

**Proceedings of the 8th Governing Council meeting held on 07.08.2001 in the
Chambers of Executive Director, KREIS at 3 pm.**

Members Present:

1. Secretary to Government,
Social Welfare Department
Government of Karnataka, Chairman, KREIS - Chairman
2. Secretary to Government
Finance Department (Expr.) - Member
3. Secretary to Government
Education Department(Primary and Secondary)
Represented by Special Officer & Ex-Officio
Under Secretary (Planning) - Member
4. Secretary to Government
Women and Child Development Department
Represented by Hulyappa
Under secretary - Member
5. Commissioner for Public Instruction
Represented by JDPI (Administration) - Member
6. Director of Social Welfare
Bangalore. - Member
7. Director of Backward Classes
Bangalore. - Member
8. Director of Minorities
Bangalore. - Member
9. Director of Tribal Welfare
Represented by Deputy Director - Member
10. Director, State Educational Research & Training - Member
11. Executive Director, KREIS. - Member Secretary

Subject I:

**Confirmation of the proceedings of the 7th Governing Council meeting held on
15.06.2001**

The Proceedings of the 7th Governing Council meeting held on 15.06.2001
is confirmed.

Subject No.II

Action taken on decisions of the 7th Governing Council meeting

Projects not started (construction of Residential Schools)

- a) It was briefed that out of 5 projects, 2 projects namely Bellary and Bachanahalli sites are secured, works are being entrusted. 3 more projects namely Kanva, Hipparagi and Santhapura projects are proposed for deleting from I phase since the site problems are not solved. It was also suggested to take up alternative 3 projects at Horti, Savanur and Yellapura Residential school Complexes. The Governing Council after detailed discussion approved the proposal.

Subject No.IV**Splitting of 3rd Stage payment to construction Agencies:**

It was explained that the KREIS have fixed 4 stages of payment as stated below.

- | | |
|--|--|
| i) On completion of Basement | - 10% of approved construction cost |
| ii) On completion of Roof | - 35% of approved construction cost. |
| iii) On completion of building including
Sanitary and electrical works | - 45% of the approved construction
Cost |
| iv) On completion infrastructure
(Link roads, terracing, drains,
fencing etc.) | - 10% of approved construction cost. |

The agencies have requested to split 3rd stage payment since they require more funds for finishing work. The matter was referred to the TRFI, our Project Consultant for opinion. They have suggested to split the payment as follows.

A) 20% of approved construction cost:

- a) Internal, external and ceiling plastering
- b) Water proofing of roof, sunken slabs and fixing of rain water pipes.
- c) Doors, Windows and ventilators frame fixing.

B) 25% of approved construction cost:

- a) Fixing of door and window shutters and painting/polishing
- b) External and internal painting
- c) Flooring finish and wall tile finish
- d) Internal water supply and sanitary fixing
- e) Internal electrical installation works.

The Governing Council is requested to accord approval for the said proposal. The Governing Council have accorded approval to the same. However, the Governing Council has not agreed to the proposal of advance payment against Bank Guarantee.

Subject No.V:**Fixation of rates, terms and condition for entrusting the work to Karnataka state Buildings Centre (KARNIK), Government of Karnataka Organisation.**

It was explained that the KARNIK, a Govt. of Karnataka Organisation has come forward to take up the construction work at Kallubetta and Balagodu. They have submitted the estimates to take up the work at Kallubetta. The firm is under the control of Rajiv Gandhi Housing Corporation. The Managing Director of Rajiv Gandhi Housing corporation is the Chief Executive of the KARNIK. The proposal is to accord the approval to entrust the work to the KARNIK on the rates, terms and conditions to be finalised by the Technical Committee of the KREIS. The Finance Secretary mentioned that the KARNIK is exempted from the preview of Transparency Act. Therefore, the involvement of KARNIK in construction is also permissible. The Governing Council after detailed discussion accorded approval to the proposal of authorising the Technical Committee to finalise the rates, terms and conditions for construction of Kallubetta and Balagodu projects and authorised the Chairman, KREIS to award the work to KARNIK. In case, they do not accept the rates finalised by the Technical Committee, the work can be entrusted to any other Government agencies.

Subject No.IX**Creation of Temporary Assistant Engineers Post:**

It was explained that we require two more qualified Assistant Engineers in the Society since we have taken up II phase construction. These Engineers will be taken on Deputation and their services will be utilised to cross check the quality and to assist in implementation of the project. The Governing Council have accorded approval to create 2 Asst. Engineers for a period of 2 years on temporary basis and these posts have to be filled up on deputation from the State Government or Public undertakings. The Society has to meet the expenditure within the budget provision and no extra grant shall be insisted.

