6.1 Introduction

At paragraph 6.1 of the 2006-07 Audit Report, I commented on the impact of the closure of the DWC. Before closure, consideration was not given to the following: degree of completion of projects, time to complete projects, availability of Contractors willing to undertake completion of projects, possible financial impact on re-award and urgency of projects.

Mention was also made that after closure:

- Some projects were re-awarded at higher contract prices.
- As of September 2007, contracts of some of the projects including those nearing completion were not yet re-awarded.
- For some projects awaiting re-award, the already built site infrastructure had suffered degradation and additional cost in terms of security services was incurred.

6.2 Follow up

During the 2007-08 audit exercise, a follow up of these projects at the National Development Unit (NDU) and the Ministry of Education and Human Resources (MEHR) was carried out. The status of the project for the Construction of a new Fire Station at Flacq undertaken by the DWC on behalf of the Ministry of Local Government is also reported below.

6.2.1 National Development Unit

At time of winding up, the DWC was handling four projects at the NDU with total contract value of Rs 149 million. The status of these projects as of August 2008 was as follows:

Construction of Football Ground at Mont-Ida

The contract for the construction of a football ground at Mont Ida was awarded to the DWC in February 2005 for a sum of Rs 12,396,540.

On closure of the DWC in July/August 2006, 60 per cent of the works were completed, for which a sum of Rs 8,098,957 was paid.
The contract for the project has not yet been re-awarded and the state of the site has even worsened.

*Landscaping and Embellishment Works at Chebel Sports Complex.*

The contract for the landscaping and embellishment works at Chebel Sports Complex was awarded for the sum of Rs 4,397,195. At time of closure of the DWC an amount of Rs 2,503,754 was paid.

A survey of the outstanding works was carried out in March 2006 to determine the scope of works in view of re-award.

The contract for this project has still not yet been re-awarded.

*Construction of 13 Community Centres around the Island.*

The contract for the construction of 13 Community Centres was awarded on 3 March 2004 for the sum of Rs 142,589,850.

**Degree of Completion.** During 2007-08, it was noted that only eight out of the 13 Community Centers have already been completed. However, only four of them have been handed over to relevant Authorities.

Outstanding works in three others, namely Clemencia, Wooton and Bois Cheri are still in progress.

Tender documents for two other centres, at Cite Joachim and Camp Caval, are still to be finalised.

During site visits, the degradation of already built structures was again noted.

**Security Services.** Provision of security services at the Community Centers was extended up to August 2008. An amount of Rs 3,268,300 was paid from February 2007 up to June 2008.

6.2.2 Ministry of Education and Human Resources (MEHR)

The four projects mentioned in the 2006-07 Audit Report were completed between May and October 2007. Total payments as of September 2008 on re-award of the projects amounted to some Rs 156 million.

The value of these same remaining works when the DWC left the sites amounted to Rs 125.5 million. Without taking into account release of retention monies and other possible payments, there is already an increase in expenditure of Rs 30.5 million. It is to be noted that contracts for remaining works on these projects were awarded for the sum of Rs 176.9 million.
6.2.3 Ministry of Local Government – Construction of a New Fire Service at Flacq.

The contract for the construction of a new Fire Station at Flacq was awarded to the DWC in June 2004 for the sum of Rs 43.9 million. At time of closure of the DWC, an amount of Rs 25.3 million was paid representing some 58 per cent of the total project cost.

Contract for the completion of the project had not yet been awarded as of 30 June 2008. Some four years after the start of the works, the Fire Station was still not ready.

An amount of Rs 410,000 was paid for provision of security services at the Fire Station from September 2006 to May 2008.

Conclusion

To conclude, it is evident that the closure of the DWC was not properly planned. Examples of projects were taken from only three Ministries/Departments. There may be other projects that were handled by the DWC on behalf of other Ministries/Departments at time of its closure.

It is nearly two years since the DWC left the sites of the above mentioned projects and the contracts for completion of works for some projects are still awaiting re-award. The consequences are two-fold. The contract prices will definitely increase by several times over the original contract price and a further deterioration of the already built structures were noted.

The Ministries/Departments concerned should take prompt measures to complete the projects. Otherwise the amount spent on these projects may prove to be nugatory.