

**DELHI DEVELOPMENT AUTHORITY
ENGINEER MEMBER'S SECTT.**

No: EM 1 (10) 2007/cir (PAC Audit Paras) DDA/3915 . ^{25th} October , 2007

CIRCULAR No. 612

Sub: AWARD OF THE WORK HIGHER THAN THE PREVAILING
MARKET RATE OF A SIMILAR WORK.

The CAG during the audit of "Development works in DDA" observed that some of the works were awarded by DDA on rates higher than that of a similar works awarded around the same time in nearby location and this resulted in an audit inspection of substantial action. DDA's contention was not accepted and has been criticized by Public Accounts Committee (14th Lok Sabha). The PAC has recommended that in future a mechanism should be put in place whereby the rates offered for a work by contractors are invariably compared with the rates accepted for similar works within the same time frame and scope of work is properly specified with a view to ensure that the deals are made transparent and no extra payments are allowed to the contractors.

In this regard, the attention is drawn to instructions contained in Para 18.4 to 18.17 of CPWD Work Manual 2003 which are self-explanatory. It is emphasized that apart from the justified market rates, the rates should be compared with those accepted for similar works at the same time; and large variations should not be allowed. If the rates are quoted higher even after repeated call of tenders, the negotiations may be conducted within the guidelines of CVC and the detailed reasons for accepting higher rates may be recorded invariably.

Non-compliance of the instructions shall be viewed seriously.

This issues with the approval of EM, DDA.


[A.P. SINGH] 24.10.07

CHIEF ENGINEER [HQ]

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DIRECTOR [WORKS]