



केन्द्रीय सरकारी कर्मचारी कल्याण आवास संगठन  
**Central Government Employees  
Welfare Housing Organisation**  
(Ministry of Housing & Urban Poverty Alleviation, Govt. of India)

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20 April, 2011

**To : The beneficiaries of Jaipur (Phase II) Housing Scheme**

**Sub : CGEWHO Housing Scheme at Jagatpura, Jaipur (Phase II)**

Sir/Madam,

We are in receipt of communications from a number of beneficiaries and it is felt that the escalation aspect has not been clearly understood. In view of this a detailed feed back, as received from Technical D'te is given below.

i) The announced cost included in the scheme brochure is based upon the rates quoted (approved by the Executive Committee) by the construction agency, it is does not included any future escalation. Escalation are calculated on the basis of increase in the Wholesale Price Index and the Labour wages with respect to the Wholesale Price Index and Labour wages prevalent as on the date of submission of the rates/bid by the construction agency. As far as Jaipur project is concerned the Wholesale Price Index prevalent at the time of submission of bid was 211.50 while the Wholesale price Index for January 2011 is 273.27. Similarly Minimum labour wages as on the date of submission of bids was Rs.87.81 per day, while minimum Labour wages in January 2011 was Rs.194.00 per day. It is may therefore be seen that there is 29% rise in the Wholesale Price Index and 120% rise in the minimum labor wages which form the main reason for increase in the cost of Dus as the project.

The escalation therefore works out as below :

- a. On Materials =  $0.85 \times 0.75 \times 0.29 \times 100 = 19\%$
- b. On Labour =  $0.85 \times 0.25 \times 1.20 \times 100 = 25.50\%$
- c. Total = 44.50% on construction cost = 25% approximately on total cost of DU

ii) Another reason for increase in cost is the increase in the areas of the dwelling units which has been brought out in our earlier letter dtd 23.02.2011 in detail.

2. The organisation is however making all efforts to complete the project at the earliest.

Yours faithfully

(P K Wadhwa) 20/4/11

Dy. Dir, (Admn.)

for Chief Executive Officer