



DELHI JAL BOARD; GOVT. OF NCT OF DELHI  
OFFICE OF THE EXECUTIVE ENGINEER (SDW)-IV  
SEWAGE TREATMENT PLANT KONDLI,  
KONDLI, DELHI-110096  
Ph: 011-22613156  
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**STOP CORONA**

**"Wash Your Hand, Wear Mask & Maintain Social Distance"**

No.: F-29(Ko)/DJB/EE(SDW)-IV/2020/

2107 ✓

Dated:

15 OCT 2020

To,

M/s VA Tech Wabag Limited,  
"WABAG House"  
No.17, 200 Feet Thoraipakkam  
Pallavaram Main Road,  
Sunnambu Kolathur,  
Chennai- 600 117,  
INDIA  
E-mail: wabag@wabag.in, r\_mittal@wabag.in

AND

M/s VA Tech Wabag Limited,  
4,H Floor, Plot No.A-13A, Graphix Tower,  
Sector-62, Noida, U.P.-201301.  
E-mail : rajiv\_mehta@wabag.in

[Kind Attention: Sh. Rajiv Mittal, MD]

**Name of Work:-** 45 MGD Sewage Treatment Plant and other related associated/ allied appurtenant works on design, Build & Operated basis at Kondli, Delhi.

**Agreement No.:** - 02(2008-2009)/ EE(C)DR.IX dated 12.06.2008.

**Subject:** - Letter of Debarment of M/s VA Tech Wabag Limited from participating in future projects/tenders/bids/works to be undertaken by Delhi Jal Board for 3 (Three) years.

**Reference:**

- i) DJB's Show Cause Notice vide No. DJB/CE(SDW)/2016/299 dated 25.05.2016
- ii) DJB's Show Cause Notice vide No.F-29(Ko)/DJB/EE(SDW)-IV/2017/4388 to 4393 dated 01.03.2017
- iii) DJB's Show Cause Notice vide No.F-29(Ko)/DJB/EE(SDW)-IV/2017/4758 to 4763 dated 24.03.2017
- iv) DJB's Show Cause Notice vide No.F-29(Ko)/DJB/EE(SDW)-IV/2020/351 dated 22.06.2020

- v) DJB's Letter No.F-29(Ko)/ DJB/EE(SDW)-IV/2020/757 dated 31.07.2020
- vi) M/s VA Tech Wabag Ltd. Letter No. VATech/DJB/KMS/ns/2020/06/1804 dated 29.06.2020
- vii) M/s VA Tech Wabag Ltd. Letter No. VATech/DJB/10M80-RM/06/1804A dated 04.08.2020.

Dear Sir,

WHEREAS, Contract Agreement for the work of **"45 MGD Sewage Treatment Plant and other related associated/ allied appurtenant works on design, Build & Operated basis at Kondli, Delhi"** (hereinafter referred as Project) was issued to M/s VA Tech Wabag Limited (hereinafter referred as 'Selected bidder' or 'Executing Agency') vide C.A. No.-2(2008-2009)/EE(C) Dr.-IX on 12.06.2008 by Delhi Jal Board (hereinafter referred as 'DJB' or 'Authority').

2. AND WHEREAS, the broad scope of work covered under this project are:-

- (i) Design and construction of Sewage Treatment plant based on Activated sludge process for 90 MGD Peak Flow, 45 MGD average flow and 22.5 MGD lean flow.
- (ii) Three months trial run after installation and commissioning of processing units, one year Defect Liability Period and 10 year's subsequent Operation-cum-Optimal utilization of equipment/ processing units and the facility to achieve the design parameters for Treated-Effluent BOD/TSS-20/30 mg/l (i/c cost of consumables required) excluding the electricity bill against use of grid power payable by DJB.
- (iii) Comprehensive maintenance/ repair/ renovation/ replication of equipment/ units including men, material and machines required.
- (iv) Handling and Disposal of Residue/ sludge and other by-products of Sewage treatment Process.
- (v) Guaranteed Electricity generation with use of Biogas Engines.
- (vi) Carrying out the required analysis, maintenance, storage and retrieval of data and submission of reports.
- (vii) Housekeeping and maintenance of Administrative Block, Internal Roads, Surface Drains, Horticulture and Landscaping.
- (viii) Safety and security of DJB property.
- (ix) Statutory approvals and Liasoning.
- (x) Any other activity/ works not mentioned specifically but deemed essential to achieve the goal as required time to time.

