

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2016-2019)**

THIRTEENTH REPORT
(Presented on 7th February, 2018)



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM**

2018

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2016-2019)**

THIRTEENTH REPORT

On

**Paragraphs relating to Public Works Department contained in the Report of
the Comptroller and Auditor general of India for the
financial year ended 31st March 2012
(Economic Sector)**

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COMMITTEE ON PUBLIC ACCOUNTS
(2016-2019)

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Smt. S. Shahina, Joint Secretary

Shri P. P. Shahnawas, Deputy Secretary

Shri D. Krishnan Kutty, Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Thirteenth Report on paragraphs relating to Public Works Department contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2012 (Economic Sector).

The Report of the Comptroller and Auditor General of India for the year ended 31st March 2012 (Economic Sector) was laid on the Table of the House on 8th July, 2013.

The Committee considered and finalised this Report at the meeting held on 30th January, 2018.

The Committee place on records their appreciation of the assistance rendered to them by the Accountant General by the examination of the Audit Report.

Thiruvananthapuram,
30th January, 2018.

V. D. SATHEESAN,
Chairman,
Committee on Public Accounts.

REPORT
PUBLIC WORKS DEPARTMENT

Undue benefit to contractors in violation of MoRTH Specifications

Executive Engineer, National Highways (NH) Division, Malappuram made an excess payment of ₹ 64.72 lakh for laying additional layer of tack coat in six road works against MoRTH specifications and thereby providing undue financial aid to the contractors.

Chief Engineer, National Highways, Public Works Department, Thiruvananthapuram (CE) sought technical approval of Ministry of Road Transport and Highways (MoRTH) for four out of six road works for laying of 50mm Bituminous Macadam¹ (BM) and 30mm Bituminous Concrete² (BC) on existing surface of four stretches of NH 213 under Improvement of Riding Quality Programme (IRQP) at a cost of ₹ 29.48 crore. The works were funded by MoRTH under direct payment system. CE also proposed two works costing ₹ 23.75 crore with similar specification for two State roads utilising Central Road Funds created by Government of India. The detailed estimates of both the proposals contained use of two layers of tack coat³; one layer over the existing road surface and an additional layer over the freshly laid BM layer. MoRTH, while according the sanction (between October 2007 and November 2008) stipulated that the additional layer of tack coat provided in the estimates are approved only for estimate purpose and if the roads, before laying BC were required to be opened after laying BM, the cost of which should be borne by contractors.

Test check of records of these works in the office of the Executive Engineer, (EE), NH Division, Malappuram revealed that the EE paid

₹ 64.72 lakh for additional tack coat over 8,56,489.90 square metres area of BM at rates ranging from ₹ 5 to ₹10 per square metre in violation of MoRTH specification. The expenditure was irregular due to the fact that the MoRTH, in their technical note had stated that the approval for second layer of tack coating was only for estimate purpose.

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- 1 BM- a single course of 50mm thickness of compacted crushed granite premix with bituminous binder to serve as base course.
 - 2 BC- a single top most layer of bituminous concrete on a previously prepared bituminous macadam surface.
 - 3 Tack coat is layer spraying of bituminous emulsion at zero thickness.

Composition of laying bituminous compound:

The Government stated (December 2012) that the above works were carried out on the existing roads having heavy traffic and that the BM surface was getting contaminated and necessitated additional tack coat layer. The reply is not acceptable since the situation mentioned by the Government required laying of seal coat at contractor's cost instead of tack coat at Government's expense.

Thus, making payments for the execution of work of laying additional layer of tack coat in violation of the technical specification of work and the specific directions issued by MoRTH at the time of issuing technical sanctions for works resulted in undue benefit to the contractors to the tune of ₹ 64.72 lakh.

The department may ensure that work is executed complying with specification and MoRTH direction.

Audit Paragraph 3.1.1 Contained in the Report of the Comptroller and Auditor General of India for the year ended on March 2012 (Economic Sector).

Notes received from the government on the above audit paragraph are included as Appendix II.

1. The Committee enquired whether it was stipulated in the contract that expense for second tack coat should be born by the contractor. The Deputy Chief Engineer, PWD (NH) replied that it hadn't in the contract and tender conditions. The Senior Audit Officer interfered to inform that it was clearly stated in the technical note of MoRTH that seal coat has to be done instead of two layers of tack coat.

