

No.F-3/30/CS/2007/PS-1V/3051-64
Government of the NCT of Delhi
Finance (Infrastructure) Department
4th Level, A-Wing, Delhi Secretariat,
New Delhi

Dated: July/12/2011

Government Order

Subject: Guidelines for Preparation of the EFC/SFC Memo

1. The **investment decisions** of government are based on the memos placed before the Expenditure Finance and Standing Finance Committees. The **degree of attention** paid to the preparation of this **crucial** document determines the extent to which the government are enabled to take appropriate decisions. Government have been concerned about both the quality of memos and the pre-approval and post-approval actions of both the administrative departments and the executing agencies.
2. Attention of administrative secretaries and secretaries in-charge of executing agencies is thus invited to the following:
 - (i) **All projects** other than those specifically belonging to works departments are anchored in the administrative department and **belong to** the said **administrative department**.
 - (ii) The **administrative secretaries** are **fully responsible** for securing **timely and economical implementation** of projects/schemes/works.
 - (iii) The **EFC/SFC memos** are **pen pictures** of the scheme/project/work. They should reflect the thinking of the administrative department comprehensively.
 - (iv) The **preparation of the EFC/SFC memo**, which is the property of the administrative department, is only the **last step** in securing such approvals and implementation and the **administrative department needs to remain fully engaged** in the preparation of the memo.

- (v) The required **administrative approvals** and **expenditure sanctions** shall be sought **only after all the pre-sanction approvals have been obtained**. Expenditure sanction is the ultimate not the first formality. Arranging for the land, land use changes if any required, approval for building plans, statutory clearances, etc are examples of pre-sanction formalities that departments will need to certify as having been completed before the proposal is placed before the EFC/SFC.
- Wherever, government approval is required for the 'project' to be submitted to the building plan approving authorities or environment clearance authorities, 'in principle' approval for the projects maybe obtained from the Planning and Finance departments after the same have been approved by the Minister-in-charge.
- (vi) The first issue that needs to be attended to is to **check** that **both** the **capital and revenue contents** of the project are **duly reflected** in the memo.
- (vii) **Departments** must **ensure** and certify that rain water harvesting/ cycling, parking, and green features have been duly incorporated.
- (viii) The columns related to **O&M expenditure projections** relate to the operational (staff, equipment, furniture, furnishings,) and maintenance expenditure in the first three to five years after completion of construction. This should be duly included.
- (ix) The department should indicate the **action plan** for having the **revenue components** (operational and maintenance needs) and the timelines for the same to coincide with the completion of the capital content of the project.
- (x) Similarly, the column regarding **manpower needs** is not about the manpower needs of the executing agency for construction but the needs of the administrative department for making the project functional. These too need to be spelt out and would include steps for creation of posts, framing of recruitment rules, wherever required and procurement of equipments, furnishings, and furniture, etc.

- (xi) The CPWD Manual is the principal guide for planning and execution of works. General Financial Rules also provide guidelines in this regard. The financial rules relating to works are codified in GFR 123 to 134. These rules, especially Rule 132, lay down the procedure for execution of works are relevant and may be referred to. Consequent upon completion of tendering process, contract management may be carried out as per GRRs 203-205.
2. Administrative secretaries should pay special attention to the plan schemes relating to infrastructure development activities and carry out regular monitoring. In this regard following suggestions are vital:
- i) Departments may nominate the second-in-command as a Plan Implementation Officer with the responsibility of carrying out the basic work relating to a particular plan scheme in consultation with all concerned after identifying the basic requirements.
 - ii) Conduct discussion sessions to develop ideas for the best use of the 'to be developed infrastructure'. In this process some meetings should be held in which the views of the grass-root level users of the infrastructure can be taken, considered, and incorporated if found feasible.
 - iii) Plinth Area Rate (PAR) base estimates may be got computed to facilitate the identification of preliminary activities and expenditure thereupon. This may relate to preliminary surveys, site/soil investigation, preparation of project report etc. If need be, specialized consultant may be appointed to deal with these basic issues depending upon the estimated cost of the project/scheme. The consultant would further help in preparation of : (a) concept plan, (b) building plan, (c) detailed architectural design/drawings, (d) detailed structural designs/drawings, (e) detailed estimate as per standardized components of cost communicated vide **Finance department Order No. F. PA-DSF/Misc./2010-2011 dated June 2, 2011**, (f) detailed item-wise specifications with regard to above.