Subject No.X:**Creation of One Second Division Assistant Post:**

The subject is deferred.

Subject No.XI:**Progress in construction of Residential School Complexes:**

It was explained that out of 38 projects, 35 projects are really started. We have to entrust 6 more projects in order to utilise HUDCO loan. The Governing Council is requested to accord approval to entrust the following projects to the NPCC.

1. Horti, Indi Taluk, Bagalkote Dist.
2. Yellapura, North Kannada District
3. Bellary
4. Savanur, Haveri District
5. Kittur, Belgaum District
6. Unakal, Hubli Dharwar District

It was clarified that out of 5 agencies working with the Society, the progress in respect of Mecon, Ed-CIL and NPCC is comparatively better. M/s. Mecon and M/s. Ed-CIL have given in writing that they are not willing to take up the work on old rates finalised in June 2000. Further, the NPCC which is operating in Northern Karnataka has agreed to take up the work at the same rates terms and conditions. The Governing Council has accorded approval to entrust the work to the NPCC.

Subject XII**Bringing recurring expenditure of BC Navodaya Schools on par with Morarji Desai Residential schools.**

It was explained that there are 2 types of Residential schools. Navodaya pattern Residential Schools and Morarji Desai Residential Schools. But, the pattern of assistance towards Boarding charges are not same. As the beneficiaries are the same and the objective of the Government is also same, it is appropriate to maintain the same pattern of assistance for both the schools. The Government vide order No.SWD 141 BMS 99 dt.28.01.2000 have fixed the rates of assistance for newly started Minorities schools. The same facilities has to be extended to all the schools. The additional expenditure for 8 Navodaya Backward Classes Residential schools works out

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Subject I:

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Subject No.II**Action taken on decisions of the 7th Governing Council meeting****Projects not started (construction of Residential Schools)**

a) It was briefed that out of 5 projects, 2 projects namely Bellary and Bachanahalli sites are secured, works are being entrusted. 3 more projects namely Kanva, Hipparagi and Santhapura projects are proposed for deleting from I phase since the site problems are not solved. It was also suggested to take up alternative 3 projects at Horti, Savanur and Yellapura Residential school Complexes. The Governing Council after detailed discussion approved the proposal.

b) Enhancement of HUDCO loan

The ED explained that the Government have permitted the Society to raise HUDCO loan of Rs.81.60 crores for SC Residential schools and Rs.17.60 crores for Backward classes Residential Schools. The total loan limit fixed is Rs.99.20 crores. In the last Governing Council meeting, a proposal was placed for consideration to raise the loan limit to Backward Classes Residential schools limit from Rs17.60 crores to Rs.36.00 crores. The Governing Council felt that the Society has to manage within the over all limit of Rs.99.20 crores and shortage if any has to be met out of Budget resources. Accordingly, proposal was submitted to the State Government to re-allocate the said limit. Out of 51 schools of SC Residential schools, HUDCO loan is required for 30 schools and around 19 Residential schools can be taken up out of the Budget and SCP pool funds and 2 more schools where sites are yet to be secured can be taken up out of the Budget support during 2002-2003. Therefore, it was requested to restrict the loan limit for 30 Residential schools i.e Rs.55.80 crores. The repayment and the interest payable will be met out of the Social Welfare budget to the reduced limit. As a result, the burden of repayment loan will be reduced to the Social Welfare budget.

There are 22 Backward Classes Residential schools and the loan required for all the 22 schools works out to Rs.36 crores, but, the Society is permitted to raise loan of Rs.17.60 crores only. Though 4 Residential Schools are started for Minorities, the Society is not permitted to raise loan. The requirement is Rs.7.40 crores. Therefore, the loan limit has to be revised keeping in view the over all limit already fixed by Government.

Scheduled Castes	- 30 Residential Schools	- Rs.55.80 crores
Backward Classes	- 22 Residential Schools	- Rs.36.00 crores
Minorities	- 4 Residential Schools	- Rs. 7.40 crores
Total		Rs.99.20 crores

Therefore, the Society requested the Government to re-allocate the limit fixed in Government Order NO.SWD 532 SEW 96 dt.06.10.99.

The ED clarified that the Society was given Rs.9.33 crores SCP pool funds during last year and the Government is providing Rs.11.00 crores out of current year SCP pool funds. We are also getting Rs.2.40 crores from Government of India. In total Rs.22.73 crores is mobilised to take up 9 incomplete Residential school complexes and 8 more Residential schools. The proposal to Govt. of India is also being sent to raise additional grants for remaining works. Therefore, the loan is required for 30 Schools only in respect of SC schools. The Governing Council accorded approval to the proposal.