2. The Deputy Chief Engineer, PWD (NH) explained that seal coat was provided when the road was opened for traffic on completing BM layer and without applying BC layer within 48 hours. In Kerala IRQP-CRF work deals with strengthening of road. So the work was carried out by blocking traffic on one side and laying of BM on other side. After application of BM, road would be opened for traffic, this would lead to the loss of binding property due to dust and other pollutants. So tack coat was applied before the coating of BC. Provisions in clause 501(54), 509(45) in specification Roads & Bridges instructs that tack coat could be provided at the discretion of the Engineer while in technical note tack coat was allowed for estimate purpose only.

3. The Deputy Chief Engineer PWD (NH) brought the attention of the Committee that in clause 501 (54), if the surface of the base course was subject to traffic or not covered within 3 days, a tack coat shall be applied as directed by the Engineer. In clause 509(45) wherever specified in the contract or otherwise required by the Engineer, a tack coat shall be applied in accordance with the requirement of clause 503'. Specification of tack coat was explained in clause 503.

4. The Deputy Chief Engineer, PWD (NH) added that seal coat was provided in 'specifications for Roads and Bridges'. If contractor fails to provide BC after BM coating was done the rest of work should be done at contractor's expense. After applying BM if traffic would be allowed by the request from Department then tack coat couldn't be done on contractor's expense. If BC was not done within 2 days and traffic was allowed, tack coat was applied for protection of BM.

5. Regarding extra expenditure, the Deputy Chief Engineer PWD (NH) stated that it was included in the estimate and work was done based on that. Regarding the query about seal coat application the Deputy Chief Engineer PWD (NH) also deposed that the expense to seal coat was ₹ 70/m² which was as compared to ₹ 6/m² or ₹ 7/m² for tack coat.

Conclusion/Recommendations

No Comments.

Undue benefit to a contractor of a bridge work

Chief Engineer extended undue benefit of ₹ 2.32 crore to a contractor by enhancing the unit rate of pile work by 528.68 per cent on a concluded contract for construction of a bridge.

Government issued (June 2009) Administrative Sanction of ₹ 7.40 crore for the construction of a bridge at Aralam across Baveli river connecting Iritty and Aralam in Kannur District under NABARD RIDF XIV Scheme. The Chief Engineer, Roads and Bridges (CE) issued Technical Sanction of ₹ 7.35 crore for the work. The scope of work included construction of bridge proper (₹ 5.51 crore), approach road and side

protection works (₹ 1.29 crore), construction of culverts (₹ 0.24 crore) and miscellaneous items⁴ (₹ 0.31 crore). The Superintending Engineer, Roads and Bridges (SE), North Circle, Kozhikode awarded (November 2009) the work to a contractor⁵ for a contract amount of ₹ 8.89 crore at a premium of 30 percent on the estimated amount of ₹ 6.84 crore. The estimate was prepared based on 2009 Schedule of Rates and the contract condition *inter alia* stipulated that the rates once fixed could not be increased. The work was completed and the final payment of ₹ 8.71 crore had been made in February 2012.

The foundation proposed for 177.24 metre long bridge was (a) wells-at two pier points⁶ and (b) piles – at two abutment points⁷ and at four pier points. The piles were designed as bored-cast-in-situ piles and estimated for a length of 465 metre at ₹ 9,504 per metre; the cost on piles being ₹ 44 lakh. During execution, the foundation of one pier point was changed from piles to wells. Resultantly, the length of piles was reduced to 360.56 metres, but the cost of piles increased manifold from ₹ 44 lakh to ₹ 2.45 crore. The increase was due to revision of rate for piling from ₹ 9,504 per metre to ₹ 68,980 per metre treating the item as an 'extra item'. After applying 30 per cent tender excess on eligible items, the effective rate payable to the contractor worked to ₹ 77,674 per metre as against the contracted rate of ₹ 12,355 per meter; the difference being ₹ 65,319 per meter which was 528.68 percent of the agreed rate. Of the total length of piles executed, a length of 354.53 metre was priced at the revised rates resulting in extra expenditure of ₹ 2.32⁸ crore. The rates were revised by the CE at the request of contractor because of difficulties experienced in drilling due to presence of pebbles and boulders in the bore holes. The CE while justifying the need for higher rates had stated that the drilling work was possible only with specialised equipment and not with ordinary equipment and execution of drilling work with the specialised equipment was not possible within tender rates. Accordingly the original estimates of ₹ 6.84 crore were revised to ₹ 7.39 crore.

4 Shifting utilities (₹ 0.06 crore), Tools and Plants quality control (₹ 0.02 crore), Inauguration Ceremony (₹ 0.02 crore), Toll facility (₹ 0.02 crore), Improvements to Aralam-Puzharakkara Road (₹ 0.03 crore) and unforeseen items if any (₹0.16 crore).

