

CONFIDENTIAL

MINUTES OF THE MEETING OF THE BOARD OF THE
CAPITAL DEVELOPMENT AUTHORITY HELD AT 10.00 A.M.
ON SATURDAY, THE 8TH AUGUST, 1970.

A special meeting of the Board of the Capital Development Authority was held on Saturday, the 8th August, 1970 at 10.00 hrs in the room of Chairman, CDA. Major General Bashir Ahmed, Chairman, CDA, presided. Following were present:

1. Member (Tech).
2. F.A./Member.
3. D.G.W.
4. Secretary.
5. Director (W&S).
6. Director Works.

1. Irregular Allotment of Works amounting to Rs. 56,73,716/- to M/s. Abdul Shakoor Khan Dilawar Khan in Deposit Works Division.

The Board considered the Draft Para regarding the award of 5 major and 6 subsidiary works during 1963-64 to one Abdul Shakoor Khan Contractor on negotiation basis without inviting tenders.

The D.G.W. and Director Works explained the background of the case. The necessity of giving the works on negotiation basis arose because the contractors Messrs. High & Deep, who were awarded contract of construction of 3 CDA Blocks on the lowest tendered rates, failed to execute the work according to time limit. Despite extra time allowed to them they could not make any substantial progress towards the execution of the works. On the other hand, the Central Government had given definite dates for the move of the Central Government offices to Islamabad. The entire progress of the works was, therefore, discussed from time to time by the DGW with the then Chairman and the then F.A./Member. The contract with M/s. High & Deep was cancelled. It was decided to award the work on two blocks out of three to another party on negotiation basis. D.G.W., awarded to M/s. Abdul Shakoor & Co. on the basis of lowest tendered rates of M/s. High & Deep. It was later found by the DGW that M/s. High & Deep were not showing any progress towards the execution of the third block either and the matter was brought up by the D.G.W. to the notice of the Chairman and the F.A./Member who agreed that this block may also be taken away from M/S High and Deep.

Subsequent to the above decision, various other works were to be taken up urgently and in close proximity of the on going works, therefore, the DGW awarded the contract to the same firm on the basis of lowest tendered rates of the past.

The Board after considering the above background arrived at the following conclusion :-

a) The Board found that M/s. High & Deep failed to execute the works and to complete it according to the target dates given by the construction wing at that time. Their contract was terminated justly and with the approval of the Board.

b) The contract was then awarded by the D.G.W. to M/S Abdul Shakoor & Co. by negotiation at the same rate as quoted by M/S High and Deep.

c)...../2

b) There is no record to suggest how the negotiations were carried out in detail nor it is possible to determine this now.

d) In awarding the contract by negotiations the D.G.W. was acting within his jurisdiction and competence. There was no legal or procedural necessity to inform the Board regarding the award of the works on negotiation basis. Therefore, no written permission was required. However, the fact that this was being done must have been within the knowledge of the Board, as the minutes concerned with these works made reference to this fact.

e) The Board, particularly F.A./Member, kept an eye on the expenditure and in case of schools and mosques observations were made by F.A./Member about the specifications of the work so that the cost was kept low and these observations were kept in view by the executing agency.

The Board having gone into the detailed background of each work and the circumstances prevalent at the time, is of the view that :-

- i). The allotment of work by competent authority was not in any manner against the rules.
- ii). No financial loss appears to have been caused to the Authority because the works were awarded on the lowest tendered rates. The tendency of rising rates was apparent from the works awarded after tenders. As such re-tendering may possibly have increased the cost.
- iii). The minutes on the file indicate the urgency of the works as the Central Ministries were moving to Islamabad and, therefore, the action taken by the Authority appears to have been in the best interests of the CDA.

Condonation of Irregularity by the Board
Prof CDA in connection with Draft Para No.65
now 53.

Summary on the captioned item was presented by the Director (W&S), who explained that the terms of tender provided that the contractor would be paid for the cartage from the godown to the site of work. In fact the contract was only for carriage, and laying etc. of pipes the property of the CDA., supplied at the stores. The contract was not for the supply of pipes. Therefore, there was no irregularity. The Board verified the position and was satisfied with the explanation of Director (W&S). Since no irregularity was committed, there was no question of condonation.