														4,773.06		
Area in Sq. feet (*10.7642)														51,378.17		
Amount as per Overlays contract (including service tax)														21,84,55,016		
Less: Amount in CPWD rate(Rs1645/Sq feet*51378.17)														-8,45,17,090		
Excess amount of payment: (in Rs.)														13,39,37,926		

Annex: 9.7 CONTRACT VALUE OF WATER DISPENSOR

Co de	Items	Pico I	Nussli II	GL III	Nussli IV	ESAJV V	Pico VI	GL VII	Total
21.28	Water Dispenser - 20 Lts. (Nos)	500	425	405	325	475	845	145	3120
	Rate (Rs/Nos)	11,852	1,776	32,986	1,776	9,379	9,855	32,986	
	Amount (Rs)	59,26,088	7,54,873	1,33,59,411	5,77,256	44,54,835	83,27,475	47,82,999	3,81,82,937

Annexes to Chapter 11

Annexe 11.1

Chronology of events for the award of work for Games Village Catering

June 2009	EOI for 11 tender packages; responses from 25 agencies
July 2009	Evaluation of EOI responses; 4 out of 10 respondents for CGV, and 13 out of 16 respondents for other packages shortlisted.
October 2009	RFP for CGV issued to 4 qualified respondents; bid submitted by only one party – Delaware North Companies Australia.
11 November 2009	Letter from DNC to OC about their partnership with TajSATS and PKL, London.
10 December 2009	File sent through DG and CEO to Chairman for condoning non submission of EMD and opening of commercial bid
11 December 2009	Commercial bids opened on verbal instruction of the Chairman
6 January 2010	DNC sent an e-mail, raising concerns on the delay in taking decision on the CGV contract.
12 January 2010	File returned from the Chairman with Decision to re-tender
13 January 2010	Shri Jiji Thomson, SDG(Catering) requested DG and CEO to take OCFC,FSC and EB approval on it
15 January 2010	Shri Jiji Thomson instructed Shri Jeychandran JDG(F&A)to place outcome of tendering before OCFC
16 January 2010	Shri Jeychandran decided to take up the subject with OCFC after retendering is done , forwarded the file to Shri Ram Mohan DDG(Legal) for legal opinion
18 January 2010	Shri Ram Mohan agreed with Shri Jeychandran , also noted that commercial bid is 2.5 times the budget provision
19 January 2010	DNC confirmed their commitment to deposit the EMD
23 January 2010	Shri Lalit Bhanot ordered for retendering process to start
2 February 2010	The decision to retender was communicated to DNC.
3 February 2010	RFP for CGV package reissued with last date of 24 February 2010 (extended to 3 March 2010)
3 March 2010	Technical bids from two parties - DNC (along with Taj SATS and PKL) and IRCTC (along with Xtreme Chefs, PKL and SGS India)
19 March 2010	Proposal of IRCTC rejected, and DNC found technically qualified.
26 March 2010	Financial bid of single vendor – DNC- opened in the presence of their representatives.
29 March 2010	OSD Catering informed DNC that they were technically qualified.

30 March 2010	DNC informed OC that their partner for kitchen design and construction, PKL, had refused to participate in the contract (due to frustrations and concerns about OC's processes and procedures), and suggested that OC hold negotiations with the next ranked bidder.
7 April 2010	After negotiations between PKL and OC, PKL provided an option of purchasing ex-hire catering equipment for the Games Village, and asked for review and finalising contract terms by 13 April 2010
14 April 2010	Team of OC officials visited Melbourne to hold discussions with DNC, who indicated that OC had to deal directly with PKL, but stressed that only PKL should be appointed as the equipment supplier.
19-22 April 2010	OC Finance Sub-Committee (with Secretaries UD and Sports, and AS, MOF) was apprised of this emergent situation, and approved the award of contract to DNC, but did not comment on the proposal from PKL.
30 April 2010	OC team visited London for negotiations with PKL; advance payment of 15 percent (as against 50 per cent originally proposed by PKL) agreed to.
6 May 2010	DNC submitted the revised rates totalling Rs. 81.62 crore.
11 May 2010	OC EB approves outright purchase of equipment from PKL. DNC submitted the revised rates totalling Rs. 66.59 crore.
20 May 2010	OC signed contract with DNC.
31 May 2010	RFP for appointment of kitchen equipment installer and project manager, with last date of 10 June 2010.
7 June 2010	OC Finance Sub-Committee recommended airlifting of kitchen equipment by Balmer Lawrie at a cost of \$ 1.5 million (excluding service tax)
14 June 2010	Technical evaluation of three bids for installation of kitchen equipment conducted; two bidders were qualified. Commercial evaluation was done on the same date, and M/s Constellations (in consortium with M/s Aster Technologies, Pune) was found to be the L-1 bidder.
27 June 2010	EB approved airlifting of kitchen equipment by Balmer Lawrie as well as award of contract for installation of equipment to M/s Constellations
5-9 July 2010	Equipment despatched by air.
9 September 2010	CGV Kitchen handed over by OC to DNC; kitchen commenced operations on 13/16 September 2010

Annexe 11.2**Chronology of events for the award of work for Venues Catering**

June 2009	EOI issued for 11 clusters
15 December 2009	RFP issued to the 13 qualified bidders
18 February 2010	Last date was 28 January 2010 which was extended twice till 18 February 2010 due to change in templates. Five firms submitted bids for some clusters. Only IRCTC quoted for 1 to 8 clusters. No one for 10 and 11 clusters.
22 March 2010	Technical evaluation was carried out by committee headed by SDG Catering
31 March 2010	Chairman asked to re tender as many reputed firms like ITDC etc did not participate
7 April 2010	Catering FA informed Chairman that delay will escalate cost and make it difficult to meet deadlines. Chairman agreed and approved the technical evaluation
8 April 2010	Commercial evaluation was carried out
Apr – June 2010	Negotiations were carried out with all the five firms. Finally the total estimated expenditure came down from Rs. 77.94 crore to Rs. 68.46 crore
22 June 2010	Chairman in a meeting of senior management suggested to cancel all tenders and nominate IRCTC and Chef Air
27 June 2010	EB approved to cancel all tenders packages and appoint IRCTC and Chef Air on nomination basis
5 July 2010	IRCTC submitted the quote of Rs. 24.20 crore for all tender packages except 1 and 4 with certain conditions
16 July 2010	IRCTC agreed to supply packed food to workforce and volunteers at the rate of Rs. 150/- per meal within the limit of 40000 meals per day
15 - 21 July 2010	Chairman took a high level meeting with senior officials of IRCTC and received a final quote of Rs. 43.83 crore for all tender packages
19 July 2010	OSD (Revenue) vide its note informed that he along with SG and CEO had a meeting and decided to issue a new RFP on the same day inviting bids for supply of food packed to workforce, volunteers, in packed condition and will consist of only vegetarian items. <ul style="list-style-type: none"> • RFP issued for appointment of agency for operating food stalls to provide food & beverage to the spectator as user pay service
22 July 2010	Meeting of Chairman, SG, DG, SDG & JDG (catering) and CEO decided that IRCTC proposal is not accepted and new RFPs should be floated
24 July 2010	RFP issued for appointment of caterer for catering services at all lounges in competition and training venues and for appointment of caterer for supply and distribution of food packets at all the games venue including training and non competition venues except games village
14 August 2010	Fast track committee asked to negotiate with the vendors for the lounges catering
18 August 2010	Lol was issued to AFP Manufacturing Pvt Ltd for supply of food packets after technical and commercial evaluation. No agreement was signed

19 August 2010	Work was awarded to three firms for the total amount of Rs. 13.93 crore
20 September 2010	OC initiated a note to provide catering services at the airport from 23 September 2010
24 September 2010	Chairman approved the appointment of two caterers at the airport
25 September 2010	Joint inspection with food safety consultant of base kitchen of AFP revealed that the firm is not able to provide the food in the conditions required
26 September 2010	Shri Sanjiv Mittal, JDG (Catering) informed that AFP cannot provide the packed lunch and dinner before 1 October 2010 and requested to appoint 7 new caterers
27 September 2010	MoU signed with M/s Fast trax for operating food staffs to provide food & beverage to the spectators as user pay service
2 October 2010	OC was required to received the full payment of Rs. 92.70 lakh from Fast trax however received only Rs. 23.18 Lakh
3 -14 October 2010	Finally total 19 vendors supplied the food at different venues as appointed by the venue administrators

Annexe Chapter 13

Annex 13.1 - List of Items lying idle at ITPO

Sl.no.	Event	Name of the items	Brand	Unit	Per unit cost (in Rs)	Total cost (in Rs)
1	Athletics	Weighing machine	Gold Tech 10 KG	6	3,086	18,516
2		Measuring rod pole vault	ATE	1	2,500	2,500
3		Disc Trolley	Vinex	3	3,600	10,800
4		Javelin Trolley	Vinex	3	3,600	10,800
5		Shot Put Trolley	Vinex	3	3,600	10,800
6		High Jump Uprights	Vinex	1 pair	9,600	9,600
7		Powder Stand with Bowl	Vinex	2	1,200	2,400
8		Pole Vault Cross Bar Stand	Vinex	2	2,400	4,800
9		Starting Blocks	Nelco	8	2,340	18,720
10		Shot Put 7.26 KG	Nishi (Metal)	1	10,700	10,700
11		Shot Put 4 KG	Nishi (Metal)	4	8,675	34,700
12		Shot Put 4 KG	Nelco (Black)	2	1,925	3,850
13		Disc 2 KG	Denfi	3	16,900	50,700
14		Disc 2 KG	Nelco	3	3,650	10,950
15		Disc 1 KG	Nelco (Golden)	2	2,725	5,450
16		Disc 1 KG	Nishi	4	18,510	74,040
17		Hammer 7.26 KG	Nishi (Red)	2	45,100	90,200
18		Hammer 7.26 KG	Nelco (Golden)	2	2,370	4,740
19		Shot Put 7.26 KG	Polanic (Orange)	1	26,800	26,800
20		Shot Put 7.26 KG	Nelco (Yellow)	1	2,370	2,370
21		Shot Put 7.26 KG	Vinex (Metal)	1	5,500	5,500
22		Hammer 4	Nelco (Golden)	2	1,935	3,870

Sl.no.	Event	Name of the items	Brand	Unit	Per unit cost (in Rs)	Total cost (in Rs)
		KG				
23		Hammer 4 KG	Vinex (Silver)	2	4,400	8,800
24		Hammer 4 KG	Polanic (Golden)	1	16,275	16,275
25		Starting block stand	Vinex	1	4,000	4,000
26		Javelin 800 GM	Nemeth	1	54,883	54,883
27		Javelin 800 GM	Nordic	3	85,397	2,56,191
28		Javelin 600 GM	Nemeth	1	47,736	47,736
29		Javelin 600 GM	Nordic	3	32,158	96,474
30		Measuring tapes 100 M	Vinex	1	925	925
31		Measuring tapes 50 M	Vinex	1	495	495
32		Measuring tapes 30 M	Vinex	2	300	600
33		Measuring tapes 15 M	Vinex	2	180	360
34		Hurdles	Vinex	100	3,465	3,46,500
35		Lane box (1-9)	Not mentioned	9	1,600	14,400
36		Resting rack	Not mentioned	5	2,400	12,000
37		Cross bars (Pole vault)	Vinex	8	1,425	11,400
38		Cross bars (High jump)	Vinex	8	1,425	11,400
39		Athletic shade	Nelco	25	24,990	6,24,750
40		Medal tray	Local	26	850	22,100
41	Archery	Metal detector	Recover (Esskay)	1	24,000	24,000
42		Lane board	Local	79	225	17,775
43		Target measuring jig	Local	5	750	3,750
44	Aquatics	Swimming lane	Malmsten	20	1,30,000	26,00,000
45		Trampoline	Eurotramp	10	3,35,633	33,56,330
46		Reels	Mamsten	8 set	1,58,000	12,64,000
47		Pace clock	Local	4	10,000	40,000

Sl.no.	Event	Name of the items	Brand	Unit	Per unit cost (in Rs)	Total cost (in Rs)
48	Badminton	Stringing machines	Yonex	3 set	5,09,020	15,27,060
49		Umpire chair	Local	6	3,690	22,140
50		Badminton post	Uesaka	12 pairs	88,668	10,64,016
51		Shuttle cock	Yonex	1392 doz	1,114	15,50,688
52	Weightlifting	Weighing machine	Gold Tech 200 KG	12	4,960	59,520
53		Steel tray	Local	9	3,600	32,400
					Total	1,35,03,774

Annex 13.2 List of Items lying 100 percent unused at Venues

Sl.No	Discipline	Items	Brand	Qty	Unit price (in Rs)	Total (in Rs)
1	Gymnastic Men Artistic (IG stadium)	Mushroom	Gymnova	2	24,029	48,057
2		Additional Landing Mats-FIG 400x200x10cm	Gymnova	10	32,755	3,27,549
3		Competition trumpling tyrack with running up and landing areas FIG approved	Gymnova	2	9,19,475	18,38,951
4		landing mat 200x200x20 cm velcro bid width-FIG	Gymnova	13	53,242	6,92,152
5		Landing mat 300x200x20cm velcro bib width-FIG	Gymnova	6	37,687	26,122
6		Pairs of plywood rings with cables, straps and bearing for ring frame	Gymnova	4	14,986	59,945
7		Reinforced handrail for competition parallel bars ref.3832	Gymnova	4	17,326	59,945
8		Riser Panel	Gymnova	4	47,362	1,89,447
9		Trampoline with bed 6x6 without safety platform	Gymnova	2	2,67,034	5,34,069
10	Gymnastic Women Artistic (IG Stadium)	20 cm Low beam	Gymnova	2	38,889	77,777
11		Additional Landing Mats-FIG 400x200x10 cm	Gymnova	10	32,754	3,27,548
12		Competition trumpling tyrack with running up and landing areas FIG approved	Gymnova	1	9,19,475	9,19,475
13		Handrail for Asymmetric bars-unit	Gymnova	8	31,363	2,50,909
14		Landing mat 200x200x20 cm velcro bib width-FIG	Gymnova	6	37,687	2,26,122
15		Landing mat 300x200x20cm velcro bib width-FIG	Gymnova	13	53,242	6,92,151
16		Small removable protection pad	Gymnova	4	5,438	21,752
17		Trampoline with bed 6x6 without safety platform	Gymnova	2	2,67,034	5,34,068

