

(A)

Proceedings of the 4th Governing Council meeting held on 16.10.2000 at 11.00 A.M in the Chambers of the Secretary, Social Welfare, Government of Karnataka.

Members Present:-

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| 1) Secretary to Government
Social Welfare Department | Member |
| 2) Director of
Backward Classes | Member |
| 3) Secretary to Govt.
Finance Department (Expenditure)
Represented by Deputy Secretary II
Finance Department | Member |
| 4) Secretary to Govt.
Primary and Secondary
Education Department
represented by Special Officer & Ex officio
Under Secretary (Planning) | Member |
| 5) Director
Social Welfare
represented by Joint Director of
Social Welfare | Member |
| 6) Director
Tribal Welfare
represented by Deputy Director
of Tribal Welfare | Member |
| 7) Executive Director
Karnataka Residential Educational
Institutions Society (KREIS) | Member-Secretary |

The leave of absence was granted to Director of Minorities Welfare & Commissioner for public instructions.

Sub:No.1: Confirmation of proceedings of the 3rd Governing council meeting:-

The Governing Council confirmed the proceedings of the 3rd Governing Council meeting with the followings:-

Delegation of Financial Powers:

In the meeting held on 23.6.'00, the powers of signing the agreements/deeds were delegated to the Chairman. The Chairman suggested that these powers can be delegated to the Executive Director. The Governing Council resolved that the Executive Director has to get the drafts of agreement/Deeds, cleared by the Chairman and obtain necessary approval on the file before signing the agreement/deeds on behalf of the Society.

Sub.No.2: Action taken on the Proceedings of the 3rd Governing Council :

The Governing Council perused the action taken notes.

Sub.No.3 : Sanction of Hudco loan and agreement to be signed by KREIS.

The Governing Council has examined in detail the sanction cum loan agreement sent by the Hudco vide their letter dt.09.10.00. The Governing Council approved the terms and conditions except clauses 7(j), 7(k) & 9 & 11.

Clause 7(j) reads as follows:

" A Project Management Consultant has to be appointed to prepare pre-qualification documents, evaluation and short-listing of contractors, arrange / conduct pre-bid meeting of pre-qualified contractor to explain the proposal, technical details including specifications and clarifications, providing the final tender documents, monitoring, certification of bill of quantities, proof consultancy management services including quality control certification etc."

It is noted that KREIS has already appointed a project Management Consultant who will be responsible for Monitoring, Certification of bill of quantities, proof consultancy, quality control certification etc.

Accordingly the following amendment in the clause be proposed to Hudco.

" A project Management consultant has to be appointed for monitoring, certification of bid of quantities, proof consultancy management services including quality control certification etc."

Clause 7(k) reads as follows:

" KREIS shall award the work only through pre-qualification of contractors on turn key basis through a package tender basis. This can be based on Revenue Divisionwise or districtwise as convenient for the implementation of the project."

It was noted that KREIS has chosen State/Central Govt. agencies through a pre-qualification process based on their experience in construction to take up the Hudco assisted project construction and the work has been awarded on turn key basis district-wise as convenient for the implementation of the project. Accordingly the following amendment may be proposed to Hudco :-

"KREIS shall award the work only through prequalification of contractors and turnkey basis. The contractors may be Government agencies/public sector undertakings who have sufficient experience in construction work.

Clause No.9:

The Hudco suggested to make repayment to their Head office. The Governing Council felt that loan repayment in terms of crores involves lot of charges like commission on purchase of DD. Therefore, the Governing Council suggested that the Hudco may be requested to allow the Society to make payment to their Regional office, Bangalore.

Clause No.11:

" The Hudco indicated that it may increase interest rate on the entire loan amount or a part there of by giving written notice to the borrower of such variation.'

The Governing Council felt that this condition may not be appropriate since other financial institutions are charging the interest rate mentioned in the agreement irrespective of the fluctuation in interest rate subsequently. Therefore, the Governing Council suggested to request the Hudco to delete this condition.

B. Project Monitoring Committee

The Hudco suggested to form a project level monitoring Committee. Accordingly, the committee consisting of the following persons is formed.

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|--|---------------------|
| 1. Secretary, Social Welfare,
Government of Karnataka | - Chairman |
| 2. Secretary(Exp.) Finance Dept.
Government of Karnataka or nominee | - Member |
| 3. Chief Architect,
Government of Karnataka or nominee | - Member |
| 4. Regional Chief, Hudco or nominee | - Member |
| 5. Project Management Consultant
(M/s Torsteel Research Foundation
in India) | - Member |
| 6. Executive Director, KREIS | - Member Secretary. |

C. Loan drawal programme:-

In the sanction order, it is stated that the loan drawal date of first instalment is mentioned as 1.10.00 or after. As the loan sanction order is received recently (10.10.2000), the Governing Council felt that first instalment may be drawn on 1.1.2001 and any bills received for payment before drawal may be met out of margin money released by Govt.

D. Interest payable:

The Hudco has given the repayment scheduled of principal with quantum payable every quarter, However, the interest payable is not indicated in the sanction order. Therefore, the Society should request the Hudco to indicate the interest payable quarterly before submitting the proposal to the Finance Department.

The Chairman is authorised to write to the Hudco on the above issues. The Governing Council authorised the Chairman to sign the loan agreement with suitable modifications.

Sub.No.4(i) : Opening of Project Account (Escrow account) with Punjab National Bank (PNB), M.G.Road, Bangalore.

