

(12)

CAPITAL DEVELOPMENT AUTHORITY
(Coordination Directorate)

Minutes of the meeting
of C. D. A Board.

388/763/90
630/BF

A special meeting of the Board was held at 2.00 P.M on Monday the 15th January 1990 in the Chamber of Chairman, CDA to consider the summary submitted by D.D.G(Works)/D.D.G(Services) in respect of the escalation case of M/s. Rebco Ltd. The following were present:-

1. Chairman.
2. Member Administration.
3. F.A/Member.
4. Member Engineering.
5. D.D.G(Works)/D.D.G(Services).
6. Secretary, CDA.

2. The history of the case was briefly explained by D.D.G(Works)/D.D.G(Services). He explained that the escalation in cost work^{ed} out on estimated rates, in accordance with the guidelines of the Ministry of Finance, in the case of M/s. Rebco Ltd. amounted to Rs.42,67,497/- out of which Rs.33,62,139/- had already been paid to the contractor and only Rs.9,05,358/90 were due to be paid subject to audit check and finalization of accounts. However, if the working was based on agreement rates as claimed by the contractor and as recommended by the Wafaqi Mohtasib, the total escalation in cost would work out to Rs.92,64,411/- subject to confirmation by audit and since a sum of Rs.33,62,139/- stood already paid to M/s. Rebco, the balance amount i.e. Rs.59,02,272/- would be payable to the Firm.

3. The Board considered at length the financial implications involved and the likely

Re-percussions, in similar cases already under consideration with the Wafaqi Mohtasib, in cases CDA conceded to work out the escalation cost at agreement rates and following alternatives were proposed:-

- 1) that we may inform the Wafaqi Mohtasib that since CDA was not competent to make any changes in the guide-lines and since it was not possible for the Authority to work out the escalation cost on the basis of agreement rates, being contrary to the guide-lines, the matter was being referred to the Ministry of Finance with the recommendations to amend the guide-lines in the light of the directive of the Wafaqi Mohtasib so as to enable the Authority to work out the escalation cost accordingly i.e. on agreement rates.

- ii) alternatively CDA could negotiate with the contractor (M/s. Rebco Ltd.) including other contractors whose demands for escalation cost were under consideration, in order to reach a consensus with regard to the escalation cost that could be paid to them. For negotiating the rates, it was agreed to constitute a Committee consisting of Chairman, CDA, F.A/Member and Member Engineering

as its members and Director Audit and Accounts could be co-opted for rendering required assistance to the Committee.

4. After detailed discussion it was decided to initiate action as per alternative (ii) above and in case the Committee failed to achieve the desired result, action as per alternative (i) above would be taken.

Action: Member (Engineering).
D.D.G (Works)/
D.D.G (Services).

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