18	Gymnastic (consumable & non consumable items)	Vacuum cleaner	Forbes	2	6,200	12,400
19		Plastic bucket, mugs big mugs small	Local	10, 10, 9	NA	1,879
20	Hockey (MDC stadium)	Electronic Hooter (Mega Phone)	Alpice	2	4,450	8,900
21		Goal Keeper Pad Measuring Device	Local	2	2,500	5,000
22		Goal Posts	Schapers	1 pair	7,06,444	7,06,444
23		Goal Nets (Extra)	Schapers	2 pairs	47,096	94,192
24						0
25	Wrestling (IG Stadium)	Wrestling dummies with cover-Ht. 1.30 m, 15 kg (15.170, 14.560, 15.870, 14.640)	NA	4	24,445	97,780
26		Wrestling dummies with cover-Ht.1.45m, 25 kg (24.500, 25.730, 24.650)		3	25,415	76,246
27		Wrestling dummies with cover-Ht. 1.60 m, 30 kg (29.430, 30.690, 30.690, 32.180, 32.200, 30.820)	NA	6	29,944	1,79,664
28		Wrestling Dummies wit 41.730, 39.200, 39.030, 40.680, 40.430)	NA	7	30,452	2,13,166
29		Men Wrestling Dummies Ht. 1.70m, 40 kg	J. Foeldeak	8	30,452	2,43,619
30	Wrestling (Ludlow Castle)	Women Wrestling Dummies Ht. 1.30m, 15 kg	J. Foeldeak	8	24,445	1,95,560
31		Women Wrestling Dummies Ht. 1.45m, 25 kg	J. Foeldeak	2	25,415	50,830
32		Women Wrestling Dummies Ht. 1.60m, 30kg	J. Foeldeak	2	29,944	59,888
33		Electronic weighing machines for body weight 200 kg 10 gm Digital (calibrated every day)	Goldtech	4	4,960	19,840
34		Adjustable wooden blocks	Uesaka	7 pairs	24,875	1,74,125
35	Weightlifting (JLN Stadium)	Magnesium Powder (3 Bagsx20 kgs)	NA	3	2,000	6,000
36		Hammer, 7.260 kg. S. Steel	vinex	11	5,500	60,500

37	Athletics (JLN stadium)	Hammer 4 kg Stainless Steel	vinex	12	4,400	52,800
38		Judge stand/time keeper stand 6 step (depth of seats 45 cm and length of seat 1.50m) Frame to be made of 1 square pipe	vinex	4	12,000	48,000
39		Measuring wheel	Nelco	2	2,200	4,400
40		Red Plastic Foul Signal Card (30 cm x 20 cm)	vinex	5	200	1,000
41	Lawn Bowl (JLN Stadium)	Touch Spray		257	10	10,319
42	Aquatics (SPM)	Stop Watch (Casio 1/1000 sec. split 100x2 Lap Memory)	Local	30	2,970	89,100
43		Towel (without logo)	Local	400	130	52,000
					Total	92,89,691

Annexes to Chapter 14

Annex: 14.1 - Instances of Different Rates across vendors and clusters 1,2,4 & 6

(Amount in Rs.)

Code	Item	Lowest Rate Contracted by OC	Highest Rate Contracted by OC
1	Flags	1,075.25	2,053.00
2A	Flag Poles	4,620.13	5,330.00
2B	Flag Horizontal Rods	1,081.25	1,200.00
3A	Fop A Boards Metal Frame + Flex	600.00	1,487.51
3B	Fop A Boards Metal Frame + Sunpac	1,440.00	2,000.00
3D	Fop Facia Boards Metal Frame + Flex	925.00	1,486.85
3E	Fop A Boards Metal Frame + Ply + Flex	1,794.38	1,800.00
4	Foam Triangle Boards	1,485.80	1,950.00
5	External fencing/internal fencing	470.00	594.00
6	Broadcast Tribune /Media Tribune/Wall Graphics Strips /Cone wraps/Wall Wraps (Internal)/Porta Cabin/Glass Facade (Blockout)	680.00	710.00
7	Table skirting/Marquee skirting/Camera stand skirting	489.57	660.00
8	Media/Mixed zone Backdrop	860.00	1,465.56
9	Barricades	863.00	1,059.30
10	Vomatrics	760.00	900.00
11A	Dropdown banners	647.33	760.00
11B	Dropdown banners	695.00	782.70
12	Standees	850.00	1,640.29
13A	Pillar wraps (without Frame)	695.00	1,200.00
13B	Pillar wraps (with Frame)	885.00	1,250.00
14C	Gate arch - Option 3	880.00	1,115.00


Code	Item	Lowest Rate Contracted by OC	Highest Rate Contracted by OC
15	Spectator Area Back Wall /Tier Graphic	590.00	695.00
16	Buntings/Athletes' Bibs	580.00	630.00
17A	Glass Facade	875.00	1,265.00
17B	Glass Facade	875.00	1,265.00
18B	Decals/Graphics Over Road/Go Markers	1,400.00	1,520.00
18C	Decals/Graphics Over Road/Go Markers	2550.00	2600.00
19	Fleet Graphics/Sports Equipment (Leatherite)	1,180.00	1,391.02
20A	Wall Wrap	1,850.00	2,200.00
21	Yellow Halogen Light	1000.00	3,825.00
22	Spotlight	300.00	3,825.00
23	Backlit Boards	900.00	22,000.00
	TOTAL		

Vendors	Clusters	Value of the items at the best rates obtained item wise across clusters 1,2,4 & 6 (Rs.)	Contract Value(Rs)	Avoidable Amount (Rs)
Design Dialogue (India) Pvt	1	3,08,10,845	3,47,09,843	38,98,998
Design Dialogue (India) Pvt ltd	2	4,88,68,051	5,70,93,671	82,25,620
Design Dialogue (India) Pvt Ltd	4	2,98,54,918	3,26,41,045	27,86,127
Hannu Advertising Pvt Ltd	6	2,83,68,689	3,38,73,496	55,04,807
				2,04,15,552

Annexes to Chapter 16

Annexe 16.1

Delays in planning and approving the venue specifications

S.No.	Venue	Handover of venue brief	Concept design completed by venue owner	OC's approval of concept design	Actual date of final design	Actual date of commencement of construction	Actual date of completion of construction
	Target dates of OC 	December 2006	May 2007	June 2007	July 2007	September 2007	December 2009
1	Games Village (DDA)	04.12.2006	30.06.2007	18.09.2007	Not available	14.09.2007	13.12.2010
2	Siri Fort Sports Complex (Badminton and Squash)	30.03.2007	05.05.2007	16.05.2007	Not available	23.01.2008 (raft foundation)	25.09.2008 (raft foundation)
						07.08.2008 (superstructure)	30.09.2010 (superstructure)
3	Yamuna Sports Complex (Table Tennis)	04.11.2006	02.07.2007	17.05.2007	Not available	22.01.2008 (Foundation)	19.06.2008 (Foundation)
						07.08.2008 (Electrification)	30.09.2010 (Electrification)
4	Archery-Preliminary (Yamuna Sports Complex)	01.06.2007	21.01.2008	17.03.2008	Not available	13.03.2009	22.09.2010
5	Archery-Final (India Gate, Temporary Structure)	15.06.2007	21.01.2008	26.06.2008	Not available	Venue changed subsequently	
6	JLN Stadium (Athletics)	December 2006	01.05.2007	03.09.2007	Not available	04.01.2008 (Roof)	26.08.2010 (Roof)
7	JLN Stadium (Lawn Bowls)	06.10.2007	06.10.2007	Not available	01.07.2008	18.09.2009	Work in progress as on 24.09.2010
8	JLN Stadium (Weightlifting)	04.12.2006	01.10.2007	04.11.2007	01.07.2008	14.03.2008	Completion certificate not yet received as of December 2010
9	National Stadium (Hockey)	04.12.2006	18.05.2007	26.05.2007	Not available	October 2007	Completion certificate not yet received as of December 2010
10	IGI Stadium (Cycling)	09.11.2006	February 2009	Final approval was not reportedly received	Not available	December 2008	June 2010

S.No.	Venue	Handover of venue brief	Concept design completed by venue owner	OC's approval of concept design	Actual date final design	Actual date of commencement of construction	Actual date of completion construction
11	IGI Stadium (Gymnastics)	04.12.2006	01.08.2007	03.09.2007	Not available	22.01.2008 (roof truss)	17.04.2009 (roof truss)
						04.12.2008 (Retrofitting & repair)	31.05.2010 (Retrofitting & repair)
						03.09.2008 (Warm-up hall)	18.11.2009 (Warm-up hall)
12	IGI Stadium (Wrestling)	09.11.2006	26.10.2007	Final approval was not reportedly received	Not available	23.08.2008	07.06.2010
13	Dr. Karni Singh Shooting Range	09.12.2006	25.06.2008	27.07.2008	Not available	25.10.2008	30.10.2010
14	Dr. SPM Pool (Aquatics)	01.10.2007	17.08.2007	01.07.2008	29.09.2007	17.01.2008	31.08.2010
15	Thyagaraj (Netball)	07.11.2006	05.05.2007	19.05.2007	Not available	20.09.2007 (Package - I)	10.04.2009
					Not available	06.05.2008 (Package - II)	30.06.2010
16	Talkatora Stadium (Boxing)	04.11.2006	22.11.2006	05.07.2007	09.07.2009	27.04.2008 (Stadium)	19.04.2010 (Stadium)
						14.12.2007 (Facility Block)	16.06.2010 (Facility Block)
17	Delhi University (Rugby 7s)	12.03.2007	31.07.2007	12.09.2007	01.07.2008	04.08.2008	30.09.2010
18	RK Khanna Stadium	30.03.2007	17.07.2007	27.07.2007	July 2008	04.06.2008	06.09.2010
19	CRPF Full Bore Shooting Range, Kadarapur, Haryana	15.12.2006	11.07.2008	Not available	Not available	23.03.2009 (Road, drains)	10.05.2010 (Road, drains)
						06.06.2009 (Facility block spectator gallery & parking)	07.05.2010 (Facility block spectator gallery & parking)
						26.12.2008 (Approach road)	03.10.2009 (Approach road)
						16.08.2009 (Baffle wall)	10.05.2010 (Baffle wall)

Annex 16.2***Statement showing extra/deviated/substituted item in the work***

Sl. No	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in crore)	Extra items (Rs. in crores)	Substituted items (Rs. in crores)	Deviated items (Rs. in crores)	Reasons	What we observed
CPWD									
1.	KSSR	Consultancy services for architectural, structural planning and designing for augmentation of existing 10m, 25m, 50m, ranges including extension of ranges, skeet and trap etc	M/s CES	0.35	0.63	Nil	Nil	-	<ul style="list-style-type: none"> Detailed comments given in Paragraph 17.12.2 of this report
2.	KSSR	"Construction of ranges of 10mtr, 25 mtr, 50 mtr. Trap, Skeet Final range and Armoury bldg. including development of the complex (Civil and Electrical) in the Dr. Karni Singh Shooting Range, Tuglakabad, New Delhi,	M/s Era Infra Engineering Ltd (EIL)	70.76	8.12		12.25	-	<ul style="list-style-type: none"> The quantities concerned exceeded 30 percent of allowed deviation at contracted rate resulting in additional expenditure of Rs. 0.59 crore due to ineligibility of rebate at the rate of 4.80 percent on consumption beyond 30 percent deviation. Overpayment by irregularly treating the substituted items as extra items have been discussed in case study 16.1 of this report
3.	JNS	Construction of fixed	M/s	308.08	5.17	Nil	41.25	-	<ul style="list-style-type: none"> Detailed comments given in Paragraph 17.7.1.2 of this report

Sl. No	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in crore)	Extra items (Rs. in crores)	Substituted items (Rs. in crores)	Deviated items (Rs. in crores)	Reasons	What we observed
		tensile membrane roofing over seating area	Shapoorji Pallonji Co. ltd				(including minus deviation of 19.09)		
4.	JNS	Construction of weightlifting auditorium with two tier underground parking	M/s Nagarjuna construction Co. Ltd.	65.45	0.90	1.42	5.6	-	<ul style="list-style-type: none"> Detailed comments given in Case study 17.4 of this report
5.	JNS	Construction of WADA lab and administrative block	M/s Globe civil Projects Pvt. Ltd.	22.81	1.11	0.20	4.52	-	
6.	JNS	Providing and laying IAAF approved synthetic athletic track surface	M/s Shiv Naresh Sports Pvt. Ltd.	27.62	1.69	0.02	1.87	-	
7.	JNS	Consultancy services for providing fixed double membrane roof over JNS	CES	8.97	0.87	-	-	-	
	JNS	Consultancy services for weightlifting auditorium with two tier underground parking	CES	3.8	0.50	-	-	-	
8.	SPM	Construction of new insulated metal sheet roof along with roof	ACIL	230	42.96	2.20	(-) 2.73	-	<ul style="list-style-type: none"> Impact of treatment of extra/substituted items discussed in case study 17.4

Sl. No	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in crore)	Extra items (Rs. in crores)	Substituted items (Rs. in crores)	Deviated items (Rs. in crores)	Reasons	What we observed
		supporting structure and its integration with existing structure including E&M Works							<ul style="list-style-type: none"> Extra payment for items already included in the scope of work of lump sum contract discussed in case study 17.3
9.	SPM	SITC of HVAC systems	M/s Voltas	12.40	5.57	1.74	(-) 2.13	-	-
10.	SPM	SITC of Sub- station Equipments	M/s Sudhir Power	6.09	0.57	---	1.24	-	-
11.	SPM	SITC of UPS System	M/s Power House	3.25	0.23	---	---	-	-
12.	SPM	SITC of DG Sets	M/s Sudhir Power	4.39	0.10	---	(-) 0.02	-	-
13.	SPM	Providing of Façade Lighting	ACIL	4.99	0.23	0.62	(-) 2.34	-	-
14.	SPM	Providing of IBMS	M/s Fire Pro	0.40	--	--	(-) 0.02	-	-
15.	SPM	Consultancy Work	CES	5.67	1.12	---	(-) 0.14	-	-
16.	JNS	Providing and laying Global Category World Bowls approved Synthetic Outdoor flat lawn bowls greens (Part A) (JNS-4 nos. & DPS-2 nos.)	M/s Jubilee Sports Technology (I) Pvt. Ltd.	7.42	1.08	-	-	-	<ul style="list-style-type: none"> Irregular sanction of extra items. All the items covered under agreement item. The quantity paid in excess of sanctioned quantity

