

**AFNHB update for those allottees who have not received the e-mail**

**Extracts of e-mail sent to all the allottees on 03 Jul 14**

**PLEASE NOTE:**

**ALL THE ALLOTTEES ARE REQUESTED TO SUBMIT / UPDATE THEIR E-MAIL ID FOR FASTER AND EFFECTIVE COMMUNICATION.**

**AFNHB DEHRADUN PHASE – II PROJECT: STATUS AS ON 30 JUN 14**

1. For the ease of construction, the Dehradun Phase-II project was divided into 02 Packages and accordingly the work was awarded to two contractors. **Package-I** consists of **05** Towers of **A-I** type and **02** Towers of **A-II** type. It also includes club house, shops and main entrance gate. **Package-II** consists of balance **03** Towers of **A-II** type, **03** Towers of **B-I** type and **02** Towers of **B-II** type. It also includes the **double basement** and the **STP**.
2. The work in Package-I has progressed satisfactorily and all the 07 Towers have been completed including electrical, sewerage and water connection pertaining to the respective blocks. Electrical, water and sewer connection which are to be linked to Package-II portions to complete the ring mains, including STP have not been completed.
3. While the RCC structure of these 08 Towers in **Package-II** is completed, the finishing works like internal/external plastering, flooring, doors/window shutters, sanitary and plumbing lines are **pending**. The contractor of Package-II had stopped work on several occasions in the past citing financial constraints. The Board has been facilitating the progress of work by providing financial assistance against the security of Bank Guarantees.
4. In the last six months (Jan 14) the contractor of Package – II, again expressed his inability to mobilize the requisite resources citing escalation in prices of commodities, and has forwarded unreasonable claims towards unjustified expenses. Keeping in view the contract provisions, the claims from the contractor have been rejected. The contractor of Package-II has now stopped work at site completely. This is the fourth time that this has happened.
5. To resolve the impasse, the Board has held numerous meetings with the contractor including the last one on 25 Apr 14, and thereafter-on 28, 29 May 14 and 02 & 04 Jun 14 to counsel & persuade the contractor to resume work. However, the contractor chose not to proceed with the work unless he was advanced with financial assistance without collateral securities.
6. As a last resort, in view of the stubborn attitude of the Package-II contractor and to safeguard the interests of the allottees, the contractor was issued with **Show Cause Notice** dated 09 May 14, for **termination** of contract and execution of balance work in the project at his **“Risk & Cost”**. In case we go ahead with this provision, the completion of the project is likely to be further delayed. A fresh contractor would need to be selected adhering to proper procedures which can withstand legal scrutiny at later stage. Since, the progress of work is likely to get delayed for reasons beyond board’s control; the further installments will accordingly be called based on actual progress of work.

7. The “Risk & Cost” procedure in brief is as under:
  - (a) Termination of Contract with the existing contractor after approval by competent authority (Chairman AFNHB).
  - (b) Constitution of Board of Officers for evaluation of works executed by contractor.
  - (c) Assessment of balance works in the scope of contractor.
  - (d) Preparation of tender documents of “Risk & Cost” tender for the balance works.
  - (e) Selection of contractor (including Pre – qualification, short listing, invitation of Bids, evaluation of bids).
  - (f) Award of work to the contractor.
  - (g) Initiate procedures for recovery of additional amounts required for executing the balance works from original contractor of Package – II.
8. The above procedure is likely to take 05 to 06 months and hence, the Probable date of completion of project post this delay is likely to be **Dec 15**. In such an eventuality, the allottees desirous of withdrawing from the scheme would **in the future be offered an option to withdraw** as per stipulations prescribed in the Master Brochure. However, the Board would like to assure its allottees that no effort is being spared to persuade the contractor to resume work. But if the contractor insists on advances without securities, the Board will have no option but to go ahead with Risk and Cost procedure which has been explained above. In such a scenario, the completion of external development activities, common amenities and services will be prioritized in order to facilitate handing over of the 07 completed towers of Package – I and at least 03 Towers of Package-II to the respective allottees. At an appropriate time after re-commencement of works, draw of lots to decide the DUs allotment would be held. Considering the requirement of handing over of a total of 807 DUs, the handing over process is likely to be stretched to 04 to 06 months. It is planned that while the Board is handing over the DUs in **07+03** completed towers, the balance 05 towers would be made ready for handing over.
9. Notwithstanding the above plan, if positive response is received from the existing contractor and he resumes work, the probable date of completion of project is likely to be **Jun 15**.
10. Further, developments in this context will be promulgated through AFNHB website.
11. This update supersedes the previous web update in this context dated 06 May 14.