- iv) Administrative department should **satisfy** itself that the project is approved in the Annual Plan for the relevant year with sufficient plan outlay, planning is within the range and scope of its requirement and **certify** satisfaction with the proposal.
- v) The Administrative department shall proceed for various **statutory approvals/clearances** for the project.
- vi) The departmental monitoring committee shall also be associated with the planning.
- vii) Once the proposal is considered as satisfactory and clearances are received, the Administrative department should administratively approve it and seek expenditure sanction from the competent authority as per delegation of financial powers for capital works as communicated vide Finance department Order no. **Finance department Order No. F. PA-DSF/Misc./2010-2011 dated June 2, 2011** by means of a self contained note giving details of step-wise justification of the proposal on the project/scheme duly supported by an analytical note in the prescribed Performa enclosed herewith as Annexure-1.
- viii) The Administrative department through Monitoring Committee should monitor the project to facilitate successful and time-barred implementation of the plan scheme/project to avoid time and cost over runs. The quarterly review report is to be submitted to Finance and Planning departments regularly.


(PK TRIPATHI)
Chief Secretary

1. All Administrative secretaries, GNCT of Delhi.
2. Pr. Secretary to the Hon.' Lt. Governor.
3. Pr. Secretary to the Hon.' Chief Minister, GNCT of Delhi.
4. Secretaries to Hon.' Ministers, GNCT of Delhi
5. Commissioner of Police, Delhi.
6. All Head of the departments, GNCT of Delhi
7. Special secretary, Finance department, GNCT of Delhi
8. Additional secretary, Finance department, GNCT of Delhi
9. All Dy. Secretaries in the Finance department, GNCT of Delhi
10. Controller of Audit, Dte. of Audit, GNCT of Delhi.
11. Controller of Account, Principal Account Office, GNCT of Delhi.
12. All Desk Officer in Finance department, GNCT of Delhi
13. All Pay and Account Officers, GNCT of Delhi
14. Guard File.

NOTE FOR CONSIDERATION OF SPECIFIC WORK/PROJECT/SCHEME

- **Project:**
- **Scheme:**
- **Cost :**
- **Construction agency:**

1 Name of the Department	
2 Head of Department	
i) Designation ii) Responsibility for the Work/Project/ Scheme iii) Specific observations with regard to the Work/Project/ Scheme	
3. Administrative Secretary	
i) Role in respect of the project ii) Responsibility for the Work/Project/ Scheme iii) Specific observations with regard to the Work/Project/ Scheme	
4. Implementation officer	Sr. Officer of the department enjoying second position in the hierarchy
i) Name ii) Designation iii) Phone No. iv) Duties	

5. Name of the work/ project/scheme				
6. Specifications				
7. Basis of cost estimation				
8. Estimated cost	<i>Original (i)</i>	<i>Revised (ii)</i>	<i>Modified (iii)</i>	<i>Differential (iv)</i>
<p>A) Buildings</p> <p>i) Office Building ii) Residential Building iii) Basement iv) Development work in the building complex v) Misc. Schemes/ Components, i.e. lifts, parks etc.</p> <p>Total Estimated cost</p> <p>B) Roads/Bridges/ FOBs/Flyovers/ Grade separators</p> <p>C) Drains</p> <p>D) Major renovation Schemes</p> <p>E) Any other work</p>				

9. Covered Area	<i>Original (i)</i>	<i>Revised (ii)</i>	<i>Modified (iii)</i>	<i>Differential (iv)</i>
<p>A) Buildings</p> <p>i) Office Building ii) Residential Building iii) Basement iv) Development work in the building complex</p> <p>v) Misc. Schemes/ Components, i.e. lifts, parks etc.</p> <p>Total Estimated cost</p> <p>B) Roads/Bridges/ FOBs/Flyovers/ Grade separators</p> <p>C) Drains</p> <p>D) Major renovation Schemes</p> <p>E) Any other work</p> <p>Total covered area</p>				
10. Unit Cost	<i>Original (i)</i>	<i>Revised (ii)</i>	<i>Modified (iii)</i>	<i>Differential (iv)</i>
<p>A) Buildings</p> <p>i) Office Building ii) Residential Building iii) Basement iv) Development work in the building complex</p>				