Sl. No	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in crore)	Extra items (Rs. in crores)	Substituted items (Rs. in crores)	Deviated items (Rs. in crores)	Reasons	What we observed
17.	JNS	C/o Road, Storm water drains, RCC seating tiers of warm-up area at JNS	M/s NIKG Infrastructure Ltd.	21.02	-	-	0.71	-	Items deviated beyond permissible limit led to extra liability
18.	JNS	SITC of sub-station equipment	M/s Antelec Ltd.	28.72	-	-	1.04	-	Items deviated beyond permissible limit led to extra liability
19.	JNS	C/o one number hostel/media accommodation block at JN Stadium	M/s Rama Construction	10.15	-	-	0.22	-	Items deviated beyond permissible limit led to extra liability
20.	JNS	Internal Space Planning	M/s Era Infra Ltd.	111.28	6.01	1.45	12.95 (+ & - both)	-	Lack of planning led to extra expenditure of Rs21.00 crore.
21.	JNS	C/o Sub-station building I,III,IV and underground water tanks and pump rooms	M/s Rama Construction	7.41	-	-	0.14	-	Items deviated beyond permissible limit led to extra liability
22.	JNS	C/o Boundary wall	M/s Arora Construction	6.17	3.67	-	3.30	-	Execution of indispensable items as extra item. Items deviated beyond permissible limit led to extra liability

Sl. No	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in crore)	Extra items (Rs. in crores)	Substituted items (Rs. in crores)	Deviated items (Rs. in crores)	Reasons	What we observed
PWD									
23.	Thayagraj Sports complex	Package-I (Basic Structure)	M/s JMC Project(I) Ltd.	103.96	0.22		30.19 (+ & - both)	Change in column design from steel to RCC and as per site requirement	No comment
24.	Thayagraj Sports complex	Package-II	M/s JMC Project(I) Ltd.	108.80	5.31	-		As per site requirement	No comment
25.	Chhatrasal Stadium	Development of Athletic training venue (athletic track 400 mt. x 8 lane)for Commonwealth Games-2010	M/s Era Infra Engineering Ltd.	60.26	0.87	-		As per site requirement	No comment
26.	Ludalaw Castle	C/o wrestling Training Venue at Ludalaw castle School No. 1 Delhi.	M/s Arora Construction Co. (P) Ltd.	11.25	0.30	-		As per site requirement	No comment
27.	Talkatora stadium	Additions/alteration of Indoor stadium	M/s Simplex Projects Ltd	19.19	5.80	1.91	0.53	As per site requirement	<ul style="list-style-type: none"> Lack of foresight in planning,execution,time management,co-ordination with different agencies Excess payment due to incorrect framing of rate analysis has been commented in para 19.2.3.4
28.	Talkatora	Construction of new	M/s	52.98	2.63	6.43	3.38	As per site	<ul style="list-style-type: none"> Lack of foresight in planning,execution,time

Sl. No	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in crore)	Extra items (Rs. in crores)	Substituted items (Rs. in crores)	Deviated items (Rs. in crores)	Reasons	What we observed
	stadium	Sports Facility Block with parking	Simplex Projects Limited					requirement	management,co-ordination with different agencies <ul style="list-style-type: none"> • Avoidable expenditure of Rs.1.55 crore has been commented in para 19.2.3.5
29.	Shivaji stadium	Improvement/up-gradation of the stadium as a composite work	M/s China Railway shisiju group corporation	160.27	-	-	5.26	As per site requirement	Deviations occurred due to inadequate survey and improper time management.
Total				1483.91	95.66	15.99	131.83		

Annexe 16.3***Statement showing cases where final EOT is granted but not justifiable***

Sl. No.	Venue	Name of work	Name of contractor/co nsultant	Tendered amount (Rs. in crore)	Stipulated date of completion	Reported date of completion	Delay in completion (in months/days)	Final EOT granted upto	Delay not justifiable (reasons)	Compensati on leviable but not recovered (Rs. in crore)
CPWD										
1.	JNS	Construction of WADA lab and administrative block	M/s Globe Projects pvt. Ltd.	22.81	09.10. 08	20.2.09 (Civil) 29.05.09 (Electrical)	232 days	20.2.09	Non-deployment of adequate manpower, lack of management on the contractor's part and the required composite certificate not issued	2.28
2.	JNS	Consultancy services for c/o of WADA lab and administrative block	M/s Kothari Associates	0.40	12.6.2007	20.2. 09	618 days	20.2.09	Delays in providing drawings	0.04
TOTAL										2.32

Annexe 16.4

Statement showing where provisional EOT has been granted

Sl. No.	Venue	Name of work	Name of contractor/consultant	Tendered amount (Rs. in)	Stipulated date of completion	Reported date of completion	Delay in completion (in months/days)	Provisional EOT granted upto	What we observed
CPWD									
1.	KSSR	Consultancy services for conducting survey/special inspection, preparation of repair/strengthening plan, necessary design, drawings, specifications, cost estimates, tender documents and assistance to department during tendering and execution of works for repairs/rehabilitation	M/s CES	0.10	02.06.2005	NA	-	NA	EoT was not granted
2.	KSSR	Consultancy services for architectural, structural planning and designing for augmentation of existing 10m, 25m, 50m, ranges including extension of ranges, skheet and trap etc	M/s CES	0.35	29.09.2007	04.09.2010	1070 days	-	EoT was not granted
3.	KSSR	"Construction of ranges of 10mtr, 25 mtr, 50 mtr. Trap, Skheet Final range	M/s Era Infra Engineering	70.76	24.08.2009	30.10.10	431 days	15.11.2010	-

		Toilet finishing and water proofing)							reasons			
8.	KSSR	SITC of Sub- station Equipments	M/s Ahluwalia	5.27	08.08.09	30.09.10	417 days	15.11.2010	-			
9.	KSSR	SITC of UPS System	M/s Power House	3.90	21.12.09	05.09.10	257 days	15.11.2010	-			
10.	KSSR	SITC of DG Sets	M/s Sudhir Power Project Pvt. Ltd.	2.73	04.09.09	07.09.10	367 days	15.11.2010	-			
11.	KSSR	Providing of External Lighting	M/s Ambar Electro tech	1.73	04.09.09	25.07.10	323 days	15.11.2010	-			
12.	KSSR	Providing of Integrated Building Management System	M/s Siemens Building Technologies Pvt. Ltd.	0.23	21.11.09	20.09.10	302 days	15.11.2010	-			
13.	KSSR	Grassing of the lawn phase-I	M/s Evergreen landscape Pvt. Ltd.	0.67	09.03.10	NA	297 days	31.12.2010	-			
14.	JNS	Construction of weightlifting auditorium with two tier underground parking	M/s Nagarjuna construction Co. Ltd.	65.45	13.6.2009	Completion not yet recorded	##	15.2.2010	-			
15.	JNS	Construction of fixed tensile membrane roofing over seating area	M/s Shapoorji Pallonji Co.Ltd.	308.08	03.09.09	26.08.10	356 days	26.08.10	Contractor and sub-contractors were responsible for delay in completion of work.			
16.	JNS	Providing and laying Global Category World	M/s Jubilee Sports	7.42	17.03.2010	15.04.2010 (as reported)	192 days	-	EoT not shown to audit			

		Bowls approved Synthetic Outdoor flat lawn bowls greens (Part A) (JNS-4 nos. & DPS-2 nos.)	Technology (I) Pvt. Ltd.						by the department) 29.09.2010 (work in progress according to RA Bill of above date)	263 days	15.06.10	However, EoT not shown to audit
17.	JNS	SITC of Sub-Station of Equipment	M/s Antelec Ltd.	28.72	22.11.09	16.08.10			16.08.10	263 days	15.06.10	However, EoT not shown to audit
18.	JNS	Internal Space Planning of main Stadium Building including repair work of Upper tier (Civil and E&M)	M/s Era Infra Engineering Ltd	111.28	11.12.09	02.09.10 (civil) 29.09.10 (electrical)			02.09.10 (civil) 29.09.10 (electrical)	257 days	30.04.10 (civil)	Delay on the part of SAI
19.	JNS	C/o of Sub-Station building I,III,IV & under ground water tanks & pump Rooms	M/s Rama Constructions Co.	7.41	28.09.09	15.07.10			15.07.10	277 days	30.07.10	-
20.	JNS	Construction of Boundary Wall of Stadium Complex	M/s Arora Constructions Co. (P) Ltd.	6.17	18.11.09	18.08.2010			18.08.2010	270 days	14.08.10	-
21.	SPM	Construction of new insulated metal sheet roof along with roof supporting structure and its integration with existing structure	ACIL	229.72	16.6.09	31.8.10			31.8.10	441 days	30.09.10	-

	Chand National Stadium							certificate not reported till December 2010	195 days [#]	15.10.10	neither prepared by the department nor was mentioned in the Hindrance Register.
31.	MDC	Laying of global category synthetic turf	M/s Unity Infra Projects	17.85	18.4.10			Final completion certificate from FIH received but formal completion certificate is still awaited			Justified hindrance for 23 days
NDMC											
32.	Talkatora stadium	Addition / alteration of stadium	M/s Simplex Projects Ltd.	19.19	26.04.09			19.04.10	355 days	31.1.10	Though there were no noticeable hindrances, the work continued to be executed beyond the stipulated date without provisional extension. As per clause 2 of contract, penalty @ 1.5 per cent per month subject to a maximum of 10 per cent of the tendered cost was leviable but only partial amount was withheld and no action for levy of penalty for delayed completion of work was taken. In reply NDMC stated that the case for levy of penalty or otherwise would be dealt with on merit basis once the works are completed and sufficient amount is available in the

												form of security deposit, part rate of work. Reply is not acceptable as withheld amount was insufficient against penalty due to be recovered. There is no justification in waiting for completion of work for levy of penalty.
33.	Talkatora Indoor Stadium	Construction of new sports facility block	M/s Simplex Projects Ltd.	52.98	13.06.09	16.06.2010	367 days	31.5.10	As above.			
34.	Talkatora Indoor Stadium	Installation of lifts.	M/s Omega Elevators	0.51	26.03.09	Work yet to complete.	##	25.07.2010	The work has yet not been completed hence up to date period of execution is considered.			
35.	Talkatora Indoor Stadium	S I T C of D G Sets	M/s Sudhir Power Projects Pvt. Ltd.	2.06	3.04.09	Work yet to complete.	##	3.12.2010	The work has yet not been completed hence up to date period of execution is considered.			
36.	Shivaji Outdoor Stadium	Improvement / upgradation of the Stadium	M/s China Railway Shisiju Group Corporation	160.27	28.11.09	Work yet to complete.	##	30.09.2010	The work has yet not been completed hence up to date period of execution is considered.			
37.	Shivaji Outdoor Stadium	SITC of Integrated Security system	Electronic corporation of India	2.20	30.6.10	Work yet to complete	##	EOT not yet granted	The work has yet not been completed hence up to date period of execution is considered.			
38.	Delhi University	Civil, Electrical and other associated work	M/s NCCL	251.82	3.2.10	30.9.10	238 days	14.09.10	Final bills and project closure report pending (Jan-March 2011)			

39.	Delhi University	Outdoor high mast sports lighting	M/s Philips Electronics India Ltd.	7.19	24.2.10	10.08.10	166 days	10.08.10	-
40.	Delhi University	Athletics track	Shiv Naresh Sports Pvt Ltd.	8.20	14.7.10	25.09.10	72 days	23.09.10	-
41.	Delhi University	Seating	Shiv Naresh Sports Pvt Ltd.	3.93	24.7.10	22.09.10	59 days	25.09.10	-

Delay calculated as of 31.10.2010

Delay has not been worked out as work is yet to be completed

Annexe 16.5***Details of Add-ons in justification statement of different stadia***

S.No.	Name of Work	Period of completion of work mentioned in the NIT (in months)	Period for completion of work as per justification statement (in months)	Amount added on account of reduced time period (Rs. in crore)	Date of start of work	Stipulated date for completion of work	Actual Date for completion of work
CPWD							
1.	Indira Gandhi stadium Complex						
	Indoor Cycling Velodrome	14	20	0.85	10.12.2008	09.02.2010	30.06.2010
	Wrestling Stadium	15	22	0.64	23.08.2008	22.11.2009	07.06.2010
	Gymnastic Stadium (Roof Truss)	09	19	0.50	22.01.2008	22.10.2008	17.04.2009
	Gymnastic Stadium (Structural Retrofitting)	12	43	0.83	04.12.2008	03.12.2009	31.05.2010
2.	Remodeling and upgradation of Major Dhyan	18	34	1.45	27.10.2007	26.04.2009	Completion certificate not given as of

	Stadium									December 2010
3.	Dr. Shyama Prasad Mukherjee Swimming Pool Complex	18	24	1.82	17.01.2008	16.06.2009	31.08.2010 (work completed as per MB remarks by EE but composite completion certification yet to be issued.			
4.	Jawaharlal Nehru Stadium									
	Roof work	20	--	2.59	04.01.2008	03.09.2009	26.08.2010			
	Wada Lab	12	--	0.02	10.10.2007	09.10.2008	29.05.2009			
	Weightlifting	15	--	0.02	14.03.2008	13.06.2009	Not recorded			
5.	Dr. Karni Singh Shooting Range	10	--	0.60	25.10.2008	24.08.2009	30.10.2010			
NDMC										
1.	Talkatora Addition/Alteration work	12	--	0.51*	27.04.2008	26.04.2009	19.04.2010 (work completed but completion certificate yet			

2.	Talkatora New Sports facility block	18	27	0.92	14.12.2007	13.06.2009	16.06.2010 (work completed but completion certificate yet to be issued)	to be issued)
3.	Shivaji Stadium	18	27	4.27*	29.05.2008	29.11.2009	Work in Progress	

Annex 16.6

Add-ons included in justification amount on account of transportation of labourers from hutments to site and back due to not allowing labour hut at site