5 T.A. Abdul Rahiman, PWD Contractor, 'Jasmin House', P.O., Thekkil, Kasargod, Kerala.

6 Pier Point- a structure where support of the superstructure of a bridge rests.

7 Abutment point- pier located at the extreme ends of a bridge which connects the bridge to the land.

8 354.53 x 65319

Audit scrutiny (June 2011) revealed that the work of boring was expressly provided for in the agreement as per the specification in pile driving work and did not fall within the definition of an 'extra item'. Further in view of clause 11 of the agreement, an item of work expressly or impliedly described in the scheduled plans or specifications would not be treated as extra. Hence extra payment amounting to ₹ 2.32 crore on account of revision of rates was a violation of contract conditions and an undue benefit to the contractor.

Government replied (December 2012) that the rates were revised after assessing the actual work executed at site and was found necessary for the satisfactory completion of the work.

The reply was not acceptable as the contractor had completed 2.20 meters of piles in a day using ordinary equipment but as per the data prepared by the EE, the contractor could complete only 0.50 metre a day after using the advanced technology. This negated the very purpose of using specialised equipment.

Thus, the unjustified sanction of enhanced rate for piling by incorporating the revised rate as 'extra item of work' resulted in undue benefit to the contractor to the tune of ₹ 2.32 crore.

Audit Paragraph 3.1.2 Contained in the Report of the Comptroller and Auditor General of India for the year ended on March 2012 (Economic Sector).

Notes received from government on the above audit paragraph is included as Appendix II

6. Regarding audit paragraph the Committee commented that the subsoil investigation report of LBS clearly reveals the fact that well foundation was suited for soil condition of the area but the decision was changed later. The Deputy Chief Engineer stated that difficulty arose during piling so that the earlier decision was altered and A.E had reported that boring was impossible.

7. The Committee enquired whether it was an extra item or not, as subsoil condition was revealed from LBS report. The Deputy Chief Engineer PWD (Roads and Bridges) replied that it was an extra item because to proceed work extra machinery was used. Eventhough advanced technology was used only 0.5m of pile could be completed per day. ₹ 2.32 crore was given out of way payment as an extra item.

8. The Committee argued that Chief Engineer was not competent to sanction ₹ 2.32 crore as extra item to a contractor. The Deputy Chief Engineer replied that it was sent for the sanction of finance department and vetted by CTO. ₹ 42 lakh was recovered as per the objection raised by the CTO. The Committee observed that it was a case of a prima-facie manipulation by the officers concerned and recommended to take departmental action against the officers who was responsible and report to the Committee.

Conclusion/Recommendations

9. The Committee is aggrieved to note that change in rate from ₹ 12,355 per metre to 77,674 per metre for a length of 354.53 metre piles in the construction of bridge at Aralam resulted in extra payment of ₹ 2.32 crore to the contractor. The Committee is of the opinion that purposeful avoidance of LBS report regarding the subsoil conditions and consideration of 'normal work' as 'extra item of works' paved way for the extra payment. The Committee opines that extra payment amounting to ₹ 2.32 crore on account of revision of rates by the Chief Engineer at the request of the contractor was in violation of contract conditions and an undue benefit to the contractor. The Committee finds that it is a case of prima-facie manipulation by the officers concerned. Therefore, the Committee recommends to submit a detailed report regarding the avoidance of LBS report which lead to the extra payment of ₹ 2.32 crore and the departmental action taken against the officers who were responsible for the same to the Committee.

Avoidable expenditure due to use of quarry muck in filling of roads:

Use of costlier 'quarry muck' in contravention of IRC standards, in place of conventional ordinary earth soil resulted in avoidable expenditure of ₹ 1.63 crore.

As per the Public Works Department (Buildings and Roads) instructions (May 1984), the filling of roads was to be made only with ordinary soil. In February 1988, the department decided to adopt the Indian Road Congress (IRC) specification in road works in Kerala. According to the IRC specifications the earth-especially that obtained from road way cutting or from burrow pits was recognised as the best material for embankment filling in road works. Thus, the earth soil if available in the site without cost was required to be utilised in work.

During test check of records in the office of the Executive Engineer (EE) Roads Division, Kozhikode and Wayanad, it was observed that the EE had opted for quarry muck, instead of earth soil for road construction and maintenance, in the estimates of eight works, without any justification. On the basis of the estimates, the technical sanctions (between September 2009 and October 2010) were issued by the Chief Engineer (CE) and works were awarded (between January 2010 and October 2010) by Superintending Engineer (SE). The agreements entered into by the SE with the contractor also did not contain the specification or quality requirement of quarry muck to be used by the contractors.