C) Action taken on other subjects are perused by the Governing Council.

Subject No.III

Purchase of 10.22 acres land at Rs.25,000/- per acre for construction of Residential School complex at Bagadhal, Bidar Taluk:

The Governing Council accorded approval for purchase of land at a cost of Rs.25,000/- per acre at Bagadhal, Bidar District as per the decision of the District Land purchase Committee held on 26.09.2000.

Subject No.IV**Splitting of 3rd Stage payment to construction Agencies:**

It was explained that the KREIS have fixed 4 stages of payment as stated below.

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Subject No.V:**Fixation of rates, terms and condition for entrusting the work to Karnataka state Buildings Centre (KARNIK), Government of Karnataka Organisation.**

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Housing corporation is the Chief Executive of the KARNIK. The proposal is to accord the approval to entrust the work to the KARNIK on the rates, terms and conditions to be finalised by the Technical Committee of the KREIS. The Finance Secretary mentioned that the KARNIK is exempted from the preview of Transparency Act. Therefore, the involvement of KARNIK in construction is also permissible. The Governing Council after detailed discussion accorded approval to the proposal of authorising the Technical Committee to finalise the rates, terms and conditions for construction of Kallubetta and Balagodu projects and authorising the Chairman, KREIS to award the work to KARNIK. In case, they do not accept the rates finalised by the Technical Committee, the work can be entrusted to any other Government agencies.

Subject No.VI

Refund of Royalty to the Agencies:

The KREIS is implementing the project of construction of Residential Schools. The Society has started recovery of royalty towards the materials like stones and sands. But the Agencies have approached the High Court with writ petitions. The High court has given a judgement quoting the writ petition NO.43924-25 and 45743-48 of 1999. Accordingly, where the contractor uses materials purchased in open market, from quarry lease holders, or private quarry owners or dealers in such materials, there is no liability on the contractor to pay any royalty charges. Under clause 2d, it is further stated, if the Department which is not entitled to recover Royalty from the bills of the contractor, recovers royalty having regard to a contractual provision requiring or enabling deduction of royalty on all such minor minerals, the royalty so deducted shall be refunded on application by petitioner with proof to show that the material was purchased from quarry lease holders or private suppliers or that the department itself supplied the materials. The Clause 2 e of judgement, it is further stated that "Nothing stated above shall be construed as a direction for refund to any particular contract. The Department or authority concerned shall decide in each case whether royalty is to be deducted or if any royalty is to be deducted, ^{where} where it should be refunded keeping in

view the above principles and the terms of the contract. The Governing Council after detailed discussion decided to ^{authorise the chairman to take action after in consultation with} refer the matter to the Law Department of Government of Karnataka ~~for opinion.~~

Subject No.VII

Approval of C & R rules to the Society:

In the last Governing Council, the Sub-Committee on draft C & R rules placed a report. Governing Council directed to re-examine the rule No. 3, 4 and 13 of the draft C & R rules which mainly deals with direct recruitment, probation period etc. The Sub-Committee met again and suggested that there is no need to delete clause 3, 4 and 13 since the Governing Council has got powers to give directions to the concerned authority to appoint either on regular basis or on contract appointment or on honorarium basis. Therefore, an additional clause as 3(d) i.e "The Governing Council considering the situation may appoint staff on honorarium basis (Teaching and Non-teaching)" ^{may be added.} Therefore, the Committee strongly recommended the clause 3, 4 and 13 may be retained and clause No.3 (d) has to be added to protect the interest of the Society. The Governing Council after detailed discussion accepted the report and approved the "KREIS (Cadre and Recruitment) rules 2001".

Subject No.VIII

Taking up II Phase of Construction work:

In the Budget speech, the Hon'ble Chief Minister announced that construction of 38 Residential schools will be completed during the year 2001-02 and the KREIS will also take up the remaining projects for construction during the year. Therefore, the Society has already secured 15 sites. There are 13 incomplete complexes where additional buildings have to be constructed. Therefore, it is proposed to authorise the Technical Committee to finalise the appointment of Technical Consultant, concept drawing, terms and conditions, rates for construction of remaining schools. The Governing Council after detailed discussion authorised the Technical Committee of the KREIS to appoint Technical Consultant, finalise payment ^{of} consultancy fee and also call

for tenders to finalise the rates and terms and conditions. The rates finalised in respect of construction of Residential schools may be placed before the Governing Council for approval.