Rs. in crore

Stadium(Work)	Add-ons on account of transportation from hutments to site and back
JNS (Roof work)	4.30
SPM	4.49
Total	8.79

Annexe 16.7***Works where no mention of any particulars with reference Clause 10 C in Schedule F*****Rs. in crore**

Sl . No.	Stadium (Work)	Contractor	Payment of labour wage escalation under Clause 10 C where no percentage was mentioned in schedule F
1	Indoor Cycling Velodrome (Composite Work)	JMC Projects (India) Ltd.	2.46 (provisional payment)
2	Gymnastics Stadium (Structural retrofitting)	JMC Projects (India) Ltd.	0.55
3	IGS Complex (Construction of Roads, Storm Water Drains & Boundary Wall	Swadeshi Construction Co. Ltd.	0.80

Annexes to Chapter 17

Annexe 17.1

Deficiencies during the execution of the consultancy contracts by CES

S.No.	Issues	Major Dhyan Chand Stadium	Jawaharlal Nehru Stadium Complex	Indira Gandhi Stadium Complex	Dr. S P Mukherjee Swimming Complex	Dr. Karni Singh Shooting Range
1	Delayed submission of deliverables	<ul style="list-style-type: none"> Non-supply of required BOQ, Tender Documents etc. in time. There were repeated delays in submission of drawings Delay in obtaining approval from local bodies. 	<ul style="list-style-type: none"> All the 92 drawings for roof work were supplied after lapse of the stipulated date of consultancy. 34 drawings for weightlifting were received, after the stipulated date of completion of work. 	<ul style="list-style-type: none"> Non-supply of required tender documents, detailed estimates etc. in time. Repeated delays in submission of drawings Delays in obtaining approvals from local bodies 	<ul style="list-style-type: none"> Slippages in achievement of milestones ranging between 63 days and 1048 days. Delay in obtaining approval from local bodies. There were repeated delays in submission of drawings. 	<ul style="list-style-type: none"> Non-preparation of necessary designs, drawings, tender documents etc. Delay in obtaining approval from local bodies. There were repeated delays in submission of drawings
2	Increased scope of work as variation orders	Ambiguity in return venue brief with regard to the structures to be erected at the FOP – II leading to increase in the scope of work, post award.		<ul style="list-style-type: none"> In steel works which constituted a major portion of the work “improvement of roof truss”, there were deviations ranging from 83.8 percent to 139.7 percent amounting to Rs. 15.62 	<ul style="list-style-type: none"> Extra items of work costing Rs. 42.96 crore were executed at market rates. Payments amounting to Rs. 1.12 crore were made to CES for modifications/corrections carried out by it, 	<ul style="list-style-type: none"> Extra items of work and deviations costing Rs. 20.37 crore were executed.

S.No.	Issues	Major Dhyan Chand Stadium	Jawaharlal Nehru Stadium Complex	Indira Gandhi Stadium Complex	Dr. S P Mukherjee Swimming Complex	Dr. Karni Singh Shooting Range
3	Increase in scope of consultancy work.			<p>crore (out of a total deviation of Rs.17.51 crore).</p> <ul style="list-style-type: none"> Scope of consultancy package-I enlarged to include internal space planning of the Gymnastics Stadium by means of extra item, approved at a cost of Rs. 0.30 crore with payment made till date being Rs. 0.38 crore. 	although as per agreement the same was deemed to be included in the total fee.	
4	Non-recovery of compensation for delay in execution	<ul style="list-style-type: none"> Provisions for levy of compensation for delay in execution of work not included in the agreement for the purported reason that it was not a work contract and consequently, no Hindrance Register was maintained 	<ul style="list-style-type: none"> No records of target dates and slippages were maintained and hence, no action was taken for levy of compensation of Rs. 0.77 crore, under provisions of the contract. 	<ul style="list-style-type: none"> No records of slippages (and revised target dates in the case of consultancy package-I) were maintained although there was a delay of more than three years from the stipulated date of completion of the consultancy works (i.e. Consultancy packages I & II). 	<ul style="list-style-type: none"> No hindrance register for consultancy work was maintained and consequently, compensation amounting to Rs. 0.57 crore could not be levied on CES, although a provision for the same existed in the agreement. CES included provisioning of LED lights on the compression rings and sheer walls, which 	

S.No.	Issues	Major Dhyan Chand Stadium	Jawaharlal Nehru Stadium Complex	Indira Gandhi Stadium Complex	Dr. S P Mukherjee Swimming Complex	Dr. Karni Shooting Range	Singh
					were subsequently found impossible to execute. But for this item in the BOQ, the L1 contractor would have been L2..		

S.No.	Issues	Major Dhyan Chand Stadium	Jawaharlal Nehru Stadium Complex	Indira Gandhi Stadium Complex	Dr. S P Mukherjee Swimming Complex	Dr. Karni Singh Shooting Range
5	Hiring of additional consultants directly by CPWD at its cost, rather than by CES and its "associates."	<ul style="list-style-type: none"> Hiring of additional consultants for Hockey pitch, LED Scoreboard and Sports Lighting in Playfield Arena – I with additional financial burden. 	<ul style="list-style-type: none"> Ignoring contractual provisions, CPWD awarded works already covered under the scope to the JV partner of CES, SBP at an additional cost of Rs.2.19 crore. Unjustified additional payment of Rs.6.41 lakh for modification of architectural drawings, Rs.5.77 lakh for engagement of a technical person of CES for third party quality assurance of all retrofitting works were sanctioned, though such responsibilities were covered by the scope of work. Additional independent consultancy services 			

S.No.	Issues	Major Dhyan Chand Stadium	Jawaharlal Nehru Stadium Complex	Indira Gandhi Stadium Complex	Dr. S P Mukherjee Swimming Complex	Dr. Karni Singh Shooting Range
			<p>for work of internal space planning, construction of tunnel and reconstruction of lower tier were awarded for Rs. 48.91 lakh, Rs.8.85 lakh and Rs.16.16 lakh, without call of open tenders.</p> <ul style="list-style-type: none"> • Single technical and financial offer was accepted at Rs.3.80 crore from CES for consultancy work of weightlifting without any attempts for recall of tenders to obtain competitive rates. • On the advice of CES, CPWD sanctioned an extra item for Rs.50.40 lakh for engagement of proof consultant for weightlifting. 			

Annexe 17.2***Construction of new fixed tensile membrane roofing over the seating area of Jawaharlal Nehru Stadium (Civil work) - Short recoveries of Rs.5.99 crore for work not required to be executed***

S. No.	Agt. Item No.	Description of item	Contracted quantity	Quantity executed	Quantity not required to be executed	Variation rate as per Agt. (Rs.)	Recovery due (Rs.)	Recovery made (Rs.)	Short recovery (Rs.)
1	2.5	Providing and placing in position TMT reinforcement bar conforming to Fe 500 of IS : 1786 including cutting---as per drawings and specifications.	30,00,000 kg	26,35,199 kg	3,64,801 kg	56.49 / kg	2,06,07,608	91,13,176	1,14,94,432
2	4.1	Providing, fixing, jointing and testing of stainless steel/flanged rain water pipes from membrane roof to gully chamber at ground level including fixing the pipes with suitable clamps/brackets	1,400 mtr.	1,354.890 m	54.110 m	26,061/mtr.	14,10,160	---	14,10,160
3	6.1	Providing, transporting, handling, profiling, lifting and pre-stressing of fully	443 MT	413.380 MT	29.620 MT	10,00,000/MT	2,96,20,000	--	2,96,20,000

4	7	locked cables-as per technical specification	53,800 sqm	51,650 sqm	2,150sqm	8,105 /sqm	1,74,25,750	--	1,74,25,750
Total									
5,99,50,342									

Say Rs. 5.99 crore

Note: additionally recovery of Rs.15.50 lakh (approx) was also due for use of 155 MT of structural steel other than S355 grade

Annexe 17.3***Construction of new fixed tensile membrane roofing over the seating area of Jawaharlal Nehru Stadium (Civil work) - Statement showing irregular extra payment of Rs. 4.96 crore for items of work covered by the lump-sum Agreement.***

S. No.	Description of item	Quantity	Rate (Rs.)	Amount (Rs.)	Justification recorded by CPWD	Audit Comments
1	Extra for hot dip galvanized coating on pin and pin Cap used in X & V columns pin joint	42,000 kg	16.31	6,85,020	Agreement provided for hot dip galvanization for bolts but not for pins. Consultant proposed for pins also. Hence extra item	Scope of work notified in the Agreement amply clarified that the nomenclature of the main item of work was general and did not include all the incidental work that may be required for complete execution of work . There were further incidental items not included in the schedule of work /Annexure but were necessary to complete the work and the lump sum contract included cost of all such works. The special condition No.1.6.11. also clarified that where any incidental work was actually required but not specifically stated in the tender ,it was to be understood that the amount quoted by the contractor shall cover such charges also and nothing extra on account of such incidental charges would be paid. The item of hot dip galvanized coating had already been provided in the Agreement and nothing extra was admissible for coating on pin and pin cap.
2	Extra cost for labour and material involved for chamfering sharp edges of steel plates in structural steel work in built up section	7,410 MT	123.75	9,16,988	Consultant suggested for chamfering of all edges to have proper coating and corrosion protection. Hence extra item	As above ,besides , the lump sum contract included the cost of labour ,materials, tools and plants etc. for completion of the various components of the project and all operations connected therewith Special condition No. 1.44 of the contract also provided that the rates for all items for works, shall unless

3	Extra for providing, fabricating, installing, fixing in position and removal (after complete erection of X & V columns) of temporary support with turn buckle, using guy rope pin, stud etc. as required	8,565 MT	In process	2,20,00,000	Consultant decided to prohibit the use of existing structure for the use of temporary support, change of methodology required supporting from the shear wall by augmenting extra resources in terms of material and man power, resulting in extra item	<p>otherwise clearly specified, include cost of all labour, material and other inputs involved in the execution of the item. Agreement had enough provisions for quality control and proper coating and corrosion protection work were essentially part of the contract. Special condition No. 6.1 for the steel structure also provided that due to local environment in Delhi, utmost care had to be taken for corrosion protection. Extra payment of Rs.9.17 lakh so made was not admissible.</p> <p>Same as S. No. 1 and 2 above. The scope of work clearly specified that these were further incidental items which were not included in the three annexures but would be necessary to complete the work in all respect. Clause 2.2.3.2 repeatedly specified that all temporary supports with design and drawing were part of the contract.</p> <p>The analysis of rate for the item of work as included in the sanctioned estimate also included cost of construction of platforms and temporary support / ties for lifting (Rs. 2000+Rs. 4500 i.e. Rs. 6500 per MT). The justification prepared by CPWD to justify the tendered rates also included cost of temporary supports at the rate of Rs. 2345.60 per MT.</p> <p>Agreement Item No. 5.1 provided for providing fabricating and installation of all structural steel work as per design and drawing including erection and hosting in position for all leads and lifts. Sub item(b) provided for supporting structure for X shaped and V shaped columns at the variation rate of Rs. 136052 per MT, sub item (c) provided for supporting steel</p>
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4.	Extra for additional welding on steel structure in fabrication by MIG and SAW welding complete and as per direction of Engineer-in-Charge	7,000 MT	In process	2,60,00,000	Welding size mentioned in the tendered drawing was found to be inadequate. QA consultant suggested full penetration weld to achieve non eccentric transfer of forces through the connection. Hence additional welding, as an extra item	<p>structure for ramps @ Rs. 138869 per MT, sub item (h) structural connection @ Rs. 140278. The notes below the item clearly provided for all necessary temporary supports required for erection of the members shall also be included in the items. Accordingly, there was no justification for extra payment on grounds of change of methodology.</p> <p>Same as at S. No. 1 and 2 above. Notes below the Agreement item clearly provided for all necessary welding, nuts and bolts and connectors etc. and there was no provision for extra payment for additional welding required to complete the work. The analysis of rates in the sanctioned estimates and the justification included cost of welding of all sizes at the rate of Rs.12000 per MT. The extra payment was unjustified.</p> <p>The consultant and the quality assurance consultant were joint venture partners in the agreement for consultancy work. As such, in the case of any deficiency in the consultancy work necessitating extra financial burden to the Government, the same should be recovered from the consultant, including JV partner.</p>
Total					4,96,02,008	

Note: As gathered during discussion, there were many other extra items already sanctioned in principle but still under process of formal sanction by Competent Authority. However, records relating to such extra items had not been provided to us.

Annexe 17.4***List of items for which specifications recommended by EKS were not followed***

SL. No.	Recommended	Actually provided
1.	A 50m long 25m wide warm up pool	50m X 15.4 mt.
2.	The pool should have a minimum of six lanes, but preferably eight lanes, each a minimum of 2.25m wide, with two spaces, each 200mm wide, beyond the outside lanes.	6 lane pool
3.	The depth should be minimum of 1.35m deep for at least the first 6m from the starting blocks and at least 1.2m deep for the remainder of the pool	2mt depth
4.	Increase the depth of the swimming pool to 3m clear to allow for Olympic Games or World Championship synchronized swimming.	The standard depth as specified by FINA is minimum, of 2m for racing pools and since there was an existing pool of 2m depth which conformed to the FINA standards hence the same was renovated. For synchronized swimming, the diving pool of 5m depth was used during the recent CWG 2010 event

Annexe 17.5***Comparative analysis of awarded costs electrical works awarded separately and as part of Composite Work*****A. Major Electrical Works awarded separately (not part of composite tender)**

S. No	Name of Work	Estimated cost (Rs. In Crore)	Justified Rates cost (Rs. In Crore)	Cost of award of work (Rs. In Crore)	Percentage of Awarded cost over Estimated cost
1	Providing Substation Equipments	20.56	NA ¹	16.05	21.94 below
2	SITC of Integrated building management system	0.41	NA	0.39	4.88 below
3	SITC of LED Score board	2.45	6.34	2.77	13.06 above
4	Providing PA System	4.23	NA	2.38	43.74 below
5	SITC of UPS System	4.02	NA	3.68	8.46 below
6	SITC of Ventilation System	2.96	NA	2.16	27.03 below
7	SITC of DG Sets	5.94	NA	5.11	13.97 below
8	Sports Lighting for Playfield Arena – 1	6.49	NA	4.64	28.51 below

Aggregate (average) percentage of award of the eight works awarded separately – 20.99 % below EC

B. Major Electrical Works awarded as part of composite tender

S. No	Name of Work	Estimated cost (Rs. In Crore)	Justified Rates cost (Rs. In Crore)	Quoted amount of L1 (Rs. In Crore)	Percentage of L1/ Awarded cost over Estimated cost
1	Internal & External E I Works	10.56	12.23	14.30	35.42 above
2	Firefighting System	2.09	2.81	4.32	106.70 above
3	Lift	2.25	3.28	3.90	73.33 above
4	HVAC	10.93	12.50	15.19	38.98 above
5	Fire alarm System	1.48	1.60	1.96	32.43 above
Add labour cess (@ 1%)		0.00	0.32	0.00	NA
Total		27.31	32.74	39.67*	<u>45.26 above</u>

* The work was finally awarded at Rs. 37.36 crore, by giving a rebate of 0.66 % on overall quoted rate for the composite work (Civil + Electrical) and 5% rebate on Electrical Works, which was 36.80 % above the Estimated Cost

¹ Required when the tendered amount is more than 5% above the estimated cost.

