

**Minutes of the 4<sup>th</sup> Meeting of Expenditure Finance Committee for the Financial Year 2016-17 held on July 26, 2016 at 11.00 A.M.**

Hon.ble Finance Minister/ Dy. Chief Minister, Delhi Chaired the 4<sup>th</sup> meeting of Expenditure Finance Committee (CFY 2016-17) on July 26, 2016 to consider the following Capital proposals of Department of GNCT of Delhi :

S.N	Particulars of the proposal	Estimated cost (₹..in crore)
<b>Health &amp; Family Welfare Department</b>		
1.	Construction of Phase-II of Teaching-cum-Super Specialty hospital 'Institute of Liver & Biliary Sciences' -- increasing the capacity of beds from 343 to 540 (Revision of cost)	497.72
2.	Up-gradation of Ambedkar Nagar Hospital from 200 beds to 600 beds (Revision)	180.95

02. Following attended the meeting:

**I Members of Expenditure Finance Committee**

- i. Sh. Satyender Jain, Hon'ble Minister, Health
- ii. Sh. S.N. Sahai, Pr. Secretary (Finance), GNCTD
- iii. Sh. Sarvagya Srivastava, Pr. Secretary, PWD
- iv. Dr. Tarun Seem, Secretary (Health), GNCTD
- v. Sh. D.P. Dwivedi, Director (Planning), GNCTD
- vi. Sh. L.D.Joshi, Joint Secretary (Finance), GNCTD

**II Other Senior Officers**

- i. Sh. Rakesh Bali, Spl. Secretary (Finance), GNCTD
- ii. Dr. Ashish Goyal, Addl. Secretary (Health), GNCTD
- iii. Dr. S.K. Sarin, Director, IL&BS
- iv. Sh. Anil Aggarwal, DMO (Admn.), IL&BS
- v. Sh. B.K. Mishra, Chief Engineer, DMRC
- vi. Sh. Abishek Raj, Dy. Chief Engineer, DMRC
- vii. Sh. S.K. Gupta, DGM, NBCC Ltd.

03. Pr. Secretary (Finance) apprised the Expenditure Finance Committee about the agenda items stating that the proposals listed are for revision of cost due to increase in the number of beds on the ongoing Hospital Projects. Original proposals were approved by the Cabinet and for additional works, the department has submitted revised estimates for consideration of EFC, before placing the same in the Cabinet for approval as per Cabinet Decision No.2307 dated 24.2.2016.

04. Thereafter, Secretary, H&FW Department appraised the proposals to the Committee;

**I. Construction of Phase-II of Teaching- cum -Super Speciality hospital 'Institute of Liver & Biliary Sciences' - increasing the number of beds from 343 to 540 (Revision of cost)**

i. The current proposal is a revised estimate for construction of Phase-II of Teaching- cum - Super Speciality hospital -'Institute of Liver & Biliary Sciences' from the earlier approved cost of ₹389.00 crore to ₹497.72 crore, based on actual expenditure incurred so far including 1% for Labour Cess, Art work, 4.25% Departmental charges, 3% consultancy fee, 0.25% quality control and applicable taxes and cess. The work is being executed by DMRC. The department proposed to increase the capacity of beds from the existing strength of 343 to 540 through improved design. Original work is in progress and is expected to be completed by December, 2016. So far funds to the tune of ₹442.00 crore has been released for the project against which an expenditure of ₹430.00 crore has been incurred by the Executing Agency.

ii. Following brief details of the Project proposal submitted for consideration;

a.	i.	Covered area	-	80451 sqm
	ii.	Unit cost of construction	-	₹58,066 per sqm

b. Major reasons for revision of cost from ₹389.00 crore to ₹497.72 crore (an increase of ₹108.72 crore);

S.N.	Particulars	Estimated Cost (₹.. in crore)
i.	Increase in the cost of works already sanctioned (after adjustment of savings of ₹4.32 crore as per contract)	26.30
ii.	Increase due to Statutory Provisions	17.35
iii.	Increase in departmental charges/fees	5.55
iv.	Cost of works not included in the earlier sanctioned estimate	59.52
	Total	108.72

c. Funding Pattern;

