

No. PA/DSF/Misc./2012-13/EXP-4/538-45  
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI  
FINANCE (INFRASTRUCTURE) DEPARTMENT

4<sup>th</sup> Level, A-Wing,  
Delhi Secretariat  
New Delhi

Dated: May 17, 2012

**ORDER**

**Sub:- Revision of delegation of powers for sanction of capital works**

In super-session of all previous orders regarding delegation of financial powers for approval/sanction of **capital works**, the Lieutenant Governor of Delhi is pleased to **enhance the financial powers** of Head of the Departments and Administrative Secretaries of Government of NCT of Delhi for approval/sanction of capital projects, including the estimated cost of engagement of private consultants. After the said revision, financial powers of the respective Competent Authorities for approval/sanction of capital projects, including the estimated cost of engagement of private consultants will be as under:

SNo.	Sanctioning Authority	Existing Range of Estimated Project Cost	Proposed Range of Estimated Project Cost
1.	Head of departments, GNCTD	Up to ₹ 1.00 crore	Up to ₹ 2.00 crore
2.	Administrative Secretaries, GNCTD	Above ₹ 1.00 crore, and upto ₹2.00 crore	Above ₹ 2.00 crore, and upto ₹5.00 crore
3.	Finance Department, GNCTD	Above ₹ 2.00 crore, and upto ₹10.00 crore	Above ₹ 5.00 crore, and upto ₹10.00 crore
4.	Expenditure Finance Committee, GNCTD	Above ₹ 10.00 crore, and upto ₹100.00 crore	Above ₹ 10.00 crore, and upto ₹100.00 crore
5.	Council of Minister, GNCTD	Above ₹100.00 crore	Above ₹100.00 crore

2. The decision making/sanctioning authorities shall consider/approve the proposals for **capital works** as per standard norms and subject to the following parameters:

- (i) The capital project shall be part of Five Year Plan and Annual Plan in operation for the concerned year (s). No capital project shall be considered/sanctioned unless there is provision of funds in the annual budget for the year of sanction/expenditure. In case any new project, outside the purview of Five Year Plan/Annual Plan/Annual Budget is initiated, approval of Planning/Finance department is necessary alongwith the provision for funds in the Annual Budget.
- (ii) The estimates shall be prepared at **DSR/DPAR-2007**. Cost index shall be allowed **@ 39% for building works and @ 25% for road works**. Contingencies, labour cess, art works, and third party quality control shall be allowed **@ 1% each**.
- (iii) Consultancy charges for outsourced (private) consultancy work for a project, wherever essential as per provisions of CPWD Manual, shall be **fixed in lump sum subject to a maximum of 3% on the original estimates**. It shall not be revised unless there are substantial changes in the scope of work by way of additions to the project.
- (iv) Project management charges/Departmental charges shall not exceed 5% of the original project estimates.
- (v) Proposal shall not be sub-divided for convenience of sanction at lower level.

3. The Administrative departments shall follow the Policy guidelines circulated vide following **Government Orders**:

- (i) F-PA-DSF(Infra)/Misc./2010-11/DS-IV/3037-50 dated 22.07.2011 (EFC Proposals)
- (ii) PA/DSF(Infra)/FD/2011-12/DSIV/3386-3400 dated 25.07.2011 (Capital Projects)
- (iii) F-3/30/CS/2007/DSIV/3827 dated 24.08.2011 (Maintenance of Assets)

4. The Administrative departments shall follow the provisions of CPWD Manual/GFR-2005/Other relevant rules/Guidelines/Instructions issued by the government from time to time. A standard set of guidelines as formulated by Finance department, Govt. of NCT of Delhi in this regard are appended herewith, which may be followed while according expenditure sanction.

5. Administrative Secretaries/Head of the departments shall transmit a list of sanctions granted along with copies of sanction orders and 30 points proforma for capital project in each case on monthly basis to the **Finance and Planning departments** latest by 10<sup>th</sup> of the succeeding month.

6. Administrative Secretaries/Head of the departments shall monitor the sanctioned projects for physical and financial progress on monthly basis and forward quarterly reports to the Finance and Planning departments latest by 10<sup>th</sup> of the succeeding month.

7. This order comes into force with immediate effect.

*17/5/12*  
(D.M. SPOLIA)  
Pr. Secretary (Finance)

Encl.: a.a.