Annexe 17.6***Deviation of items in the work of SITC of PA System***

S.No	Item No. as per agreement	Quantity as per agreement (Mtrs) (A)	Quantity proposed by contractor (Mtrs)	Actually utilized till 6 th RA Bill (B)	Percentage increase (A and B)
1	7.1	3000	3000	3078	3%
2	7.2	2500	17000	18769	651%
3	7.3	1500	11010	11169	645%
4	7.4	2500	11000	15142	506%
5	7.5	600	3500	3807	535%

Annexe 18.1

Details of work, bidders and successful agency

Work	Bidders	Successful agency
Siri Fort Sports Complex (SFSC) including Saket Sports Complex (SSC)		
Construction of indoor stadium for squash and badminton	<ul style="list-style-type: none"> B.E. Billimoria & Co. Ltd Sportina Payce Infrastructure P Ltd. 	B.E. Billimoria & Co. Ltd
Providing raft foundation for the indoor stadium for squash and badminton	<ul style="list-style-type: none"> B.E. Billimoria & Co. Ltd Sportina Payce Infrastructure P Ltd. 	Sportina Payce Infrastructure P Ltd.
Refurbishment of existing training facilities (including those at Saket Sports Complex)	<ul style="list-style-type: none"> Sharma Constructions Arora Constructions Co. Inderjit Mehta Construction Pvt. Ltd. <p style="text-align: center;">(Open Tender)</p>	Sharma Constructions.
Yamuna Sports Complex (YSC)		
Construction of indoor stadium for table tennis	<ul style="list-style-type: none"> Unity Brahmaputra Consortium B.E. Billimoria & Co. Ltd ITD-ITDCem (JV). 	B.E. Billimoria & Co. Ltd.
Providing cast in situ bored piles for pile foundation	<ul style="list-style-type: none"> Unity Brahmaputra Consortium B.E. Billimoria & Co. Ltd ITD-ITDCem (JV) Sportina Payce Infrastructure P Ltd. 	ITD-ITDCem (JV)
Construction of archery competition venue, training venues for archery, hockey, lawn bowls and refurbishment of existing training venues	<ul style="list-style-type: none"> Globe Civil Project Pvt. Ltd. Brahmaputra Infrastructure Ltd. <p style="text-align: center;">(open tender)</p>	Brahmaputra Infrastructure Ltd.

Annexes to Chapter 19

Annexe -19.1

Irregular framing of rate analysis

Rs.in lakh

Type	Total no. of items cropped	No. of items test checked	Extra cost Rs.in lakh	
			Excess paid	Extra liability
Sports Facility Block				
Extra items	45	5	10.33	0
Substituted items	06	2	28.17	0
Deviated items	20	7	00	5.41
Additions/alterations work				
Extra items	20	5	87.88	69.49
Deviated items	17	2	0.99	1.23
TOTAL	108	21	127.37	76.13

Annexe 19.2: Items specified by Brand name/ Brand Name or Equivalent (Thyagaraj Stadium)

Sl. No	Package	Item No.	Nature of Item	Make/ brand approved	Rate per unit as per DE	Unit	Expenditure involved	Quantity Executed	Agreement Rate	Total expenditure involved	Country of Origin
1	Pkg-1	7.3	Construction Joints	Sika or equivalent	389	Rmt.	10,61,560	2917.89	389	1135059.21	Australia
2	Pkg-1	7.6	Joints seal(Expansion Joints)	Sika Flex Construction of Sika or equivalent make	1,833	Rmt.	15,59,007	1109.68	1833	2034043.44	Australia
3	Pkg-1	8.3.2	Fixer/Fixing of insert plates	Hilti HVU or equivalent	3,800	each	7,60,000	200	3800	760000	Indian
4	Pkg-1	8.3.1	Fixing of insert plates	Hilti HVU or equivalent	2,230	each	4,46,000	200	2230	446000	Indian
5	Pkg-1	9.1	Roofing	KALZIP AF 65/537 or equivalent	5,628	Sqm	8,10,39,600	10928.07	5628	61503177.96	Germany
6	Pkg-1	9.3	Roofing	Titan Primalite polycarbonate sheet	3,483	Sqm.	1,65,51,216	8737.75	3483	30433583.25	China
7	Pkg-2	3.4	Carpet Tiles	Miliken or Trans-Asia or equivalent	5,464	Sqm.	82,01,914	1496.99	6393.23	9570601.378	USA
8	Pkg-2	3.5 sch B II)	Floor tiles	Deutsche Steinzeug (USA) or equivalent	1,962	Sqm	27,39,022	1015.41	2295.59	2330965.042	USA
9	Pkg-2	4.1	Cladding 4mm thick Aluminium composite panels	ALUCOBOND A2 or equivalent*	4,635	sqm	2,06,27,753	3713.27	5423.47	20138808.45	China
10	Pkg-2	5.32	Toilet Partition	Merino 'Titan Series'	62,369	Each	1,17,25,363	180	72971.67	13134900.6	Hong Kong (China)
11	Pkg-2	9.1	Aluminium Composite Panel	ALUCOBOND A2 or equivalent*	12,648	Sqm.	1,04,34,518	438.77	14798.04	6492936.011	China

12	Pkg-2	9.15	Wooden blinds	MAC/Vista premium or equivalent	6,244	Sqm.	1,03,02,270	1178.46	7305.24	8608933.13	Australia
13	Pkg-2	9.9	Suspended ceiling comprises of 4 mm thick Aluminium composite panel	ALUCOBOND A2 or equivalent*	4,109	Sqm.	81,55,968	1745.89	4807.29	8392999.538	China
14	Pkg-2	9.11(a)	9mm thick acoustical perforated Timber Sheet- Acoustical perforated Timber sheet- False ceiling	Sonapanel make or equivalent	4,495	sqm	3,02,04,384	5160.67	5258.79	27138879.79	Australia
15	Pkg-2	9.11(b)	9mm thick acoustical perforated Timber sheet -Acoustical perforated Timber sheet -Wall panelling	Sona panel make or equivalent	4,437	Sqm	40,81,672	678.7	5290.82	3590879.534	Australia
16	Pkg-2	1.01 (Sch-D)(a)	-Hall model wall hung WC -concealed Dual flush cistern -actuator plate (high line)	-Roca - Duravit	44,432	Each	4,88,752	11	50652.48	557177.28	Roca- Spain, Duravit- Germany
17	Pkg-2	1.01(b)	-DAMA SENSO wall hung WC -Concealed Dual flush cistern - Actuator plate (high line)	-Roca - Duravit -Geberit	34,890	Each	24,42,321	64	39774.94	2545596.16	Roca- Spain, Geberit- USA , Duravit- Germany

18	Pkg-2	1.01©	-GIRALDA wall hung W.C. -Concealed Dual flush cistern -Actuator plate (high line)	-Roca -Geberit -hindware / perryware	29,605	Each	16,28,300	58	33750.21	1957512.18	Roca- Spain, Geberit- USA
19	Pkg-2	1.03	Urinal basin with PVC 6 lts. auto flushing cistern	-Roca - Duravit	30,284	Each	14,53,678	47	34524.84	1622667.48	Roca- Spain, Duravit- Germany
20	Pkg-2	1.13	Blower/ hand drayer	GEM or equivalent	21,365	Each	4,91,413	14	24357.01	340998.14	
21	Pkg-2	1.15 (Sch.-D)	Paper towel dispenser, Hand dryer, Waste paper bin	D-line	2,12,117	Each	55,15,042	24	241813.38	5803521.12	Denmark
22	Pkg-2	1.17	paper towel dispenser	D-line or equivalent	29,680	Each	5,63,938	14	33836.28	473707.92	Denmark
23	Pkg-2	1.18	Paper waste bin	D-line or equivalent	26,760	Each	6,14,246	14	30445.23	426233.22	Denmark
24	Pkg-2	1.04(b)	Wash basin -Mounting - Sensor	-Roca -Geberit -Jaguar	24,158	Each	2,17,429	9	26629.43	239664.87	Roca- Spain, Geberit- USA ,
25	Pkg-2	1.02	-Urinal basin -Sensor	-Roca - Jaguar	37,587	Each	75,175	2	40797.52	81595.04	Roca- Spain
26	Pkg-2	4.8	Light points	Aco drain	23,363	Each	28,03,596	72	26,634	1917659.52	USA
				Total (Rs)			22,41,84,137			21,16,78,100.30	
				Total (Rs Crores)			22.42			21.17	

Items not executed

S#	Package #	Item No.	Nature of Item	Make/ brand approved	Rate per unit as per DE	Unit	Expenditure involved	Quantity Executed	Agreement Rate	Total expenditure involved	Country of Origin
27	Pkg-1	7.5	fixing clips(Expansion Joints)	Sika or equivalent	1,111	Rmt.	9,65,459	Not Executed	0	0	Australia
28	Pkg-2	3.2 of Sch B(II)	Vinyl flooring	ALTRO or equivalent	7,627	sqm	62,92,275	Not executed	0	0	UK
29	Pkg-2	3.13	Water repellent anti fungal coating	Sika or equivalent	407	sqm	44,95,223	Not executed	0	0	Australia
30	Pkg-2	4.2	Terracotta Tiles on wall with horizontal aluminium rails fasten to walls	Terreal make or equivalent	5,657	sqm.	26,58,555	Not executed	0	0	N.A
31	Pkg-2	10.4	Anti damp coating	Nano	119	Sqm	41,80,000	Not executed	0	0	N.A.
Grand Total							24,27,75,649				

*Executed as equivalent brand.

Annexes to Chapter 21

Annexe 21.1: Irregular Justification of the Quoted rates

(Rs. in crore)

Name of the package	Estimated cost put to tender	Value of the tender	% of above/less quoted by L1	Justified cost computed by dept	% over the dept justified cost	Justified cost worked out by Audit *	% over actual justified cost
Roads around Yamuna Sports Complex	35.38	40.64	14.87	40.90	(-) 0.64	37.57	8.17
Roads around commonwealth Games Village	31.16	34.63	11.11	36.44	(-) 5	35.30	-1.9
Roads around IGI Stadium (Kishan Ghat)	16.38	19.94	21.77	19.46	(+) 3	16.99	17.36
Roads around IGI Stadium (Ashram to Bhairon Marg)	35.55	41.95	18	41.82	0	37.71	11.24
Roads around IGI Stadium (Bhairon Marg ITO)	28.45	31.01	9	34.92	(-) 11	30.44	1.87
Mall road from Delhi University to Chhatrasal Staddium	20.44	24.15	18.18	26.60	(-) 9	21.78	10.88
Dr Karni Singh shooting range	19.98	24.42	22.25	28.92	(-) 16	21.94	11.30
Roads around various games venues (Africa Avenue)	21.80	25.27	15.91	25.80	(-) 2	22.86	10.54
Total	209.14	242.01		254.86		224.59	

Annexe 21.2: Different rates for Horticulture Items

(Rs. in crore)

SI No	Description of item	Minimum rate/ DSR rate	Unit	Rate adopted in the estimates	Diff	Percentage of excess	Quantity	Extra cost	Name of Packages where higher rates adopted
1	Supplying & stacking good earth	144.05 (Ashram to Bharon Marg)	Cum	234.84	90.79	63	50169	0.46	IGI stadium/ Yamuna Sports Complex
2	Removal of malba	61.19(DSR)	Cum	84.54	23.35	38	27396	0.06	IGI stadium/YSC
3	Maintenance of shrub	56.15 (Ashram to Bharon Marg)	each/year	98	41.85	75	50610	0.21	Delhi to university Chatrasal Stadium
4	Maintenance of shrub	56.15 (Ashram to Bharon Marg)	each/year	63	6.85	12	145324	0.10	YSC/CWG village
5	Maintenance of ground cover/lawn	23.16 (Bhairon to ITO)	sqm/year	36	12.84	55	19600	0.03	Delhi to university Chhatrasal Stadium/CWG
6	Providing/ planting Washingtonia palm	600 (Bhairon to ITO)	Each	2000	1400	233	600	0.08	CWG village
7	Providing/ planting Chloredendrum enermi	6 (Ashram to Bharon Marg)	Each	30	24	400	27230	0.07	Delhi to university Chhatrasal Stadium/CWG
9	Providing/ planting Ficus Panda	60 (Ashram to Bharon Marg)	Each	125	65	108	5439	0.04	IG Stadium
10	Providing/planting Ficus Panda	60 (Ashram to Bharon Marg)	Each	70	10	17	6824	0.01	CWG village/YSC
11	Providing/ planting Bougainvillea	22.05(DSR)	Each	60	37.95	172	7500	0.03	CWG village
	Total							1.08	