S.N.	Particulars	Amount (₹.. in crore)
i.	Amount already sanctioned	389.00
ii.	Interest earned on Capital	23.00
iii.	Fund released in 2015-16 out of GIA	30.00
iv.	Balance fund available out of GIA released in 2015-16	30.00
v.	Funds allocated under GIA in 2016-17	40.00
	Total	512.00

d. Requirement of Statutory clearances:

It was informed that occupancy certificate has been issued by SDMC on 16.6.2016 and no further clearances are required for the Project.

05. The Committee asked about the reason for additional payment of ₹11.00 core to BSES, whereas the instant proposal is only for structural improvement. It was clarified by the Pr. Co-ordinator that for Phase-II, initially the requirement was for 11 KV substation only and accordingly a provision of ₹1.50 crore was made for service connection charges. However, due to enhanced load, the capacity of the substation has to be increased from 11 KV to 33KV. Due to the increased capacity, service connection charges has also increased to ₹12.50 crore since BSES has to specially lay a dedicated dual supply line for the 33 KV sub-station so that uninterrupted power supply is made available to the hospital.

06. During deliberations, the Committee enquired DMRC whether the entire works including the additional works shall be completed within the stipulated period i.e. by December, 2016. Chief Engineer, DMRC has expressed that at least 12 months are required to complete the additional works. Since the time period of 12 months appeared to be long, keeping in view the fact that most of the major works were completed and only some structural modifications are required for accommodating the additional capacity, the Committee directed DMRC to curtail the time period by undertaking various pre-construction activities simultaneously. DMRC was asked to ensure that the entire work is completed by March, 2017. Thereafter, the Committee directed the Administrative department, IL&BS and DMRC to chalk out a definite time schedule for each activity and strictly enforce/ monitor /adhere the same so as to complete the work by 31<sup>st</sup> March, 2017 positively.

07. After considering the recommendation of Administrative Department on the requirement and its satisfaction regarding technical, administrative, operative, maintenance and financial aspects etc, the Expenditure Finance Committee has made the following recommendation on the proposal of the H&FW Department for construction of Phase-II of teaching cum super speciality hospital –'Institute of Liver & Biliary sciences' at an revised cost of ₹497.72 crore (Rupees four hundred ninety seven crore seventy two lakh only) subject to the following;

- i. The proposal for revision of cost shall be placed before the Cabinet for approval and sanction.
- ii. Project shall be completed as per approved scope of work within scheduled period at the sanctioned cost. No cost escalation will be considered in future.
- iii. Compliance of pre-sanction / post-sanction guidelines / requirement circulated as Annexure to Government order no. PA/DSF/Misc/2012-13/Exp-4/538-45 dated 17.05.2012 during planning and execution period
- iv. While submitting the proposal for consideration of Competent Authority, the department shall incorporate the current status of the main project, reasons for revision, comparative statement of original vs. revised cost, etc also in the Cabinet note along with the recommendation of EFC.

## II. Establishment of Ambedkar Nagar Hospital- up-gradation from 200 to 600 beds

i. H&FW department has submitted that the original project of construction of new 200 bed hospital at Ambedkar Nagar was approved vide Cabinet Decision No. 2055 dated 29.7.2013 at a cost of ₹125.90 crore and 60% of the original work has been completed. The work is being executed by NBCC. The current proposal is for increasing the number of beds from the existing strength of 200 to 600 by utilising available FAR as per MPD 2021 at an additional cost of ₹56.99 crore, based on DPAR 2012 minus 12% for scheduled items and market rates for non-scheduled items with 1% each for contingency, labour cess, 3% Consultancy fee with S.T, Departmental charges @ 5% + service tax @ 12.36%.

ii. Following are brief details of the proposal submitted for consideration;

i.	Covered area	37724 sqm
ii.	Unit cost of construction	₹48483/-per sqm
iii.	Stipulated period of completion	18 months

iii. Break-up of cost for additional works; (₹56.99 crore)