1. All Administrative Secretaries, GNCT of Delhi
2. All Head of the departments, GNCT of Delhi

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Copy for information to

3. Pr. Secretary to the H.E. Lt. Governor, Delhi.
4. Pr. Secretary to the Hon. Chief Minister, GNCT of Delhi
5. Secretaries to Hon. Ministers, GNCT of Delhi
6. Staff officer to Chief Secretary, GNCT of Delhi
7. Special Secretary, Finance department, GNCT of Delhi
8. Accountant General (Audit), Delhi
9. Engineer-in-Chief, Public Works department, Govt. of NCT of Delhi
10. Controller of Account, Principal Account Office, GNCT of Delhi
11. Controller of Audit, Directorate of Audit, GNCT of Delhi
12. All Dy. Secretaries in the Finance department, GNCT of Delhi
13. All Pay and Account Officers, GNCT of Delhi
14. All Desk Officer in Finance department, GNCT of Delhi
15. Guard File

*(H.P. SHARMA)*  
Under Secretary (Finance)

**GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI  
FINANCE DEPARTMENT**

**Subject : Guidelines for execution of projects/works.**

For rendering socio-economic services and for carrying out developmental activity as well as for renovation/upgradation of existing capital assets administrative departments and executing/construction agencies have to undertake execution of projects for enabling the department/government to render the requisite services and/or to create infrastructure in connection with the development of NCT of Delhi. Every project/work involves expenditure out of public funds (tax payers money). To ensure that every penny out of public funds is used to the optimum/best possible use/purpose and that there is no wasteful/superfluous/unnecessary expenditure, whatsoever, in the matter of execution of projects/works, the following requirements/conditions shall be complied by the administrative departments and executing/construction agencies.

**Pre-sanction requirements / conditions**

**1. Whether the project/scheme serves public interest or not?**

The project may be undertaken only if the same serves public interest at large. The responsibility for ensuring that the project/scheme actually serves public interest shall squarely be on the administrative department.

**2. Justification for investment in capital project:**

The Administrative department/the executing agency will satisfy itself regarding the justification for the quantum of expenditure estimated to be incurred – as to whether the capital asset proposed to be created/upgraded will have utility commensurate with the investment.

**3. Economical execution of the project:**

The executing agency/the administrative department will ensure that the project / scheme has been conceived, designed and planned in such a manner as would ensure execution of the project/scheme in the most economical manner and that no wasteful/superfluous expenditure, whatsoever, will be incurred.

4. **Inclusion of essential components in the work:**

It will also be ensured that there is no component/unit/stretch in the project/scheme which is superfluous/redundant and that the components/units/stretch as included in the project/scheme are technically essential to be a part of the same.

5. **Assessment/appraisal of scope/nature of project/scheme:**

Before undertaking the project/scheme the Administrative Department/Executive Agency should carry out proper/thorough assessment/appraisal of actual requirement, scope and nature of work to be carried out. The administrative department / executing agency should also satisfy itself about the feasibility, economics and utility of the project/scheme.

6. **Preparation of estimates:**

The detailed estimates and abstract of cost shall be prepared in accordance with the norms/parameters as per provisions of CPWD Manual and the guidelines/instructions issued by the government from time to time and as laid down in Government Order dated 12-7-2011 regarding standard norms for various components of cost.

While preparing estimates, the executing/construction agency will work out per unit cost and submit a statement indicating therein comparative per unit cost of projects of similar nature under execution or executed in the recent past.

7. **Technical and administrative aspects:**

The responsibility for technical and administrative aspects related to the project/scheme will be on the administrative department/executing agency.

8. **Consultancy charges:**

The private consultant may be appointed only if there is techno-functional requirement. It shall be as per provisions of CPWD Manual and decision of the Cabinet in this regard. The consultant so appointed shall be paid fee/service charges only on the initial/original estimate and there will be no revision of the said fee/charges subsequently unless there is a major change in the scope of work.

9. **Requisite statutory and other clearances:**

All statutory clearances, as applicable shall be procured expeditiously so that there is no delay in execution of project and consequent escalation of cost.

10. **Probable impediments in the execution of the projects:**

Administrative department/Construction/Executing agency must identify the probable impediments in the execution of the projects well in advance and must find out requisite solutions so as to ensure timely completion of the projects.

11. **Availability of encumbrance free land:**

All capital investment projects pertaining to Buildings/Road requires land, Therefore, before initiating a project, availability of land shall be ensured by the Administrative department. Besides, it shall also be ensured that a project shall not be undertaken for approval and sanction unless and until the entire land/stretch is free from encumbrance(s) of any sort.

12. **No duplication of work by any agency :**

The executing/construction agency while preparing the estimates will ensure that no component/unit/stretch of the work is duplicated in any manner.

**While submitting the proposal for expenditure sanction to the Competent Authority, viz. HOD, Administrative Secretary, Department, EFC or Cabinet, the Executing Agency and the Administrative Department concerned shall certify that the above said requirements/conditions have been fulfilled.**

**Post-sanction requirements / conditions**

1. **Award of work:**

Bids shall be invited for the consolidated work which shall not be sub-divided in any manner for the purpose of tendering. Work shall be awarded through competitive bidding only. Performance security shall be obtained from successful bidder to ensure execution of the contract as per the provisions of GFR-2005, CPWD Manual and instructions/guidelines etc. issued by Finance department/CVC from time to time.

Work shall be awarded within the scope and financial limits of AA & ES granted by the Competent Authority- the HOD/Administrative Secretary/ Finance department/Expenditure Finance Committee/Council of Ministers (Cabinet) as the case may be. In case the **L-1 bid** is over and above the sanctioned cost of the project, fresh tenders may be invited. If the rates/amount quoted by **L-1 bidder** subsequently (second time) are/is also higher than the approved cost, the proposal for revision of estimates may be brought/submitted before the Competent Authority, with justification for reasonableness of the bid of **L-1 bidder**, keeping in view the prevalent market trend/rates.