3. AND WHEREAS, the 45 MGD STP Phase-IV was put on trial run for the period of three months on 29.08.2013 as per provision of the contract. One year's Defect Liability Period was started w.e.f. 29.11.2013. The Executing Agency has failed to achieve the design parameters (BOD/TSS - 20/30 mg/l), for treated effluent during this period hence the DLP was extended for the period of one year i.e. up to 28.11.2015 as per provision of contract agreement. However the Executing Agency again could not achieve the treated effluent parameter due

to which DLP was extended up to 31.01.2016. Accordingly, the period of stipulated 10 year's O&M started w.e.f. 01.02.2016.

4. AND WHEREAS, the performance of the plant has been continuously under scrutiny, since the start of O&M period i.e. w.e.f 2016. There have been many occasions when it was observed that the Executing Agency failed to operate & maintain the plant as per SOP. Consequently Show Cause Notices dated 25.05.2016, 01.03.2017 & 24.03.2017 were issued to the firm. Subsequently IIT Delhi was also appointed by the department vide letter No. F-9(L)/DJB/EE(SDW)-IV/2017/191 to 198 dated 22.04.2017 for conducting process audit of 45 MGD STP, Kondli at the risk and cost of the Executing Agency.
5. AND WHEREAS, the IIT Delhi vide its report dated 17.01.2018 had submitted process audit report to DJB wherein some recommendations were suggested. The key recommendations were as under:
  - (i) In the initial portion of the aeration tanks, one extra diffuser sub grid may be provided due to sulphide, which is enormously high in this wastewater.
  - (ii) Maintenance of diffuser pipes needs proper attention. Therefore, it is proposed to install modular grid for air supply. However, maintenance of diffusers with affecting the operation of aeration tank is really a difficult task. Therefore, a preventing maintenance schedule put in place. In future arrangement provision of retrievable grid can be planted.
  - (iii) Plant should have automatic control system for better operation and control. Such control system is immediately needed at the primary sludge sump.
6. AND WHEREAS, the above recommendations were conveyed to the firm vide letter No. F-29(Ko)/DJB/EE(SDW)-IV/2018/3865 dated 09.02.2018 for compliance. These were required to be complied with by the firm to meet the treated effluent parameters as per the provisions of the contract agreement. In response to the DJB's letter, the firm committed certain timelines to implement the recommendations of IIT Delhi. However, the firm failed to implement the above recommendations till date.
7. AND WHEREAS, large number of complaints from nearby residential colonies of Mayur Vihar Ph-III regarding emission of bad odour from the plant, owing to poor performance of the Executing Agency, Hon'ble Vice Chairman, DJB under took an inspection of the plant on 22.05.2020. Dissatisfied with operation & maintenance of the plant then, it was decided and directed to initiate stern action against the Executing Agency as per contract agreement.
8. AND WHEREAS, the Executing Agency M/s VA Tech Wabag Ltd. miserably failed to maintain the Electrical & Mechanical equipments installed at the 45 MGD STP and observed that more than 40% of major E&M equipments are out of order. Also, the power generation through Bio-gas by the company was never found stable during the O&M period.

9. AND WHEREAS, due to failures on the part of the Executing Agency, Show Cause Notice was issued on 22.06.2020 seeking explanation as to why the Executing Agency should not be debarred from participation in the future bidding process of DJB on account of poor performance and why the work of O&M of 45 MGD STP Kondli should not be handed over to the other firm at the Executing Agency's risk & cost.
10. AND WHEREAS, DJB considered the subsequent reply of Show Cause Notice submitted vide letter No. VATech/DJB/KMS/ns/2020/06/1804 dated 29.06.2020 and after scrutiny of the response of the Executing Agency, it is stated that the submissions/reply of M/s VA Tech Wabag Ltd. is not found satisfactory. Accordingly, a disagreement note to the firm was sent vide letter no. F-29(Ko)/DJB/EE(SDW)-IV/2020/757 dated 31.07.2020 on the following grounds:
- (i) The firm has failed to generate guaranteed energy (in kWh) due to non-functioning of Bio-gas engines as per schedule – XVII, Vol-II and clause 1.2.2.7 Vol-I of Contract Agreement. This is putting extra financial burden on DJB. As per the CA provisions, electricity requirement from the grid is 'NIL'. This stands communicated repeatedly to you through e-mails / registered letters / verbal instructions.
  - (ii) The E&M equipment installed at the plant are not functioning properly and even presently around 40% essential equipments are lying idle / un-attended. There have been many instances when more than 40% major, essentially required equipments remained under break down maintenance which adversely affecting performance of the plant. These instances stand already communicated through e-mails / registered letters / verbal instructions.
  - (iii) The firm has failed to maintain the facility in a good working order including sustaining adequate DO / MLSS levels / inventory of spare parts as per clause no. 5.4.3 Vol. -I of Contract Agreement causing emission of bad odour in and around the facility. This is eventually disturbing ecology and life of nearby households against which large number of complaints have been pouring in from the RWAs in the vicinity of that area.
  - (iv) The firm claimed the presence of excess sulphide in raw sewage being received at 45 MGD STP, as culprit for bad odour / corrosion of equipments / wear & tear of equipment AND WHEREAS a report submitted by Quality Control Wing of DJB confirms presence of sulphides at other STPs like 25 MGD Ph-II, and 9 MGD Chilla, located either in the same premises or in the vicinity thereof being operated & maintained by other O&M contractors. However, no such complaints, due to the said


reasons have been reported so far from STPs other than 45 MGD STP.

