

MINUTES OF THE 38TH MEETING

F.No.8(2)/93-HF(C)

Islamabad, the 1st December, 1993.

Subject:- MINUTES OF THE 38TH MEETING OF THE EXECUTIVE COMMITTEE HELD ON 11TH NOVEMBER, 1993.

The 38th meeting of the Executive Committee of the Board of Governors of the Federal Government Employees Housing Foundation was held on Thursday, the 11th November, 1993 at 4.00 pm, in the Committee Room of the Works Division under the Chairmanship of the Secretary, Ministry of Housing & Works.

2. Minutes of the above mentioned meeting are forwarded herewith for information.

(Imtiaz Ahmad Khan)
Director(Finance & Administration)

1. PS to Secretary,
M/O Housing & Works, Islamabad.

2. Mr. Muhammad Iftikhar Ahmad,
Joint Secretary(Works),
M/O Housing & Works, Islamabad.

3. Mr. M. I. Rajput,
Director General,
Pakistan Public Works Department, Islamabad.

4. Mr. Mohammad Aslam,
Joint Secretary,
Cabinet Division, Islamabad.

5. Mr. Yawar Zia,
Financial Advisor(Works),
Works Division, Islamabad.

6. Maj.(Retd) Abdul Kabir Chaudhry,
Deputy Secretary,
M/O Housing & Works, Islamabad.

7. Mr. Taseer Hussain Kardar,
Officer on Special Duty,
M/O Food & Agriculture,
Co-opted Member, Cat.V allottees.

8. Mr. Sarshar Ali Malik,
Director General,
Housing Foundation, Islamabad.

N.O.O.

Copy forwarded for information and necessary action

to:-

1. Mr. Moin Ahmed Siddiqi,
Deputy Director General,
Housing Foundation, Islamabad.
2. Mr. Shahid Hameed,
Director(Tech-I),
Housing Foundation, Islamabad.
3. Mr. Qamar Shah Khan,
Director(Tech-II),
Housing Foundation, Islamabad.
4. Mr. Imtiaz Ahmad Khan,
Director(Finance & Admn),
Housing Foundation, Islamabad.
5. Mr. Mohammad Ali Shah,
Assistant Director(E-II),
Housing Foundation, Islamabad.
6. Mr. Danishyar Ali,
Assistant Director(A&C),
Housing Foundation, Islamabad.
7. Malik Zafar Abbas,
Law Officer,
Housing Foundation, Islamabad.

(Imtiaz Ahmad Khan)
Director(Finance & Administration)

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FEDERAL GOVERNMENT EMPLOYEES HOUSING FOUNDATION
SHAHEED-E-MILLAT SECRETARIAT
ISLAMABAD

Subject:- MINUTES OF THE 38TH MEETING OF THE EXECUTIVE COMMITTEE
HELD ON 11TH NOVEMBER, 1993.

The 38th meeting of the Executive Committee of the Board of Governors of the Federal Government Employees Housing Foundation was held on 11th November, 1993 at 4.00 PM in the Committee Room of the Works Division under the chairmanship of the Chief Executive of the Foundation (Secretary, Ministry of Housing & Works). The list of the participants of the meeting is appended.

2. The Chairman welcomed the participants and thanked for participation at a short notice. The items on the agenda of the meeting were then discussed at length.

Item 1 - CONFIRMATION OF THE MINUTES OF THE LAST MEETING.

The minutes of the last meeting were confirmed.

Item 2 - ACTIONS TAKEN ON THE DECISIONS OF THE LAST MEETING.

D.G. Housing Foundation informed that action for signing the M.O.U. with the willing contractor had been taken as per decision on item III of the agenda of the last meeting. Similarly in accordance with the decision on item IV of the agenda of that meeting action had been taken to do away with the classification of semi corner plots and the extra charges received on this account were being refunded. However, the compliance report on the decision on item V for standardization of water charges for different categories of houses and review of the

unjustified demand for charges for underground water used by the contractors for construction by sinking tubewells at their own cost was awaited from the CDA.

The Chairman directed that a reminder to the CDA may be issued in this regard. He, however, observed that matters relating to the provision of services should not be dealt with in a routine manner but be sorted out through frequent meetings and personal contacts with the concerned authorities. He directed Mr. Shahid Hameed, Director (Technical-I) to give special attention to this issue and deal exclusively with the concerned agencies.