Appendix 21.3: Examples of high cost electrical items

Sl No	Work/Contractor	Specification/No of units	Unit cost as per Invoice	Unit Cost including all ancillary items	Estimated Unit rate (Rs.) put to Tender	Difference (Rs.)	Total extra cost with tender premium (Rs.)
1	Roads around IGI Stadium (Kisan Ghat) MBL	18 watt CFL with 1 metre steel body bollard/140	19352	22,537	27950	5413	9,22,797
2	Roads around IGI Stadium (Kisan Ghat) MBL	Trapez Pole of 9 metre height with four 140 watt cosmopolis lamp/6	2,81,343	3,25,270	4,53,910	1,28,640	9,39,870
3	Roads around IGI Stadium (Kisan Ghat)/MBL	Nemo Torch 150 watt metal halide lamp/20	1,92,435	2,24,020	4,29,978	2,05,958	50,15,901
4	Roads around IGI Stadium (Bharion Marg to ITO and Ashram to Bhairon Marg)/Sharma/SAM India	T5 Light fixture ATL make with 2x28 watt with aluminium dia cast body/570	5100	6321	8371	2050	13,78,830
	Total						82,57,398

Annexe 22.1 - Suspected alteration of bids in MCD

Suspected post tender alterations of M/s Sweka Power Tech Engineers Pvt. Ltd. In Phase-I

Item No., particulars	Quantity	Rate before correction	Rate after correction	Increase in quoted amount
1. SITC[1] of 12m PU poles	60	32,149	42,149	6,00,000
2. SITC of 12m galvanised poles	1813	28,358	38,358	0 *
3. SITC of 10m poles	910	23,974	28,974	45,50,000
21. Supplying & Laying (DWC) HDPE pipe (90mm dia)	115000	215	315	1,15,00,000
22 (a),S &L XLPE, Alu armoured cable	165000	185	285	1,65,00,000
1 % discount on 31,22,22,858			----	31,22,229

* The amended rate of 38358 was not accepted by MCD, as there was difference in the figure in digits and in words

Suspected post tender alterations of M/s Sweka Power Tech Engineers Pvt. Ltd. In Phase-II

Item No., particulars	Quantity	Rate before correction	Rate after correction	Difference in Amount	Remarks
22, Supplying & Laying HDPE pipe	212382	200	260	1,27,42,920	All three corrections are on one page of SoQ. Certificate at the bottom of page reads-"no cutting and one overwriting attested" whereas correction at item no 23(a) only is attested but not encircled by the tender opening officer. Other two corrections at item no 22 and 24 are neither encircled nor attested.
23(a), XLPE conductor 4cX 25 Sq.mm	246525	141	141	-	
24, Supplying & Laying HDPE by trenchless technique	20680	638	1638	2,06,80,000	

Annexe to Chapter 25

Annexe 25.1: Statement showing contract cost of components and total contract cost of the project

(Rs in crore)

Sr. No.	Particulars	Contractor	Date of work order	Contract Value	Stipulated period for completion	Expenditure till January 2011	Percentage of expenditure to tendered cost
1	Restoration of Connaught Place C Block	M/s Devi Construction	31/08/2007	1.99	28-02-2008 Work actually complete on 10-08-2008	1.63	Work completed
2	Restoration of facade of inner circle block	M/s Rajiwant Singh Contract	06/04/2009	15.64	05/04/2010	9.87	63.11
3	Restoration of facade (M).	M/s Himcon Engineering	13/07/2009	13.52	05/04/2010	9.93	73.45
4	Restoration of facade G,H, and K of CP	Contractor M/s Sharma Construction M/s Raus Infrast. Ltd.	26/07/2009	12.20	20/05/2010	6.97	57.13
5	Civil, structural & finishing works including electrical, fire fighting, fire detection, CCTV, works for service corridor in middle circle of Connaught Place.	M/s Afcons Sterling and Wilson consortium	04/11/2009	236.70	03/05/2011	88.68	37.47
6	Civil structural, finishing & electrical works for new and existing subways in outer circle of CP	M/s ERA Infra Engineering Ltd.	05/11/2009	56.05	04/03/2011	12.38	22.09
7	Area Development Works for inner and outer circle of CP	SCG Contracts India Pvt. Ltd.	22/01/2010	35.93	21/10/2010	11.72	32.62
8	Facade lighting works in C Block	M/s Reiz Electro Controls Pvt.	25/02/2010	0.31	17/05/2010	0.00	0.00

		Ltd.										
9	Civil structural & finishing works of toilets, kiosk including electrical works for redevelopment of Connaught Place	M/s Himcon Engineers India Pvt. Ltd.	11/03/2010	30.40	10/10/2010	4.87	16.02					
10	Supply, installation, testing & commissioning of escalators in new and existing subways in Connaught Place.	M/s Johnson Lifts Pvt. Ltd.	22/04/2010	34.08	21/04/2011	0.00	0.00					
11	Facade lighting works of CP	M/s Bajaj Electrical Limited	16/06/2010	4.28	29/08/2010	0.00	0.00					
12	Horticulture works and drip irrigation for redevelopment of Connaught Place.	M/s RIC Project Pvt. Ltd.	27/07/2010	00.87	17/09/2010	0.18	20.69					
13	Road signage works for redevelopment of CP.	M/s CBM Industries Limited	26/07/2010	1.83	25/10/2010	0.50	27.32					
14	Payment of consultancy charges to M/s EIL		21/05/2008		20/11/2010	16.27						
	Total			443.8		163.00	33.06					

Annexes to Chapter 26

Annexe 26.1 - Signal problems of DP with TETRA in non-venue/ venue areas of Delhi

Sl. No.	Place	Reporting Dates	Comments about performance
Non-venues			
1	DCP office complex at Pushpanjali Enclave, Residence in Central distt. DCP office complex Darya Ganj	3-10-2010 and 4-10-2010	Round the clock signal problems, inadequate signal network
2	Area of South District	4-10-2010,7-10-2010, 8-10-2010	Unclear signal in buildings premises and also call dropping while travelling
3	Vikas Puri premises of Police Station	4-10-2010	No communication from the premises of PS Vikas Puri
4	P.S. Premises, Ring road, ISBT Sarai Kale Khan, H.N.din Bridge, Millennium Park Bus depot	4-10-2010, 7-10-2010	No communication, intermittent
5	Inside PHQ buildings in and around D-1/119 Satya Marg and in moving car , Niti Marg, Akbar road	27-09-2010 to 04-10-2010	No network coverage, transmission not completed.
6	MHA North block near gate no. 7, Firoz Shah road, W point ITO, A-point ITO, PHQ ground floor, PT street hotel Shangrila (Ashok road)	4-10-2010, 6-10-2010, 8-10-2010	No communication PC call unable, dead zone
7	No. 11 Murti Marg, Mother Teresa Crescent, R. K. Ashram marg, Sikandra road, Firoz Shah road, Talkatora road and onward PHQ office	30-09-2010	No signal, signal cut
8	Jai Singh road, Vasant Kunj,	03-10-2010 to 11-10-2010	Signal leaves regularly, no signals in various times

Sl. No.	Place	Reporting Dates	Comments about performance
9	Bhopal Ground, R.K.Puram, Dwarka	04-10-2010, 7-10-2010 to 9-10-2010	No signal, intermittent
10	Food court, MPC and various halls, IBC	05-10-2010 to 11-10-2010	Service denied
11	Parliament street Andrews Ganj, Rohtak road Sakur basti, Motilal Nehru Marg, Ashok Vihar, Akbar road	06-10-2010 to 07-10-2010	No service
12	Airport Delhi in Terminal - III	03-10-2010	No connectivity
13	Todar Mal road, JLN Marg near Delhi Gate, DCP/ Central office complex, Outer Circle Connaught Place, Police station Pahar Ganj East	03-10-2010	Weak signals, no communication, red light blinking, no communication message on the screen "PTT denied"
14	Inside Airport	03-10-2010	Discharging of batteries
15	Vasant Kunj, Mandir Marg Kalibari Road	08-10-2010	Poor signals
Venues			
1.	Ash Pond	10.10.2010	No service, no signal, network busy
2.	K.S.S.R	11.10.2010	Signal poor
3.	Yamuna Sports Complex	11.10.2010	No communication
4.	Jawahar Lal Nehru Sports Complex	11.10.2010	No transmission
5.	Siri Fort Sports Complex	11.10.2010	No signal
6.	M.D.C National Stadium	11.10.2010	Signal cutting, no clarity
7.	Siri Fort Sports Complex	13.10.2010	Connectivity poor and unreliable, not available after some time, call dropping is very frequently, voice does not carry
8.	Logistic screening centre	13.10.2010 14.10.2010	Service not available, no communication
9.	M.D.C National Stadium	3.10.2010	No communication, no service, PTT denied, signal cutting

Sl. No.	Place	Reporting Dates	Comments about performance
10.	Jawahar Lal Nehru Sports Complex	7.10.2010	Intermittent, no transmission, high fluctuation in transmission, signal breaking, weak signal
11.	Yamuna Sports Complex	09.10.2010	No signal, intermittent, no communication, no response
12.	Bhopal Ground J.M.I	09.10.2010	Receiving signal very weak
13.	Talkatora Indoor Stadium	08.10.2010	Signal remained very poor for a very long time, signal nil.
14.	I.G. Sports Complex	08.10.2010	Intermittent, no communication
15.	Jawahar Lal Nehru Sports Complex	09.10.2010	Persistent problem of fluctuating transmission, No transmission
16.	K.S.S.R	09.10.2010	Signals not clear, voice in the set is not clear, poor connectivity, poor audio quality, communication get delink, poor network
17.	Yamuna Sports Complex	10.10.2010	No communication
18.	K.S.S.R	10.10.2010	Voice is shaking, voice not clear, transmission of signals is not proper and creates echo on communication, signals are weak and voice clarity is not upto the mark, poor network, poor sound.

Annexes to Chapter 30

Annexe 30.1 Available rates for 34 major medical equipments

Sl No.	Name of Equipment	No.	Cancelled NIT-1 (DHS)	NIT-2 RC (DHS)	Actual Rates on which items procured	Other rates available
1.	Patient Stools	110	1522	1260	DHS-RC	
2.	Examination couch with mattress	50	19897	12070	DHS-RC	18900-LNJP
3.	Three Fold Partition screen	350	3096	2762	DHS-RC	
4.	Trolley Bed	-	166688	288749	---	
5.	Foldable wheel chair	55	12600	103320	DHS-RC	18900-LNJP
6.	Shifting Trolley	-	46725	75600	---	
7.	Scoop Stretcher	135	62475	86100	RC-GTBH	13650-LNJP
8.	Spine Board	130	15750	6300	DHS-RC	20475-LNJP
9.	Head Immobiliser	130	9975	6825	DHS-RC	6825-LNJP
10.	Physiotherapy Table	06	146842	430500	DHS-RC	157500-LNJP
11.	Superior Massage Table with Mattress with pillow	220	21525	57749	Open market by quotation approval	
12.	Ultrasound Therapy (1& 3MHz)	09	146843	367499	Pt MMMH-RC	50925-LNJP
13.	IRR Lamp	-	141750	488250	---	68250-LNJP
14.	Shortwave Diathermy	04	502950	518700	Pt MMMH-RC	

Sl No.	Name of Equipment	No.	Cancelled NIT-1 (DHS)	NIT-2 RC (DHS)	Actual Rates on which items procured	Other rates available
15.	Physiotherapy Laser	06	258930	409500	DHS-RC	194250-LNJP
16.	TENS-IFT Combo	08	262395	414749	Safdarjung Hosp.-RC	
17.	X-ray View Box	17	20790	35700	GTBH-RC	
18.	Golf Cart Stretcher	-	470924	518699	--	
19.	Automatic External Defibrillator (AED)15	93	509250	519751	DMSCH	140175- GGSH/Hedgewar
20.	Pulse Oxymeter	64	119700	151200	DHS-RC	21525-LNJP
21.	Cardiac Arrest resuscitation drug and equipment trolley crash cart	03	19792	27100	DHS-RC	81900-DMSCH
22.	Examination Light	32	30907	47249	As per stock	
23.	Ophthalmoscope	---	25725	50400	---	
24.	B-type Oxygen Cylinder with flowmeter	10	110250	6405	DHS-RC	
25.	Suction Machine Electrical Operated	05	5932	5932	DHS-RC	
26.	Suction Machine Foot Operated Manual	45	2887	6090	GTBH-RC	
27.	Ambu Bag (Bag Value Mask) Adult	80	2048	5145	DHS-RC	
28.	Ambu Bag (Bag Value Mask) Paediatric	80	2048	5145	DHS-RC	
29.	I.V. Stand	110	1670	1523	DHS-RC	
30.	B.P. Apparatus	200	3728	6825	GTBH-RC	3860-LNJP
31.	Clinical Thermometer	120	73	71	DHS-RC	

Sl No.	Name of Equipment	No.	Cancelled NIT-1 (DHS)	NIT-2 RC (DHS)	Actual Rates on which items procured	Other rates available
32.	Military Anti-shock Trousers (MAST)	04	37800	35070	35070	DHS-RC
33.	Transport Ventilators	12	372750	516729	485100	ILBS-RC
34.	Nebulizer	62	8379	8206	8206	DHS-RC

RMLH: Ram Manohar Lohia Hospital; LNJP: Lok Nanak JayaPrakash Narayan Hospital; DHS: Directorate of Health Services; MMMH: Pt. Madan Mohan Malviya Hospital; GTBH: Guru Teg Bahadur Hospital; DMSCH: Dadadev Maitri Sishu Chikitsalaya; GGSB: Guru Gobind Singh Govt. Hospital

Annexe 30.2 Details of purchases of equipment on abnormally higher rates

(in Rs.)