S.N.	Particulars	Estimated Cost (₹.. in crore)
i.	Hospital Block	20.52
ii.	Basement	13.28
iii.	Electrical equipments/ Machine & Plant cost	2.61
iv.	Misc. items like medical gas pipeline, furniture, canteen & kitchen items, CCTV, etc	12.18
v.	Other charges i/c Departmental charges, contingency, labour cess, Consultancy fee, etc	8.40
Total		56.99

08. While processing the proposal it was observed by the Finance department that Works Contract Tax is not be added in the estimation as per para 4.1.4 (7) of the CPWD Works Manual 2014 and therefore the same need to be deleted from the estimation. After deletion of the provision, the additional cost has been revised to ₹55.05 crore and thus the total Project cost becomes ₹180.95 crore.

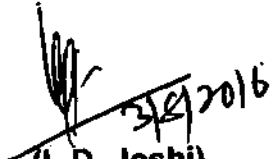
09. During deliberations the Committee observed that the project is being funded by Government of India subject to the condition that the project becomes operational within 24 months. In that case the Committee desired to know whether Government of India will continue to support the project for the increased bed strength also. It was clarified by the Secretary (Health) that assurance of the Government of India is available for financial assistance of ₹135.00 crore for the original cost of the project only. So far ₹60.00 crore has been released, out of which an unspent balance of ₹24.00 core is still available with the department. However, GOI will not fund the additional cost of the project and the same has to be made available from the budget of Government of Delhi. As such no additional funds will be immediately required at present. The Committee directed the Department to ensure that the funds committed by the Government of India shall be released for the project and only additional funds shall be provided by GNCTD. For this, the department shall move a proposal for making necessary provision for funds, as and when required, to Finance Department.

10. On being enquired about the availability of all statutory clearances for the additional works, it was clarified that Fire & Environment clearances have been received and clearances from DUAC & MCD are being taken up simultaneously. The Committee has directed that the department shall ensure to take all mandatory clearances before actually taking up the work.

11. After considering recommendation of Administrative Department on the requirement and its satisfaction regarding technical, administrative, operative, maintenance and financial aspects etc, the Expenditure Finance Committee has made the following recommendation on the proposal of the H&FW Department for up-gradation of Dr. Ambedkar Nagar Hospital from 200 beds to 600 beds at an revised cost of ₹180.95 crore (Rupees one hundred eighty crore ninety five lakh only) subject to the following;

- i. The proposal for revision of cost of shall be placed before the Cabinet for approval and sanction alongwith all Statutory Clearances.
- ii. Project shall be completed as per approved scope of work within scheduled period at the sanctioned cost. No cost escalation will be considered in future.
- iii. Compliance of pre-sanction / post-sanction guidelines / requirement circulated as Annexure to Government order no. PA/DSF/Misc/2012-13/Exp-4/538-45 dated 17.05.2012 during planning and execution period
- iv. While submitting the proposal for consideration of Competent Authority, the department shall incorporate the current status of the main project, reasons for revision, comparative statement of original vs. revised cost, etc also in the Cabinet note along with the recommendation of EFC.

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

  
(L.D. Joshi)  
Joint Secretary (Finance)  
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1. Secretary to the Minister (Finance)/ Dy. Chief Minister for appraisal of Hon'ble Finance Minister / Dy. Chief Minister, Delhi.
2. Secretary to the Minister (Health) for appraisal of Hon'ble Minister, Delhi.
3. Secretary, H&FW Department, 9<sup>th</sup> level, Delhi Secretariat, New Delhi
4. Secretary, Public Works Department, GNCTD, Delhi Secretariat, New Delhi
5. Engineer-in-chief, PWD, MSO building, ITO, New Delhi.
6. Director, Planning Department, GNCTD, Delhi Secretariat, New Delhi
7. PS to Pr. Secretary (Finance), GNCTD.
8. PA to Spl. Secretary (Finance), GNCTD.
9. Programmer, Finance Department, GNCTD
10. Concerned file/Guard file.

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