- (v) The firm has failed to comply with some of the recommendations given by IIT Delhi in its report dated 17.01.2017 such as provision of one extra diffuser sub-grid, installation of module grid for air supply and automatic control system for better operation and control of the facility.
- (vi) In addition to above there have been occasions where no deployment of O&M staff was found even at very critical units like inlet works / primary units making the plant dysfunctional. This led to overflow and consequent scattering of raw sewage inside STP premises and adjoining residential colony creating unhygienic conditions.

11. AND WHEREAS, as a result of poor performance of the plant, proposal was placed before debarment committee for deliberation and deciding further course of action against Executing Agency M/s VA Tech Wabag Ltd.
12. AND WHEREAS, pursuant to the debarment committee meeting, a personal hearing was granted on-29.09.2020, which was attended by Sh. Rajiv Mittal, Managing Director, on behalf of M/s VA Tech Wabag Ltd. The Executing Agency raised the issue of sulphide contents, excess flow at the STP, requirement of sludge beds for sludge disposal and force majeure etc.
13. AND WHEREAS, the committee heard views of Executing Agency intently. But the Executing Agency was unable to satisfy the committee with concrete reasons behind the non-operation of electrical and mechanical equipments at the plant, its inability to stabilize the power generation, and its inability to achieve the treated effluent parameters on regular basis.
14. AND WHEREAS, various instances were also recorded by DJB during surprise inspection/night duty that Executing Agency was bypassing the untreated sewage/sludge into river Yamuna thereby clearly violating the conditions of Contract Agreement and also in the direction of Hon'ble NGT. DJB had viewed it very seriously and communicated the same to Delhi Pollution Control Committee (DPCC) for necessary action against the Executing Agency for bypassing the untreated sewage which is against the Environment (Protection) Act. The Delhi Pollution Control Committee (DPCC) in response to DJB's letter has issued Show Cause Notice vide dated 18.09.2020 to the Executing Agency under section 33(A) of Water(Prevention and Control of Pollution) Act, 1974 and u/s 31(A) of Air(Prevention and Control of Pollution) Act, 1981.
15. AND WHEREAS, DJB has suffered power loss, loss under the provisions of Environment (Protection) Act, loss of endangering life and property and reputational damages due to Selected Bidder's fundamental breaches to the Contract Agreement, and Selected Bidder's persistent poor performance in

respect to the Operation and Maintenance of the 45 MGD STP Phase-IV at Kondli.

16. AND WHEREAS in view of above and taking into consideration all the facts and records, as per the recommendations of Debarment Committee who have unanimously come to the conclusion that:  
"M/s VA Tech Wabag Limited is hereby debarred for the period of **3 (Three) years** from participating directly or indirectly in any work/tender/bid connected with Delhi Jal Board".
17. AND WHEREAS approval was obtained from the Competent Authority for "Debarring M/s VA Tech Wabag Limited for the period of **3 (Three) years** from participating directly or indirectly in any work/tender/bid connected with Delhi Jal Board".
18. Therefore, Executing Agency M/s VA Tech Wabag Limited is hereby conveyed that "M/s VA Tech Wabag Limited is debarred for the period of **3 (Three) years with immediate effect** from participating directly or indirectly in any work/tender/bid connected with Delhi Jal Board".
19. This letter is issued without prejudice to any other right or remedy available to the Authority under the Contract Agreement and/or applicable law.
20. This is issued with the approval of the Competent Authority.