<p>v) Misc. Schemes/ Components, i.e. lifts, parks etc.</p> <p>Estimated unit cost (overall)</p> <p>B) Roads/Bridges/ FOBs/Flyovers/ Grade separators</p> <p>C) Drains</p> <p>D) Major renovation Schemes</p> <p>E) Any other work</p>	
11. Objective	
12. Category of work (Original/Replacement)	
13. Nature of work Capital/Revenue Plan/Non plan	
14. Budget provisions	
15. Phasing of the project/scheme/work (activity wise-year wise during gestation period .)	<p>Physical progress (activity wise/year wise)</p> <p>Projected expenditure</p>
<p>Year 1</p> <p>Year 2</p> <p>.....</p> <p>Last year</p>	

16. Expenditure incurred so far.	
17. Provision for revenue component related to the project	
A) <i>Physical implications</i> i) Day to day routine maintenance ii) Annual maintenance iii) Preventive maintenance iv) Special maintenance B) <i>Financial implications</i>	
18. Manpower planning	
A) <i>Physical implications</i> B) <i>Financial implications</i>	
19. Office equipment and other required infrastructure	
A) <i>Physical implications</i> B) <i>Financial implications</i>	
20. Availability of Land	
i) Land is available for the project or not ii) Land use iii) Land is encumbrance free or otherwise.	

21. Status of requisite Statutory clearances	
23. Approval of Minister has been obtained or not	
24 Schedule of completion	
i) Period of pre construction stage ii) Construction period.	
25. Design of the project and approvals thereof	
i) Concept plan ii) Working drawings iii) Soil exploration report for facilitating foundation iv) Detailed architectural drawing v) Detailed structural drawings. vi) Detailed specification of items of the project.	
26. PERT/CPM charts	
27. Status of Monitoring Committee	
i) Constituents ii) Schedule of review meetings.	

28. Projected scheme wise component wise cost estimation (Sample Given below)

	<i>*Base- ment</i>	<i>*Office Building (separate ly for each type)</i>	<i>*Residenti al building (separately for each type)</i>	<i>*External develop- ment costs</i>	<i>*Addl. Work cost</i>	<i>*Cost of lifts</i>
i) PAR/DSR						
ii) Mkt. Rate						
C.I. @9%						
Consul-tancy						
A.W.@1%						
Contingency @1%						
Labour Cess @ 1%						
PMC/DC @ 5% plus service tax thereupon						
Total cost						
Covered area						
Unit/m ² cost						

*	Subject to change as per nature of work
29. Observations of Planning department & Complacence thereof	

30.

"Certified that I have personally examined the estimates of the project relating to _____ estimated cost of which is Rs. _____

and is fully satisfied that the project is justified. Further, the technical and financial components to the cost estimation (Original/Revision/Modification) is correct in all respect and it fulfills the principles of technical and financial prudence and is most economical one to fulfill its objective and therefore, its conception and estimation is fully justified.

It is further certified that the project complies with the norms of financial propriety and maintains economy in expenditure and could be completed within the scheduled time period at the estimated cost. It has no impediments/obstructions in its implementation.

It is further certified that the proposal has been got examined from Plan functionary/Account functionary of the Division/Department and their observations have been taken into account for the project."

Chief Engineer

31.

Certified that I have personally perused the proposal and have found it suitably conceptualized. The proposal would meet/serve the requirements/objectives of the department. Encumbrance free land is available. All administrative formalities, statutory clearances, provisions of parking, rain water harvesting and recycling of water, green building features etc. have been complied. Necessary provision for maintenance has been made for _____ years after completion of work/project/scheme. Manpower planning has been estimated and efforts will be made to create the required posts by the time the project is completed and fill them up within the period of 6 month of completion of the project. However, during the intervening period the work will be handled by incumbents engaged on contract. The proposed work can be started within a period of _____ days/months of the sanction and expected to be completed within the scheduled period of _____ months/years.

Head of Department

Administrative Secretary