



# CHANDIGARH HOUSING BOARD

CHANDIGARH ADMINISTRATION UNDERTAKING  
8, JAN MARG, SECTOR 9, CHANDIGARH -160 009, Ph: 4601612,

No. CHB-CEO/PA/2021/181

Dated, the 14th July 2021

## NOTE


### Subject: Disposal of Vacant Properties through E- Tender Process

During the last three months, the Chandigarh Housing Board has successfully conducted following E-Tenders for disposal of Properties:

<b>E-Tender</b>	<b>Units Sold</b>	<b>Total Reserve Prices of sold units</b>	<b>Total H-1 Prices of sold units</b>
E-Tender for 109 Free-Hold Residential Properties	30	220418249	242692644
E-Tender for 79 Free-Hold Residential Properties	24	183646136	197587962
E-Tender for 55 Free-Hold Residential Properties	21	159344594	167614219
E-Tender for 11 Lease-Hold Residential Properties	02	16991152	17451251
E-Tender for 156 Lease-Hold Commercial Properties	09	39860784	47295300
<b>TOTAL</b>	<b>86</b>	<b>620260915</b>	<b>672641376</b>

2. The undersigned has analyzed the above responses in E-Tenders and have also inspected almost all the vacant properties. It has been observed that:

- i. Considering that there was total secrecy about number of bids and the bid amount, the Chandigarh Housing Board could get better competitive bids. For many of the units, the single bids were considerably higher than the reserve prices similarly even in case of multiple bids, there was huge difference between the H-1 and H-2 bids. For an example; Single bid of Rs. 81.51 Lacs received against the Reserve price Rs. 51.40 Lacs of one unit and there is many more such examples. However, in case of going with e-Auction process, the H-1 bids would have been just above the reserve price/H-2 bid. Hence e-Tender process has resulted in better revenue for the Chandigarh Housing Board.
- ii. E-Tender-cum-E-Auction can be further an improvement in the tendering process but considering that the amount involved being not very high and the clients being general public, it may not be appropriate to switch over to that process at this stage.

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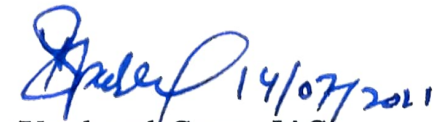
- iii. Many of the bidders are submitting e-bids for multiple properties and in the event of more than one e-bids are declared as H-1; they surrender the e-bids having higher values with forfeiture of EMD. In this process though they lose their EMD amount of Rs. 2.00 Lacs against each of the H-1 bid but they end up saving some money because of relatively higher difference in the e-bids submitted for multiple properties. Though theoretically there is nothing wrong but practically it may not be in the interest of the ongoing e-Tender process because some of the genuine bidders get out of the tender process and finally the unit also remain unsold for the time being.
- iv. We are fixing the reserve prices based on a formula of covered area multiplied by a specific rate and hence all the units of similar size of particular Sector/Market are having same reserve price. But logically, the units having location/view advantages should have been prescribed higher reserve price. Hence the reserve price computed on the basis of formula should be further increased for such units so that CHB gets higher competitive bids.
- v. Since many of the vacant units were constructed about 30 to 40 years back and there was almost no care & maintenance, most of them are in bad shape. Further some of the units are in such a dilapidated condition that these are posing threat to the human life and public property. Because of poor care & maintenance of the vacant units, firstly the CHB could not sale these units and secondly now a considerable expenditure is required for its repair. Now the process of cleaning, repair and white-wash etc has already been started with the dual objective i.e. sale of these units at better competitive price and to save them from further damage in case of remaining unsold. Administrative approval has been given in last week for expenditure of about Rs. 55 lacs. Some minor works have already been done through work orders by the Engineering Wing which have resulted in sale of some of the properties at better & competitive rates during last three months. Further the Chief Engineer has also been asked [vide Note No. CHB-CEO/PA/2021/128 dated 04.06.2021 and No. CHB-CEO/PA/2021/174 dated 09.07.2021] to fix responsibility of the concerned officers and their supervisory authorities for such laxity/negligence in care & maintenance of the vacant units.
3. A reconciliation exercise was conducted in last 15 days and about four dozen more vacant properties could be identified. These properties are being included in coming e-Tenders for disposal, after fixation of Reserve Prices strictly on the basis of rates and criteria followed for other units of similar categories which were included in the previous e-Tenders.

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4. The bidding is a dynamic process and strategies for next tenders should be decided based on the experience from previous tenders. Considering the good response for previous e-Tenders of free-hold residential units, number of available vacant units of particular category/locality, earlier reduction or reserve prices by 10% and to have better revenue prospects for the Board, we may have one-time experiment in the coming e-Tenders with upward revision of reserve prices for some of the units:

- i. The reserve prices of the Commercial Units on Lease-Hold basis may remain same as was in the last e-Tender.
- ii. The reserve prices of the Residential Units on Lease-Hold basis may remain same as was in the last e-Tender. However, the reserve price of the vacant unit No. 5154-B Sector -38(West), which is being included first time in e-Tender, may be kept as Rs.75 Lacs instead of Rs. 64.50 Lacs.
- iii. The reserve prices of the Residential Units on Free-Hold basis may remain same as was in the last e-Tender except the following:
  - a) The reserve price of each of the Two Bed Room Flats in Sector-63 may be kept at Rs. 70 Lacs instead of Rs. 67.31 Lacs.
  - b) The reserve price of each of the MIG Flats in Sector-51 may be kept at Rs. 90 Lacs instead of Rs. 83.27 Lacs or Rs. 84.46 Lacs.

5. The above changes in the reserve prices are for one time and temporary ones to immediately protect the revenue of the Board. We may take a view about revision of the reserve prices of the unsold units after the next e-Tenders, with the approval of the Board. The Board may also be apprised, in its next meeting, about the status of e-Tenders and its outcome.



(Yashpal Garg, IAS)

Chief Executive Officer,  
Chandigarh Housing Board,  
Chandigarh

1. Chief Engineer, CHB
2. Secretary, CHB
3. Chief Accounts Officer, CHB
4. All Accounts Officers, CHB
5. Senior Law Officer, CHB
6. Computer Incharge to upload on website

Copy for information to PA to Chairman, Chandigarh Housing Board for kind information of the worthy Chairman.