Subject No.IX

Creation of Temporary Assistant Engineers Post:

It was explained that we require two more qualified Assistant Engineers in the Society since we have taken up II phase construction. These Engineers will be taken on Deputation and their services will be utilised to cross check the quality and to assist in implementation of the project. The Governing Council have accorded approval to create 2 Asst. Engineers for a period of 2 years on temporary basis and these posts have to be filled up on deputation from the State Government or Public undertakings. The Society has to meet the expenditure within the budget provision and no extra grant shall be insisted.

Subject No.X:

Creation of One Second Division Assistant Post:

The subject is deferred.

Subject No.XI:

Progress in construction of Residential School Complexes:

It was explained that out of 38 projects, 35 projects are really started. We have to entrust 6 more projects in order to utilise HUDCO loan. The Governing Council is requested to accord approval to entrust the following projects to the NPCC.

1. Horti, Indi Taluk, Bagalkote Dist.
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It was clarified that out of 5 agencies working with the Society, the progress in respect of Mecon, Ed-CIL and NPCC is comparatively better. M/s. Mecon and M/s. Ed-CIL have given in writing that they are not willing to take up the work on old rates

finalised in June 2000. Further, the NPCC which is operating in Northern Karnataka has agreed to take up the work at the same rates, terms and conditions. The Governing Council has accorded approval to entrust the work to the NPCC.

Subject XIII

Bringing recurring expenditure of BC Navodaya Schools on par with Morarji Desai Residential schools.

It was explained that there are 2 types of Residential schools. Navodaya pattern Residential Schools and Morarji Desai Residential Schools. But, the pattern of assistance towards Boarding charges are not same. As the beneficiaries are the same and the objective of the Government is also same, it is appropriate to maintain the same pattern of assistance for both the schools. The Government vide order No.SWD 141 BMS 99 dt.28.01.2000 have fixed the rates of assistance for newly started Minorities schools. The same facilities has to be extended to all the schools. The additional expenditure for 8 Navodaya Backward Classes Residential schools works out Rs.52.72 lakhs. As there is sufficient budget for Backward Classes Residential schools, the proposal is for consideration to bring same pattern of assistance in all the Navodaya/Morarji Desai Residential schools of Backward Classes. The Governing Council suggested that this matter may be placed before the Empowered Committee for decision. (The KREIS may move the proposal ~~through the Director of Backward Classes~~ in respect of Backward Classes Residential schools and the Director of Social Welfare can also ~~move the proposal~~ for 4 Navodaya pattern residential schools of SC.)

Subject No.XIII






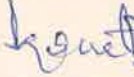



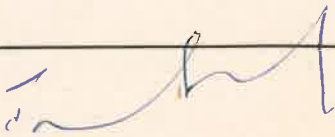
Approval of Revised Estimate-for the construction of Residential school by KLAC of Kamanakere, Kadur Taluk, Chickmagalur District.

It was explained that the Govt. of Karnataka have entrusted the construction of Residential Schools on 04.10.97. The estimated cost approved is Rs.99.96 lakhs to construct Academic Block, Dining Block and 2 hostel blocks to accommodate 40

9
students in each block. Now, the KLAC have claimed extra Rs.18.49 lakhs over and above the estimated cost. The Governing Council felt that the KLAC has to give sufficient justification for this extra cost. Therefore, the Governing Council has not accepted this proposal.

D. 23/✓
CHAIRMAN

Karnataka Residential Educational Institutions Society, Bangalore
8th Governing Council Meeting- 07.08.2001

Sl. No.	Name and Designation	Signature
1	Secretary to Government Social Welfare Department,	
2	Secretary to Government, Finance Department (Expr.)	 07.08.01
3	Secretary to Government Education Department (Primary & Secondary)	 Special Officer & Ex-officio under Secretary (Planning) Education Dept.
4	Secretary to Government Women and Child Development Dept.	 LH V L Y APPA Under Secretary
5	Commissioner for Public Instruction Bangalore or his nominee	H. S. Srinare JDPI (Admin) For CPI
6	Director of Social Welfare Bangalore or his nominee	 7/8/2001
7	Director of Tribal Welfare Bangalore or his nominee	Represented by Dy. Director  7/8
8	Director of Backward Classes Bangalore or his nominee	
9	Director of Minorities, Bangalore or his nominee	
10	Director, National Council for Educational Research and Training, Bangalore or his Nominee	
11	Director State Educational Research & Training	
12	Executive Director, Karnataka Residential Educational Institutions Society, Bangalore	