Name of purchasing agency	Sl. No. of items	Name of equipment	Quantity purchased	Rate inclusive Taxes	Amount inclusive Taxes	Paid	FVC bill No. and Date	Lowest available rate	Name of Hospital	R.C	Difference rate (Rs.)	Amount of Extra avoidable expenditure
DHS	1.	Pulse Oximeter	52+12	151200	9676800		635, dt.10.9.10 859, dt.2.1.1.10	21525	LNJP		129675	8299200
	2	Ultrasound Therapy Unit	9	94500	850500		859, dt.2.1.1.10	50925	-do-		43575	392175
	3	Physiotherapy laser	3	409500	1228500		635, dt.10.9.10	194250	-do-		215250	645750
	4	AED (45+7+23+15)	90	203742	18336780		637, 9.10.10 (45)720, 1.10.10 (7) 775, 8.10.10(23) 685, 24.9.10(15)	140175	GGHS		63567	5721030
Lok Nayak Hospital	5.	Examination Coach with mattress	02	18900	37800		906, dt.4.1.1.10	12070	DHS		6830	13660
	6.	Emergency Crash Card Trolley	02	87750	175500		728, dt.25.9.10	27100	-do-		60650	121300
	7.	Spine Board	07	20475	143325		906, dt.4.1.1.10	6300	-do-		14175	99225
	8.	A.E.D	15	203742	3056130		729, dt.22.9.10	140175	Hedgewar Arogya sansthan		63567	935505
Ram Manohar Lohia Hospital	9.	I.C.U Beds	16	226799	3628787		896, dt.3.1.1.10	135135	GB Pant Hospital, RC dt.19.7.10		91664	1466624
	10.	Spine Board	05	12600	63000		735	6300	-do-		6300	31500
Guru Teg Bahadur Hospital	11.	A.E.D	03	451500	1354500		756/10	140175	Hedgewar Arogya Sansthan		311325	933975
	12.	Physiotherapy Laser	02	409500	819000		2607 dt 8.11.10	194250	LNJP		215250	430500
	13.	Automatic External Defibrillator (AED)	04	203742	814968		2625, dt.9.11.10	140175	Hedgewar Arogya Sansthan		63567	254268
Total												1,93,62,712, Say, 1.94 crore

Annexe to Chapter 31

Annexe: 31.1 - Details of excess billing by ECIL

(Amount in Rs.)

Sl. No.	Venue	Billed Quantity	EFC Approved Rate	Total Billed Amount	Purchase Cost/unit	Total Purchase Cost	Excess Amount billed
	(1)	(2)	(3)	(4)	(5)	(6)	(4)-(6)
1.	IP Fixed CCD Camera	2,848	76,130	21,68,18,240	34,348	9,78,23,104	11,89,95,136
2.	IP Dome Camera	544	2,03,305	11,05,97,920	93,415	5,08,17,760	5,97,80,160
3.	Display Work Station	179	90,852	1,62,62,508	1,08,740	1,94,64,460	-3,201,952
4.	24" display LCD	86	57,316	49,29,176	27,342	23,51,412	25,77,764
5.	42" display LCD	157	1,35,236	2,12,32,052	65,500	1,02,83,500	1,09,48,552
6.	Control Panels / Joy Sticks	87	76,784	66,80,208	25,272	21,98,664	44,81,544
7.	Video Management Server Software Suite	6,568	15,482	10,16,85,776	3,92,057	1,29,37,881 ¹	8,87,47,895
8.	Video Analytic Software Suite Motion	605	48,829	2,95,41,545	10,453	63,24,065	2,32,17,480
9.	Video Analytic Software Suite Crowd	516	22,628	1,16,76,048	10,453	53,93,748	62,82,300
10.	Video Recording Server (Type I) with 33 TB storage	2	21,25,881	42,51,762	7,41,184	14,82,368	27,69,394

¹ Only 33 numbers were purchased by ECIL, one for each venue

Sl. No.	Venue	Billed Quantity	EFC Approved Rate	Total Billed Amount	Purchase Cost/unit	Total Purchase Cost	Excess Amount billed
	Video Recording Server (Type I) with 33 TB storage	135	36,40,581	49,14,78,435	7,41,184	10,00,59,840	39,14,18,595
11.	Video Recording Server (Type I) with 2 TB storage	12	1,35,000	16,20,000	1,44,000	17,28,000	-1,08,000
12.	R F Reader	208	1,94,684	4,04,94,272	1,08,541	2,25,76,528	1,79,17,744
	R F Reader	2	1,62,000	3,24,000	1,08,541	2,17,082	1,06,918
13.	RF Tags	16,500	2,596	4,28,34,000	1,270	2,09,55,000	2,18,79,000
	RF Tags	2,200	2,160	47,52,000	1,270	27,94,000	19,58,000
14.	Boom Barrier 3M	27	2,53,089	68,33,403	1,11,790	30,18,330	38,15,073
15.	Boom Barrier 6M	134	3,24,463	4,34,78,042	1,17,781	1,57,82,654	2,76,95,388
16.	Tyre Killer 3M	3	24,76,893	74,30,679	17,50,700	52,52,100	21,78,579
17.	Tyre Killer 6M	15	27,59,873	4,13,98,095	24,64,628	3,69,69,420	44,28,675
	Tyre Killer 6M	2	27,79,886	55,59,772	24,64,628	49,29,256	6,30,516
18.	Road Blocker 3M	3	43,54,421	1,30,63,263	41,00,724	1,23,02,172	7,61,091
19.	Road Blocker 6M	22	87,05,063	19,15,11,386	59,92,000	13,18,24,000	5,96,87,386
20.	Wedge barrier 5M	5	51,79,943	2,58,99,715	23,58,202	1,17,91,010	1,41,08,705
21.	Flap Barrier 1 lane (Standard)	300	8,43,629	25,30,88,700	3,57,532	10,72,59,600	14,58,29,100
	Flap Barrier 1 lane (Wide)	32	8,43,629	2,69,96,128	4,62,562	1,48,01,984	1,21,94,144
22.	Portable Explosive Detector	176	19,46,835	34,26,42,960	12,10,056	21,29,69,856	12,96,73,104

Sl. No.	Venue	Billed Quantity	EFC Approved Rate	Total Billed Amount	Purchase Cost/unit	Total Purchase Cost	Excess Amount billed
23.	Kiosk with Panel PC, Webcam, Barcode Reader	173	15,57,47	2,69,44,231	88,235	1,52,64,655	1,16,79,576
24.	Network TFT Display Monitor	85	1,67,636	1,42,49,060	88,235	74,99,975	67,49,085
25.	Industry standard 42 U Rack with accessories	82	97,200	79,70,400	31,756	26,03,992	53,66,408
26.	Access Client Application Software	641	27,000	1,73,07,000	0 ²	0	1,73,07,000
27.	Door Framed Metal Detector	11	6,75,000	74,25,000	2,70,000	29,70,000	44,55,000
28.	Hand Held Metal Detector	16	4,950	79,200	3,000	48,000	31,200
29.	X-ray Baggage Scanner	4	16,20,000	64,80,000	16,00,000	64,00,000	80,000
30.	Manually operated Tyre killer 3M	2	2,47,500	4,95,000	1,98,000	3,96,000	99,000
31.	Hand Held bar code reader (used for Driver)	1	31,500	31,500	24,725	24,725	6,775
32.	Road block Roller 3M	4	90,000	3,60,000	56,000	2,24,000	1,36,000
33.	Spike buster	5	5,40,000	27,00,000	3,02,400	15,12,000	11,88,000
34.	Data Base/ Admin Server (VMS) Type I	49	2,73,976	1,34,24,824	1,71,840	84,20,160	50,04,664

² Purchase cost included in Central Access Control Systems Software Suite.

Sl. No.	Venue	Billed Quantity	EFC Approved Rate	Total Billed Amount	Purchase Cost/unit	Total Purchase Cost	Excess Amount billed
35.	Video Analytic server (VAS) Type I	58	2,73,976	1,58,90,608	1,71,840	99,66,720	59,23,888
36.	Vehicle access Client PCs (VACS) Type III	142	2,20,622	3,13,28,324	97,500	1,38,45,000	1,74,83,324
37.	Central Access Control Server (CACs) Type II	47	2,05,200	96,44,400	1,08,890	51,17,830	45,26,570
38.	Accreditation / Ticketing Gateway PC (GWPC)	31	64,800	20,08,800	30,000	9,30,000	10,78,800
39.	Fire Alarm Gateway PC	30	64,800	19,44,000	30,000	9,00,000	10,44,000
40.	Monitoring / Admin nodes	51	64,800	33,04,800	30,000	15,30,000	17,74,800
41.	Server Operating System Licenses	273	1,10,957	3,02,91,261	29,360	80,15,280	2,22,75,981
42.	Data Base Server Licenses	75	91,800	68,85,000	1,31,350	65,67,500 ³	3,17,500
43.	Work Station / Kiosk OS Licenses	987	8,640	85,27,680	0 ⁴	0	85,27,680
	Total			227,03,71,173		100,65,43,631	126,38,27,542

³ Only 50 numbers were purchased by ECIL

⁴ Purchase cost included in other equipment.

GLOSSARY

AAI	Airports Authority of India
AC Bill	Abstract Contingent Bill
ACC	Appointment Committee of Cabinet
ADG	Additional Director General
AED	Automatic External Defibrillator
AFE	Authorization for Expenditure
AGM	Annual General Meeting
AIBA	International Boxing Association
AIIMS	All India Institute of Medical Sciences
AIR	All India Radio
AITA	All India Tennis Association
ALS	Advanced Life Support
ANOC	Association of National Olympic Committee
ASI	Archeological Survey of India
AUD	Australian Dollar
BAN	Broadcast Audio Network
BB	Broadband
BBC	British Broadcasting Corporation
BCI	Business Club of India
BECIL	Broadcast Engineering Consultants India Limited
BLS	Basic Life Support
BoA	Board of Assessors
BOH	Back of House
BOQs	Bill of Quantities
BOT	Build Operate Transfer
BRTS	Bus Rapid Transit System
BVN	Broadcast Video Network
BYPL	BSES Yamuna Power Limited
CAC	Consultant Appointment Committee
CAG	Comptroller and Auditor General of India
CATS	Centralized Accidental Trauma Services
CBRI	Central Building Research Institute
CBRN	Chemical, Biological, Radiological and Nuclear
CC	Cement Concrete
CCEA	Cabinet Committee on Economic Affairs
CCR	Central Control Room
CCTV	Close Circuit Television

CD	Compact Disc
CDIL	Compact Disc India Limited
CDMA	Code Division Multiple Access
CE	Chief Engineer
CEO	Chief Executive Officer
CERT	Computer Emergency Response Team
CFL	Compact Fluorescent Lamp
CGA	Commonwealth Games Association
CGF	Commonwealth Games Federation
CGM	Chief General Manager
CGV	Catering for Games Village
CIF	Custom Insurance Freight
CII	Confederation of Indian Industries
CIS	Commentary Information System
CM	Chief Minister
CMD	Chairman cum Managing Director
CNE	Committee on Non Plan Expenditure
CoCOM	Co-ordination Commission
COO	Chief Operating Officer
CoS	Committee of Secretaries
CP	Commissioner of Police
CPM	Critical Path Method
CPSL	Corporate Sales
CPWD	Central Public Works Department
CRA	Committee for Registration of Ambulances
CRMB	Crumb Rubber Modified Bitumen
CRPF	Central Reserve Police Force
CRRI	Central Road Research Institute
CS	Chief Secretary
CSSD	Central Sterile Supply Department
CW	Commonwealth
CWG	Commonwealth Games
CWPRS	Central Water and Power Research Station
CYG	Commonwealth Youth Games
DAR	Delhi Analysis of Rates
DB	Design & Build
DBC	Dense Bituminous Concrete
DBM	Dense Bituminous Macadam
DBO	Design, Build & Operate
DCE	Delhi College of Engineering
DD	Doordarshan

DDA	Delhi Development Authority
DDG	Deputy Director General
DDR	Digital Disk Recorder
DDs	Deputy Directors
DFS	Delhi Fire Service
DG	Diesel Generator
DGM	Deputy General Manager
DGOC	Director General Organizing Committee
DGS&D	Directorate General of Supplies & Disposals
DHS	Directorate of Health Services
DIAL	Delhi International Airport Limited
DIMTS	Delhi Integrated Multi-modal Transit System
DJB	Delhi Jal Board
DLP	Defect Liability Period
DMRC	Delhi Metro Rail Corporation
DNC	Delaware North Company
DoHF	Department of Health & Family Welfare
DoT	Department of Telecommunications
DP	Delhi Police
DPCC	Delhi Pollution Control Committee
DPR	Detailed Project Report
DPS	Delhi Public School
DSR	Delhi Schedule of Rates
DSYS	Department of Sports & Youth Services
DTAA	Double Tax Avoidance Agreement
DTC	Delhi Transport Corporation
DTL	Delhi Transco Limited
DTTDC	Delhi Tourism & Transport Development Corporation
DU	Delhi University
DUAC	Delhi Urban Art Commission
DVD	Digital Video Disc
E&Y	Ernst & Young
EB	Executive Board
EC	Executive Committee
ECG	Electrocardiography
ECIL	Electronics Corporation of Indian Limited
EDP	
EE	Executive Engineer
EFC	Expenditure Finance Committee
EIC	Engineer-in-Chief
EIL	Engineers India Limited
EKS	Event Knowledge Services
EMC	Executive Management Committee

EMD	Earnest Money Deposit
EOI	Expression of Interest
EOT	Extension of Time
EPC	Engineering, Procurement & Commissioning
ESC	Empowered Security Committee
F&A	Finance & Accounts
FAR	Floor Area Ratio
FAs	Functional Areas
FOH	Front of House
FOP	Field of Play
FSC	Finance Sub-Committee
FSI	Floor Space Index
GBE	Great Big Events
GDA	Ghaziabad Development Authority
GDM	Games Data Network
GIS	Games Information System
GM	General Manager
GMS	Games Master Schedule
GMS	Games Management System
GNCTD	Government of National Capital Territory of Delhi
GNS	Games News Service
GOI	Government of India
GoM	Group of Ministers
GoM	Government of Maharashtra
GOO	Group of Officers
GOP	General Organization Plan
GSB	Granular Sub Base
GSM	Global System for Mobile Communication
HACCP	Hazard Analysis and Critical Control Points
HAP	Health Action Plan
HB	Host Broadcaster
HBMC	Host Broadcast Management Committee
HCC	Host City Contract
HD	High Definition
HD Cam	High Definition Camera
HDTV	High Definition Television
HIG	High Income Group
HPC	High Powered Committee
HT	Hindustan Times
I&B	Information & Broadcasting
IAAF	International Association of Athletic Federations
IAG	Inter Agency Group
IAS	Indian Administrative Service