Item 3 - PROGRESS ON NEGOTIATED FINANCIAL PACKAGES OFFERED TO CONTRACTORS FOR COMPLETION OF WORK.

D.G. Housing Foundation, informed that it was the main item on the agenda and as per decision in the last meeting the Memo Of Understanding was circulated to all contractors with the request to convey their concurrence and complete the documentation by 25-10-1993 at the latest. The nineteen packages involved seventeen parties as M/s Redco had got 3 packages. The meeting was informed that M/s. A. S. Khan and M/s. Karachi Constructors did not need any financing as they had substantially completed the work. Two of the parties namely M/s. Redco and M/s. Mohammad Hussain & Co. had already complied with the requirements of the M.O.U. and M/s. Muhandaseen had promised to report compliance within

a week's time. The remaining 12 parties belonging to ABAD had however put forward certain conditions such as;

- i) provision of guarantees from Insurance Companies instead of Scheduled Banks,
- ii) regularisation of extended periods of contracts and revised dates of completion,
- iii) simultaneous settlement of all claims on account of variation orders and other issues and
- iv) revision of the amount of ad-hoc advances.

On a query D.G. Housing Foundation explained that some difficulties were reportedly being faced by the contractors as the Banks in some cases demand 100% collatorial or at least 50% cash margin against guarantees. As for assessment of unfinished work on which 50% ad-hoc advance subject to a maximum of Rs 30 lacs was reckoned, the secured advances etc. were deducted from it to which these contractors had objections which were not valid. Lately, decisions of the Technical Committee on the claims of the contractors duly approved by the Chairman had since been conveyed to all the contractors.

On the suggestion of J.S. Cabinet to hold negotiation with the contractors the D.G. HF pointed out that a number of meetings had been held with the contractors and there was a general consensus on the terms and conditions of the M.O.U. and ad-hoc advance

payment. As a matter of fact it was only ABAD group of contractors who had come up again with conditions and suggestions on the major issues such as 'Insurance Bond' instead of 'Bank Guarantees'. The Chairman observed that if some of the contractors had already given Bank Guarantee, the rest should also do it. The ABAD group was purposely creating hinderances. On a query from the Chairman, D.G. Housing Foundation informed that in 3 packages of M/s. Redco payment of ad-hoc advances had been made and in the case of M/s. Mohammad Hussain & Co. the payment was under process. The contractors had given schedule according to which remaining work was to be completed within 90 days of the payment of ad-hoc advance. He further stated that replies to the remaining contractors covering all points/issues raised by them had been issued on 4th November, 1993. No response was received although some activity by M/s. Noble and M/s. Steel Force was visible at site.

After detailed discussions it was decided that final notices to the said contractors under forfeiture clause be drafted in consultation with the Legal Advisor and the Special Committee already constituted under the Chairmanship of Director General, Pak PWD may hold another meeting with the contractors soon in which it should be made clear to them that no further concession will be allowed to them and if they did not agree to an

amicable settlement, final notices be served on them straightaway.

Item 4 - REVISION OF FORMULA FOR SURCHARGE ON DELAYED PAYMENT OF INSTALMENTS BY ALLOTTEES.

D.G. Housing Foundation explained that according to an earlier decision in the case of delayed payment of instalments by the allottees, surcharge at the rate of 1% p.m. was levied for the period of delay. Later on it was felt that the amount of surcharge was high and on representation from the allottees a revised formula for levy of surcharge on a sliding scale was approved by the Executive Committee in its 35th meeting held on 14th March, 1993. The formula worked very well in cases where default was for 1 or 2 instalments. However in cases of default for more than 3 instalments the amount of surcharge worked out between Rs 70,000/- to Rs. 80,000/- to which defaulting allottees had reacted sharply. The formula had, therefore, been gone through once again and since the purpose of surcharge was to compensate the interest charges on loan of Rs. 100 million obtained from Finance Division for bridge financing because of non payments of instalments by allottees on due dates, the formula was modified to ensure that the amount of surcharge was not likely to exceed such interest, payable to the Finance Division. No change in the existing formula at the lower level was

made but at the upper level the existing scale of 60 - 100% of the amount of surcharge calculated at originally approved rate had, under the new formula, been restricted to 50%.

