

WEB UPDATE- AFNHB JAIPUR PROJECT AS ON 30 NOV 17

1. This is to inform all allottees that, after obtaining all approvals and NOCs from concerned department AFNHB floated tender for Jaipur Ph-II Project. On completion of tender proceedings Letter of Acceptance (LOA) was issued to M/s Value Infracon Pvt Ltd and Maxout Infrastructures Pvt Ltd (Joint Venture) VI IPL-MIPL (JV) on 25 Aug 2014 with negotiated tender amount of **Rs. 159.96 Cr** with restricted escalation based on WPI. Foundation stone of the Project was laid on 28 Sep 14.

2. As per the Contract Agreement, the project was to be completed in 30 months, after issue of LOA. Also the sample flats for all categories were to be completed and opened for allottees in 10 months of issue of LOA i.e by Jul 15. It was observed during the progress review that the contractor was missing the mile stones and not able to meet the timelines as stipulated in the CA. Contractor was issued slow progress notices and cautioned during various meeting.

3. On request of contractor AFNHB extended the date for completion of sample flats up to Nov 15, however the contractor was unable to complete the sample flat, citing reasons of financial mismanagement and bankruptcy of M/s VI IPL-MIPL (JV). Since the contractor did not perform as per the milestone due to financial issues, AFNHB had no option but to terminate the contract on 17 Nov 2015 and en-cash all Bank Guarantees available with AFNHB. Amount of work executed by the contractor at the time of termination was approx 25% of the contracted value.

4. Further, on 28 Sep 15 the Jaipur Development Authority (JDA) issued **STOP WORK NOTICE** on insistence by the South Western Command of Army, stating that the AFNHB project was falling within the restricted zone promulgated by Rajasthan Govt Gazette Notification and the JDA bylaws. It is pertinent to mention that AFNHB had obtained all required approvals from JDA before commencement of work and had not violated any statute during the execution.

5. AFNHB approached Army to resolve the issue at the earliest, This lead to considerable delay and the response was also not in favour of AFNHB. AFNHB left with no option, filed a case against JDA for withdrawal of Stop

Work Notice. AFNHB due to its persistent efforts was successful in getting the "Stop Work Notice" withdrawn on 26 Jul 17.

6. After termination of contract on 17 Nov 15, the contractor's BG of 10.5 Cr were encashed by the Board. This was challenged by the contractor and filed arbitration case against AFNHB. The Arbitration proceeding have been completed and award is expected by mid Dec 17.

7. To progress further, AFNHB has started the pre-qualification of contractors as per the selection procedure of AFNHB Wks Manual and completed the process. The project is planned to be constructed in two phases. In the first phase 7 blocks comprising 4 blocks Officers and 3 blocks Airmen/Sailors having 282 DUs along with all external services, roads, community facility and ancillary buildings would be undertaken. In the second phase balance 2 blocks of officers and 2 blocks of Airmen/Sailors would be taken up. In case more allottees join the project within six months of commencement of work, remaining 04 blocks would also be given to the same contractor at same rates.

8. The scheme has been opened for Army and a case has been taken up with the Govt of Rajasthan for opening the scheme to civilians also in addition.

9. For the new contract for the balance work, reputed contractors/ firms who have worked with AFNHB in past or the firms in NCR with clear track record, have been shortlisted through a BOO. The tentative timelines are as follows:-

(a)	Issue of NIT to pre-qualified bidders	30 Nov 17
(b)	Issue of Tender Documents	12 Dec 17
(c)	Pre-Bid Meeting	21 Dec 17
(d)	Submission of Bid	09 Jan 18
(e)	Opening of Tender	09 Jan 18

10. It has been decided to involve allottees of AFNHB Jaipur Project with the process of finalisation of new contract. Towards this some of the representatives' allottees are requested to be present at AFNHB for following events.

(i) 21 Dec 17 - Pre-Bid Meeting with shortlisted contractor

(ii) 09 Jan 18 - Bid submission and opening of Tenders.

11. New Contract is expected to be awarded by third/ fourth week of Jan 18 and work shall commence within 10 days of award of contract. The revised PDC would be Sep 19.



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