IBC	International Broadcast Centre
IBF	International Boxing Federation
ICU	Intensive Care Unit
IDFC	
IFs	International Federations
IG	Indira Gandhi
IGBS	International Games Broadcasting Services
IIT	Indian Institute of Technology
IOA	Indian Olympic Association
IP TV	Internet Protocol Television
IP/MPLS	Internet Protocol/Multi Protocol Label Switching
IPL	Indian Premier League
IRCTC	Indian Railway Catering & Tourism Corporation
IRDA	Insurance Regulatory and Development Authority
ISD	International Sports Division
ISO	International Organization for Standardization
ISS	Integrated Security System
IT	Information Technology
ITDC	Indian Tourism Development Corporation Ltd.
ITO	International Technical Officers
ITO	Income Tax Office
ITPO	India Trade Promotion Organization
JDG	Joint Director General
JLN	Jawaharlal Nehru
JLNS	Jawaharlal Nehru Stadium
JMI	Jamia Millia Islamia University
JMW	Jack Morton World Wide
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KSSR	Karni Singh Shooting Range
KVA	Kilo Volt Ampere
L&DO	Land & Development Office
LAC	Land Acquisition Collector
LB	Lower Basement
LD	Land Disposal
LD	Liquidated Damages
LED	Light Emitting Diode
LG	Lieutenant Governor
LIG	Low Income Group
LoA	Letter of Award
LoI	Letter of Intent
MAP	Mutual Agreement Proceedings
MB Road	Mehrauli Badarpur Road
MCD	Municipal Corporation of Delhi

MDC	Major Dhayanchand
MEA	Ministry of External Affairs
MGD	Million Gallon per Day
MGMS	Medical Gas Manifold System
MHA	Ministry of Home Affairs
MHFW	Ministry of Health & Family Welfare
MLA	Member of Legislative Assembly
MLC	
MLD	Million Litre per Day
MLSS	Mixed Liquor Suspended Solid
MMS	Multimedia Messaging Service
MOCI	Ministry of Commerce & Industry
MoD	Ministry of Defence
MoEF	Ministry of Environment & Forest
MoF	Ministry of Finance
MoI&B	Ministry of Information & Broadcasting
MoRT&H	Ministry of Road Transport & Highways
MoS	Minister of State
MoT	Ministry of Tourism
MOT	Modular Operation Theatre
MoU	Memorandum of Understanding
MoUD	Ministry of Urban Development
MP	Member of Parliament
MPC	Main Press Centre
MPD -2021	Master Plan of Delhi
MR	Market Rates
MRI	Magnetic Resonance Imaging
MRP	Maximum Retail Price
M RTP	Monopolies and Restrictive Trade Practice
MT	Million Tonne
MTNL	Mahanagar Telephone Nigam Limited
MYAS	Ministry of Youth Affairs & Sports
NCR	National Capital Region
NDMC	New Delhi Municipal Council
NDTV	New Delhi Television
NH	National Highway
NHAI	National Highway Authority of India
NIC	National Informatics Centre
NIT	Notice Inviting Tender
NMV	Non Motorized Vehicle
NOC	No Objection Certificate
NOIDA	New Okhla Industrial Development Authority
NTO	National Technical Officers

NTU	Nephelometric Turbidity Units
O&M	Operation & Maintenance
OB Van	Outside Broadcasting Van
OC	Organizing Committee
OCFC	Organizing Committee Finance Committee
OCGC	Commonwealth Games Co-ordination
PA	Programme Assistant
PAN	Permanent Account Number
PB	Prasar Bharati
PBDE	Polybrominated diphenyl ether
PBL	Premier Brands Limited
PCMC	Pimpri Chinchwad Municipal Corporation
PCR	Police Control Room
PE	Permanent Establishment
PED	Portable Explosive Detectors
PERT	Programme Evaluation and Review Technique
PIB	Press Information Bureau
Pl. Comm.	Planning Commission
PM	Prime Minister
PMB	Polymer Modified Bitumen
PMC	Pune Municipal Corporation
PMC	Project Management Consultant
PMO	Prime Minister Office
PMS	Project Monitoring System
PO	Project Officer
PO	Programme Officer
PPCL	Pragati Power Corporation Limited
PPP	Public Private Partnership
PQ	Pre-qualification
PQ	Pre Qualification
PRISM	Performance Review Indicators Monitoring & Evaluation of Sports Persons
PSP	Public - Semi Public
PSU	Public Sector Undertaking
PVC	Polyvinyl Chloride
PWC	Pricewaterhouse Coopers Pvt. Ltd.
PWD	Public Works Department
PWD	Public Works Department
QAC	Quality Assurance Cell
QBR	Queen's Baton Relay
RC	Rate Contract
RFI	Request for Information
RFID	Radio Frequency Identification

RFP	Request For Proposal
RFQ	Request For Quotation
RHB	Right Holder Broadcasters
RML	Ram Manohar Lohia
SAF	South Asian Federation
SAI	Sports Authority of India
SD	Standard Definition
SDG	Special Director General
SDN	Security Data Network
SEs	Superintending Engineers
SEZ	South East Zone
SFSC	Sirifort Sports Complex
SIC	Sports Injury Centre
SIS	Satellite Information Service
SJ	Safdarjung
SLP	Special Leave Petition
SMAM	Sports Marketing and Management
SMS	Short Message Service
SOE	Statement of Expenditure
SOFs	Statement of Facts
SOW	Scope of Work
SPA	Shashi Prabhu & Associates
SPC	Special Purpose Company
SPM	Dr. Shyama Prasad Mukherjee
SPV	Special Purpose Vehicle
SSC	Saket Sports Complex
SSM Camera	Super Slow Motion Camera
STI	Staff Training Institute
STP	Sewage Treatment Plant
STPI	Software Technology Park of India
TCIL	Telecommunications Consultants India Limited
TCS	Tata Consultancy Services
TDS	Tax Deducted at Source
TETRA	Terrestrial Trunked Radio
TPQC	Third Party Quality Control
TSR	Timing Scoring & Results
TVNZ	TV New Zealand
UC	Utilization Certificate
UD	Urban Development
UGC	University Grants Commission
UK	United Kingdom
UPS	Uninterrupted Power Supply
USD	United States Dollar

UTTIPEC	Unified Traffic and Transportation Infrastructure Planning and Engineering Centre
VAS	Venue Appraisal Study
VAT	Value Added Tax
VIK	Value in Kind
VIPs	Very Important Persons
VMCs	Venue Media Centres
VTR	Video Tape Recorder
WAB	Works Advisory Board
WBM	World Broadcasters Meet
WHO	World Health Organization
WMM	Wet Mix Macadam
WTP	Water Treatment Plant
YAS	Youth Affairs and Sports
YSC	Yamuna Sports Complex







GLOSSARY

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CEO	Chief Executive Officer
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CFL	Compact Fluorescent Lamp
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CGF	Commonwealth Games Federation
CGM	Chief General Manager
CGV	Catering for Games Village
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EDP	
EE	Executive Engineer
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FAs	Functional Areas
FOH	Front of House
FOP	Field of Play
FSC	Finance Sub-Committee
FSI	Floor Space Index
GBE	Great Big Events
GDA	Ghaziabad Development Authority
GDM	Games Data Network
GIS	Games Information System
GM	General Manager
GMS	Games Master Schedule
GMS	Games Management System
GNCTD	Government of National Capital Territory of Delhi
GNS	Games News Service
GOI	Government of India
GoM	Group of Ministers
GoM	Government of Maharashtra
GOO	Group of Officers
GOP	General Organization Plan
GSB	Granular Sub Base
GSM	Global System for Mobile Communication
HACCP	Hazard Analysis and Critical Control Points
HAP	Health Action Plan
HB	Host Broadcaster
HBMC	Host Broadcast Management Committee
HCC	Host City Contract
HD	High Definition
HD Cam	High Definition Camera
HDTV	High Definition Television
HIG	High Income Group
HPC	High Powered Committee
HT	Hindustan Times
I&B	Information & Broadcasting
IAAF	International Association of Athletic Federations
IAG	Inter Agency Group
IAS	Indian Administrative Service

IBC	International Broadcast Centre
IBF	International Boxing Federation
ICU	Intensive Care Unit
IDFC	
IFs	International Federations
IG	Indira Gandhi
IGBS	International Games Broadcasting Services
IIT	Indian Institute of Technology
IOA	Indian Olympic Association
IP TV	Internet Protocol Television
IP/MPLS	Internet Protocol/Multi Protocol Label Switching
IPL	Indian Premier League
IRCTC	Indian Railway Catering & Tourism Corporation
IRDA	Insurance Regulatory and Development Authority
ISD	International Sports Division
ISO	International Organization for Standardization
ISS	Integrated Security System
IT	Information Technology
ITDC	Indian Tourism Development Corporation Ltd.
ITO	International Technical Officers
ITO	Income Tax Office
ITPO	India Trade Promotion Organization
JDG	Joint Director General
JLN	Jawaharlal Nehru
JLNS	Jawaharlal Nehru Stadium
JMI	Jamia Millia Islamia University
JMW	Jack Morton World Wide
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KSSR	Karni Singh Shooting Range
KVA	Kilo Volt Ampere
L&DO	Land & Development Office
LAC	Land Acquisition Collector
LB	Lower Basement
LD	Land Disposal
LD	Liquidated Damages
LED	Light Emitting Diode
LG	Lieutenant Governor
LIG	Low Income Group
LoA	Letter of Award
LoI	Letter of Intent
MAP	Mutual Agreement Proceedings
MB Road	Mehrauli Badarpur Road
MCD	Municipal Corporation of Delhi

MDC	Major Dhayanchand
MEA	Ministry of External Affairs
MGD	Million Gallon per Day
MGMS	Medical Gas Manifold System
MHA	Ministry of Home Affairs
MHFW	Ministry of Health & Family Welfare
MLA	Member of Legislative Assembly
MLC	
MLD	Million Litre per Day
MLSS	Mixed Liquor Suspended Solid
MMS	Multimedia Messaging Service
MOCI	Ministry of Commerce & Industry
MoD	Ministry of Defence
MoEF	Ministry of Environment & Forest
MoF	Ministry of Finance
MoI&B	Ministry of Information & Broadcasting
MoRT&H	Ministry of Road Transport & Highways
MoS	Minister of State
MoT	Ministry of Tourism
MOT	Modular Operation Theatre
MoU	Memorandum of Understanding
MoUD	Ministry of Urban Development
MP	Member of Parliament
MPC	Main Press Centre
MPD -2021	Master Plan of Delhi
MR	Market Rates
MRI	Magnetic Resonance Imaging
MRP	Maximum Retail Price
M RTP	Monopolies and Restrictive Trade Practice
MT	Million Tonne
MTNL	Mahanagar Telephone Nigam Limited
MYAS	Ministry of Youth Affairs & Sports
NCR	National Capital Region
NDMC	New Delhi Municipal Council
NDTV	New Delhi Television
NH	National Highway
NHAI	National Highway Authority of India
NIC	National Informatics Centre
NIT	Notice Inviting Tender
NMV	Non Motorized Vehicle
NOC	No Objection Certificate
NOIDA	New Okhla Industrial Development Authority
NTO	National Technical Officers

NTU	Nephelometric Turbidity Units
O&M	Operation & Maintenance
OB Van	Outside Broadcasting Van
OC	Organizing Committee
OCFC	Organizing Committee Finance Committee
OCGC	Commonwealth Games Co-ordination
PA	Programme Assistant
PAN	Permanent Account Number
PB	Prasar Bharati
PBDE	Polybrominated diphenyl ether
PBL	Premier Brands Limited
PCMC	Pimpri Chinchwad Municipal Corporation
PCR	Police Control Room
PE	Permanent Establishment
PED	Portable Explosive Detectors
PERT	Programme Evaluation and Review Technique
PIB	Press Information Bureau
Pl. Comm.	Planning Commission
PM	Prime Minister
PMB	Polymer Modified Bitumen
PMC	Pune Municipal Corporation
PMC	Project Management Consultant
PMO	Prime Minister Office
PMS	Project Monitoring System
PO	Project Officer
PO	Programme Officer
PPCL	Pragati Power Corporation Limited
PPP	Public Private Partnership
PQ	Pre-qualification
PQ	Pre Qualification
PRISM	Performance Review Indicators Monitoring & Evaluation of Sports Persons
PSP	Public - Semi Public
PSU	Public Sector Undertaking
PVC	Polyvinyl Chloride
PWC	Pricewaterhouse Coopers Pvt. Ltd.
PWD	Public Works Department
PWD	Public Works Department
QAC	Quality Assurance Cell
QBR	Queen's Baton Relay
RC	Rate Contract
RFI	Request for Information
RFID	Radio Frequency Identification

RFP	Request For Proposal
RFQ	Request For Quotation
RHB	Right Holder Broadcasters
RML	Ram Manohar Lohia
SAF	South Asian Federation
SAI	Sports Authority of India
SD	Standard Definition
SDG	Special Director General
SDN	Security Data Network
SEs	Superintending Engineers
SEZ	South East Zone
SFSC	Sirifort Sports Complex
SIC	Sports Injury Centre
SIS	Satellite Information Service
SJ	Safdarjung
SLP	Special Leave Petition
SMAM	Sports Marketing and Management
SMS	Short Message Service
SOE	Statement of Expenditure
SOFs	Statement of Facts
SOW	Scope of Work
SPA	Shashi Prabhu & Associates
SPC	Special Purpose Company
SPM	Dr. Shyama Prasad Mukherjee
SPV	Special Purpose Vehicle
SSC	Saket Sports Complex
SSM Camera	Super Slow Motion Camera
STI	Staff Training Institute
STP	Sewage Treatment Plant
STPI	Software Technology Park of India
TCIL	Telecommunications Consultants India Limited
TCS	Tata Consultancy Services
TDS	Tax Deducted at Source
TETRA	Terrestrial Trunked Radio
TPQC	Third Party Quality Control
TSR	Timing Scoring & Results
TVNZ	TV New Zealand
UC	Utilization Certificate
UD	Urban Development
UGC	University Grants Commission
UK	United Kingdom
UPS	Uninterrupted Power Supply
USD	United States Dollar

UTTIPEC	Unified Traffic and Transportation Infrastructure Planning and Engineering Centre
VAS	Venue Appraisal Study
VAT	Value Added Tax
VIK	Value in Kind
VIPs	Very Important Persons
VMCs	Venue Media Centres
VTR	Video Tape Recorder
WAB	Works Advisory Board
WBM	World Broadcasters Meet
WHO	World Health Organization
WMM	Wet Mix Macadam
WTP	Water Treatment Plant
YAS	Youth Affairs and Sports
YSC	Yamuna Sports Complex