The Hudco has suggested to open an Escrow account with a Nationalised Bank. Accordingly, it is decided to open an account with PNB, MG Road Branch, Bangalore, The expenditure on the Hudco assisted (41 schools) project shall be routed through this account. The repayments to Hudco shall also be made through this account. The account shall be operated jointly by Chairman and Executive Director, KREIS. The Governing Council took note of the fact that the PNB, M.G.Road Branch, Bangalore have deputed an officer to KREIS at the Bank's cost and ratified the action taken by KREIS to open an account with this Bank. It was decided that all grants received from State Govt & Govt. of India shall be remitted into this account and all payments to be made for project (41 Schools) be routed through this account. This account shall also be operated jointly by Chairman & Executive Director.

Sub.No.4(ii) : Signing of escrow agreement as required by Hudco

The Hudco in their sanction order dated 9.10.'00 suggested that an agreement between the Secretary, Finance Department, Government of Karnataka, the agreed bankers and the Hudco shall be executed for the purpose of repayment of loan through budget. The Governing Council accorded approval to sign the escrow agreement as required by Hudco.

Sub.No.5 : Appointment of Third party check agency i.e., project Management Consultant for monitoring, Quality Control and certification-placing of Technical Committee proceedings.

The Governing Council perused the Technical Committee proceedings placed and appreciated the arrangement of appointing TRFI a third party check and management consultant and approved the action taken.

Sub.No.6 : ":Filling up of vacant posts:-"

As the activities of the Society has increased, the Board accorded approval to fill up the following vacant posts:-

1. Assistant Director-1:

A Civil Engineer can be taken on deputation basis from Government of Karnataka undertakings or departments.

2. Programme Officers:

(a) One post as Programme Officer (HQS) can be filled by taking person on deputation from the State Government or Government undertakings.

(b) Another programme officer can be filled up by taking a programmer (Qualified Person) from the Government of Karnataka undertaking/departments to Computerise the Society transactions and also residential school activities.

(c) A section Officer or Accounts Officer may be taken from AG's office or state accounts against the third post of programme officer.

3. Executive Assistants:

(a) One Accounts Superintendent can be taken from the State Accounts department or from the AG's office.

(b) One office Assistant with the knowledge of Stenography and computers can be engaged on contract basis/or through an agency/ or from public Sector Undertakings.

4. Dalayat:

The Director, Backward classes suggested that a person can be taken on deputation from department. Hence, the Governing Council accorded approval to take one person on deputation from any of the department coming under the control of Social Welfare Secretariat.

Sub.No.7: Completion of incomplete buildings:-

The Governing Council examined the detailed note submitted. Accordingly, approval was accorded to take up the incomplete buildings construction work in the following schools:-

SL. No.	District	Location	Estimated Cost of work already taken up by Dept. (Rs. in lakhs)	Work remaining to be done.
1.	Bangalore (Rural)	Adakimaranahally	9.95	i) Academic Block ii) Hostel Block iii) Staff Quarters iv) Other infrastructure
2.	Mandya	Srirangapatna	39.97	i) Academic Block ii) Staff Quarters iii) Other infrastructure
3.	Shimoga	Anaveri	9.99	i) Academic Block (except 5 rooms already constructed) ii) Hostel Block iii) Staff Quarters iv) Other infrastructure
4.	Mysore	Doddahundi	9.995	i) Academic Block ii) Hostel block for 150 Boys+70 Girls iii) Staff Quarters iv) Other infrastructure

The Chairman was authorised to negotiate with the agencies already working with KREIS on the Hudco Assisted project and entrust the remaining work on prorata basis (blockwise) taking into account the turnkey rate and type design already approved.

It was decided to utilise the available Departmental funds already with KREIS for these buildings and to approach Hudco/ State Government for the shortfall.

Subject taken with permission of the Chair

1. Construction of Educational School Complex for Scheduled Tribes.

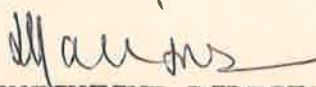
The Executive Director explained that the Government is providing Government of India funds to construct school complexes for tribals at Tavaga, Gokak Tq. and one school

in Madikeri Dist. The Governing Council accorded approval to take up the construction work with a similar type design, rates and the work may be entrusted to one of the agencies already working with KREIS.

The meeting concluded with thanks to Chair and to other members.

sd/-

CHAIRMAN

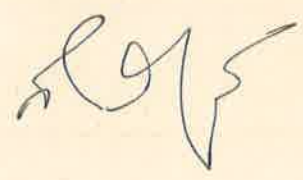
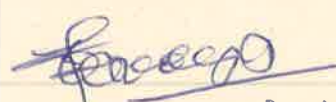

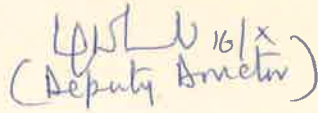


EXECUTIVE DIRECTOR
Karnataka Residential Educational
Institutions Society, Bangalore.

Karnataka Residential Educational Society 4th Governing Council

Meeting held on 16.10.2000 at 11.00.

Members

Sl No	Name and Designation	Signature
1.	Smt Tara Ajai Singh Secy to Govt, Social Welfare Dept & Chairman KRBS	
2.	Secy to Government Finance Department (Expy) for	
3.	Secy to Govt (Pry & Secy) Education Dept	 (Special Officer & Ex Officer U.S. of ED.)
4.	Director of Social Welfare	M.V. Shivamurthy Joint Secy of Social Welfare
5.	Director of Backward Classes	 ABC.
6.	Director of Minorities	
7.	Director of Tribal Welfare	For:  (Deputy Director)
8.	Commissioner for Public Instruction	
9.	Executive Director KRBS	