**2. Compliance of statutory rules and regulations:**

Work shall be awarded after completion of codal formalities as per the provisions of CPWD Manual, GFR-2005 and instructions/guidelines etc. issued by Finance department/CVC from time to time.

**3. No deviation from the prescribed specifications, quality and quantity (ies).**

The executing agency during the course of execution/construction will ensure that the specifications of items, their quality, quantities and proportion of the quantities as well as measurements in respect thereof as used in the project during the course of construction are the same on the basis of which estimates have been prepared and that there is no deviation whatsoever.

For fulfillment of the aforesaid requirement, Supervisory Officers/Engineers during the course of execution/construction shall carry out regular inspections and ensure that specifications regarding quality, quantities and proportions/measurements thereof are being adhered to scrupulously.

**4. Contract with the contractor:**

The administrative department/the executing agency shall enter into formal contract with the contractor. The contract deed should be in the standard format and should incorporate all the necessary clauses to safeguard the interest of Government in accordance with the provisions of GFR 2005/CPWD Manual and the aforesaid instructions/conditions.

5. **Adherence to time schedule and sanctioned cost:**

Project shall be completed within the given time-frame and within the sanctioned cost and as per provisions of CPWD Manual/GFR 2005.

6. **Adherence to sanctioned scope of work:**

The Administrative Department and/or Construction/Executing Agency must not change the scope of work on their own. It shall be brought before the **competent sanctioning authority**, if any such change is perceived/necessitated subsequently.

7. **Splitting of work not permissible.**

No work shall be splitted, in any manner, subsequent to the issue of the sanction. In case, it is necessary to do so, the proposal shall be brought before the **competent sanctioning authority** for its consideration and approval.

8. **Non-inclusion of extra items:**

No extra items shall be included in the sanctioned project/work subsequent to the sanction. Extra items, if essential, shall be included in the execution of work only after the prior approval of the **competent sanctioning authority**. Post facto approval shall not be permitted.

9. **Utilization of provision for contingency:**

The provision for contingency is meant for unforeseeable and unidentifiable items which can not be included/anticipated while preparing estimates for the work/project. Accordingly, the component of contingency as sanctioned by the **competent sanctioning authority** shall be invariably utilized for the same. **Personal claims on any account including conveyance, office contingencies etc. shall not be charged on works.**

10. **Financing of the sanctioned work:**

Financing for the works shall be managed by the administrative department as per the provisions made in the budget for respective works/projects for different years during the scheduled period for completion of work.



11. **Monitoring of the project:**

Administrative department./Construction/Executing agency shall monitor the execution of the project and submit quarterly progress report to Finance/Planning Department regarding the financial and physical targets and that the specification of items, quantity / quality of materials including proportion thereof are the same on the basis of which estimates were prepared and sanctioned.
12. **No duplication of work by any agency:**

The Administrative department/Construction/Executing Agency must ensure that none of the components/units/stretch(es) is duplicated in any manner during execution/award of work or at the time of payment either by the agency itself or by any other agency.
13. **Guarantee period:**

Every capital asset created/upgraded has, technically a certain/estimated life span. In order to ensure that the quality and quantity of the items/material used in the execution of work is as per the standard/prescribed specifications and that the asset so created lives its full life **Guarantee clause** must be incorporated in the **contract deed** so that the contractor is held responsible/liable whenever any deficiency/short coming/break down is observed which shows that the work has not been executed as per prescribed specifications/standards.
14. **Fore-closer of the project is not permissible mid-way:**

The project must not be scrapped during the course of execution on any pretext. In case emergence of some extra-ordinary circumstances leads to such unforeseen situation of fore-closer of the Project/Scheme, the matter may be placed before the sanctioning authority.
15. **Payment not to be released without the approval of competent authority:**

Departments shall not make any payment in anticipation of approval/sanction of revised/modified estimates unless and until the same has been considered and approved by the Competent Authority.

16. **Confirmation of completion of work/project.**

On the conclusion of the project/scheme, Work Completion Certificate and 3<sup>rd</sup> Party Quality Control Certificate must be furnished by the executing agency to administrative department which will in turn submit authenticated copies of the said certificates to Finance/Planning Deptt.

17. **Maintenance of the assets after construction:**

The projects, after their completion, shall be properly maintained by the Administrative Departments/Execution Agencies/User Organizations properly as per the provisions of the CPWD Manual, Government Order dated 25.7.2011, the guidelines/ instructions issued from time to time and keeping in view the provisions of **construction-cum-maintenance** contract wherever such contract has been executed.

There shall be provision for '**free maintenance**' for some initial years after completion of the project. Provision for the same shall be incorporated in the construction-cum maintenance contract. Maintenance for subsequent years (at least 5 years) after free maintenance period shall be assigned to the construction contractor as **paid maintenance**.