  
15.10.2020  
(Rakesh Kumar Kaushik)  
Executive Engineer (SDW)-IV

**Copy to Water and Sewage Utilities of all States/UTs through their Chief Secretary/ Administrator to Hon'ble LG of UTs:-**

S. No.	State / UTs	Address
1.	Andaman & Nicobar Islands	Office of the Andaman & Nicobar Administration Secretariat, Port Blair
2.	Andhra Pradesh	Office of the Chief Secretary Government of Andhra Pradesh Velagapudi Amaravati-522503
3.	Arunachal Pradesh	Office of the Chief Secretary Government of Arunachal Pradesh, Itanagar-791111
4.	Assam	Office of the Chief Secretary Government of Assam, P.O. Assam Sachivalaya, Guwahati-781006

5. Bihar  
Office of the Chief Secretary  
Government of Bihar, Main Secretariat Building,  
Patna- 800015
6. Chandigarh  
Office of the Administrator,  
4th floor, Haryana Civil Secretariat,  
Chandigarh
7. Chhattisgarh  
Office of the Chief Secretary  
Government of Chhattisgarh, Mahanadi  
Bhawan, Mantralaya, Naya Raipur-492002
8. Dadra and Nagar Haveli  
Office of the Administrator  
Dadra and Nagra Haveli  
Secretariat, 66 KVA Road,  
Amla, Silvassa-396230
9. Daman and Diu  
Office of the Administrator  
Union Territory of Daman & Diu,  
Secretariat, Moti Daman-396220
10. Goa  
Office of the Chief Secretary  
Government of Goa, Panaji-403001
11. Gujarat  
Office of the Chief Secretary  
Government of Gujarat,  
Block No. 1, 5th Floor, Sardar Bhawan,  
Sachivalaya, Gandhinagar-382010
12. Haryana  
Office of the Chief Secretary  
Government of Haryana,  
Chandigarh- 160001
13. Himachal Pradesh  
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Government of Himachal Pradesh,  
Shimla-171002
14. J & K  
Office of the Administrator  
Government of Jammu & Kashmir,  
Shrinagar-190001
15. Jharkhand  
Office of the Chief Secretary  
Government of Jharkhand,  
Ranchi- 834001
16. Karnataka  
Office of the Chief Secretary  
Government of Karnataka,  
Bangalore-560001
17. Kerala  
Office of the Chief Secretary  
Government of Kerala,  
Thiruvananthapuram- 695001

18. Lakshadeep Office of the Administrator Union territory of Lakshdweep,  
Lakshdweep House, Kavaratti-68258
19. Leh and Ladakh Office of the Commissioner/ Secretary,  
UT Secretariat, Leh and Ladakh.
20. Madhya Pradesh Office of the Chief Secretary  
Government of Madhya Pradesh,  
Bhopal-462004
21. Maharashtra Office of the Chief Secretary  
Government of Maharashtra,  
Mantralaya, Mumbai- 400032
22. Manipur Office of the Chief Secretary  
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Old Secretariat,  
Bapupara, Imphal-795001
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Government of Meghalaya,  
Shillong- 793001
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Government of Odisha,  
Bhubaneshwar- 795001
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Govt. of Puducherry, ,  
Goubert Avenue PUDHUCHERRY- 605001
28. Punjab Office of the Chief Secretary  
Government of Punjab,  
Chandigarh- 160001
29. Rajasthan Office of the Chief Secretary  
Government of Rajasthan,  
Jaipur-302005.
30. Sikkim Office of the Chief Secretary  
Government of Sikkim,  
New Secretariat, Development Area,  
Gangtok-737101



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|-----|----------------|--|
| 31. | Tamil Nadu     | Office of the Chief Secretary<br>Government of Tamilnadu,<br>Chennai- 600009   |
| 32. | Telangana      | Office of the Chief Secretary<br>Government of Telangana,<br>Secretariat, Hyderabad-500022                           |
| 33. | Tripura        | Office of the Chief Secretary<br>Government of Tripura,<br>New Secretariat Complex,<br>Agartala- 799011              |
| 34. | Uttar Pradsesh | Office of the Chief Secretary<br>Government of Uttar Pradesh,<br>Shri Lal Bahadur Shastri Bhawan,<br>Lucknow- 226001 |
| 35. | Uttarakhand    | Office of the Chief Secretary<br>Government of Uttarakhand,<br>Dehradun-248001                                       |
| 36. | West Bengal    | Office of the Chief Secretary<br>Government of West Bengal,<br>Kolkata- 700001                                       |

  
 15.10.2020  
 Executive Engineer (SDW)-IV

**Copy for information to:-**

1. OSD to Chairman, DJB
2. OSD to Vice Chairman, DJB
3. PS to CEO, DJB
4. Member (Dr.)/Member (WS)/Member(F)/Member(A)
5. CVO
6. All CEs/Dir (F&A)/Dir(A&P)/Dir(Revenue)
7. All SEs
8. All EEs
9. EE(EDP) – To upload in the DJB website
10. All AOs
11. All AAOs
12. Office Copy/Case File

*EE (EDP) - To upload in the DJB*

  
 15.10.2020  
 Executive Engineer (SDW)-IV



*AE(EDP)*  
*Reg-I*

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