Mr. Kardar, Coopted Member of the Executive Committee raised a point that the Foundation had received some returns on investment of the allottees moneys in Short Term Deposits and while relief was being given in the shape of reduction of surcharge to those allottees who defaulted in payments on due dates, the allottees who made payments on due dates were being ignored and the returns on investment of their money were not being distributed amongst them. . It was explained to him that the returns were already planned for distribution amongst the allottees but it could be done only after the accounts of the project had been finalised and an equitable basis for distribution of returns worked out. The Chairman observed that the issue of surcharge should not be mixed up with the issue of distribution of returns and directed that a formula for distribution of returns amongst the allottees on an equitable basis be worked out and submitted in next meeting.

The Executive Committee, then, approved the proposed revised formula for levy of surcharge.

Item 5 - WAFaqi MOHTASIB'S RECOMMENDATION FOR ALLOTMENT OF A HOUSE TO MR. MUNAWAR KHAN, ACCOUNTANT, LAW AND JUSTICE DIVISION.

The Executive Committee was informed that the Wafaqi Mohtasib had made the following recommendations in his finding in the case of Mr. Munawar Khan, an applicant for allotment of a category IV house in Phase-II of the Housing Scheme, who having been declared completely and permanently incapacitated for further service was retired from service.

" The main objective of the Housing Foundation is to ensure the provision of a house to each employee on retirement from service. Because of unfortunate retirement of the petitioner, he also acquires the point of seniority in his favour. I consider it a case of compassion and recommend that the complainant be allotted a house of his category giving him top most priority."

The Committee having discussed the matter at some length decided that a review petition in the case should be filed with the Wafaqi Mohtasib. When the committee was informed that the time for filing a review petition had passed, it was still of the view that this should be done and in case the Wafaqi Mohtasib did not agree to review his recommendation, a representation should be submitted to the President of Pakistan for setting aside his recommendations under Presidents Order No. 1 of 1983.

Item 6 - ANY OTHER ITEM WITH THE PERMISSION OF CHAIR
HOUSING SCHEME AT PESHAWAR

Director General, Housing Foundation informed that a loan agreement for Rs. 25 million with the National Housing Authority had since been vetted by the Law and Justice Division and was in the final stages of processing. The loan was to be utilised for making advance payment on account of 500 kanals of land offered by the PDA in Regi Lalmai Townwhip Scheme, Peshawar. The loan was repayable within one year at an interest rate of 7% per annum. The PDA had already been requested to extend the date of payment of cost of land upto 20-11-1993.

The Executive Committee approved the terms and conditions of the loan agreement with NHA and authorised D.G. Housing Foundation to sign the agreement on behalf of the Foundation.

The meeting ended with a vote of thanks to the Chair.

FEDERAL GOVERNMENT EMPLOYEES HOUSING FOUNDATION
SHAHEED-E-MILLAT SECRETARIAT

LIST OF PARTICIPANTS OF 38TH MEETING OF THE
EXECUTIVE COMMITTEE OF THE BOARD OF GOVERNORS
HELD ON 11TH NOVEMBER, 1993.

1. Dr. S. M. Qureshi, Chairman
Secretary,
M/O Housing & Works.
2. Mr. Mohammad Iftikhar Ahmad, Vice-Chairman
Joint Secretary,
M/O Housing & Works.
3. Mr. Yawar Zia, Member
Financial Advisor(Works).
4. Mr. Mohammad Aslam, Member
Joint Secretary,
Cabinet Division.
5. Maj.(Retd) Abdul Kabir Chaudhry, Member
Deputy Secretary,
M/O Housing & Works.
6. Mr. Taseer Husain Kardar, Co-opted Member
Officer on Special Duty,
M/O Food & Agriculture,
Co-opted Member, Cat.V allottees.
7. Mr. Sarshar Ali Malik,
Director General,
Housing Foundation.
8. Mr. Moin Ahmad Siddiqi,
Deputy Director General,
Housing Foundation.
9. Mr. Shahid Hameed,
Director(Tech-I),
Housing Foundation.
10. Mr. Qamar Shah Khan,
Director(Tech-II),
Housing Foundation.
11. Mr. Imtiaz Ahmad Khan,
Director(F/A),
Housing Foundation.