The cost of quarry muck utilised in these works ranged from ₹ 79.20 per cubic metre (cum) to ₹ 93.50 per cum. As cut earth was available at the site itself, there would not have been any requirement for incurring any additional expenditure for filling had the available cut earth been used. Similarly, the conveyance charges incurred for the quarry muck in the works ranged from ₹ 277.20 to ₹ 777.70 per cum whereas the conveyance charges for earth was from ₹ 193.90 per cum to ₹ 276 per cum. Therefore the cost of embankment filling using quarry muck was much higher than the cost of embankment filling using earth.

In eight works, the department had incurred an additional expenditure of ₹ 1.44 crore by using 27,083 cum of quarry muck.

Further, in four works out of the above eight works, 10,343.66 cum cut earth available at site for filling in road works was transported to contractor's place of choice, involving additional payment on transportation to the tune of ₹ 0.19 crore.

The avoidable expenditure in the above works on account of embankment filling, using quarry muck in place of earth amounted to ₹ 1.63 crore.

The department stated that quarry muck was used as Granular Sub Base (GSB) in the widened portion and in selected water logged low lying portions of the roads to raise the embankments. As good quality earth was not available in Wayanad district, quarry muck was used for stabilising the carriage way of the roads. It was also stated that quarry muck was used as capillary cut off as the alignment of road passed through areas with high water table.

The reply of the department was not acceptable as the specification of IRC or MoRTH and the technical circulars of the department do not identify quarry muck as GSB or road filling material and is not provided for capillary cut off according to IRC 34. Further, as per the data published by Kerala Agricultural Department, the soil in major parts of Wayanad and Kozhikode districts is laterite/sandy which was considered suitable for road work. As the supply of good cut earth provided in the agreements of works was available in the site itself as evident from the contractor's bill, the use of quarry muck involving expenditure of ₹ 1.63 crore could have been avoided.

The matter was referred to the Government in March 2012; the reply had not been received (April 2013).

Audit Paragraph 3.1.3 contained in the Report of the Comptroller and Auditor General of India for the year ended on March 2012 (Economic Sector).

Notes received from government on the above audit paragraph is included as Appendix II.

10. Regarding query, the Deputy Chief Engineer PWD (Roads and Bridges) replied that quarry muck was used for filling as soil in the area was not good. But the Committee rejected the explanation and accepted the comments of the A.G. and recommended that disciplinary action must be taken against the officers responsible.

Conclusion/Recommendation

11. The Committee expresses its dissatisfaction over the avoidable expenditure of ₹ 1.63 crore for the use of costlier quarry muck in contravention of IRC standards, instead of conventional ordinary earth soil. Hence the Committee recommends that disciplinary action should be taken against the officers responsible for the use of quarry muck, which resulted in huge loss to the exchequer to the tune of ₹ 1.63 crore.

Avoidable expenditure in finalisation of tenders:

Failure of the department to finalise tenders of four building works within firm period resulted in avoidable expenditure of ₹ 4.02 crore on retendering of works.

According to the provisions of Kerala Public Works Department Manual, consideration of tenders and the decision thereon should be completed well before the date of expiry of firm period⁹ indicated in the tender so that the selection notices are sent on or before the expiry of the firm period. As per provisions in the Notice Inviting Tenders (NIT) for works, the firm period was four months from the date of opening of tender. In case selection notice was not issued before the expiry of the firm period, the bidders' offer would stand nullified automatically.

Test check of the records relating to pre-qualification tenders awarded in two circles of the Buildings and Local Works of the Public Works Department (PWD) during 2009-2012, revealed that though the firm period was fixed as four months from the date of opening tenders, the works were not awarded within the firm period due to delay at various stages. The works were subsequently re-tendered between August 2011 and March 2012 and awarded to different contractors at the rate upto 39.48 percent above the rates quoted in first tendering. This resulted in extra expenditure of ₹ 4.02 crore on the works as shown below:

Table Details showing extra expenditure due to delay in tendering:

Sl. No.	Name of Work	Days taken for approving the tender	Delay beyond firm period (days)	First tender quoted probable amount of contract (₹ in crore) date	Re-tender, Accepted probable amount of contract (₹ in crore) date	Difference (₹ in crore)
1	2	3	4	5	6	7
1.	Construction of Mini Civil Station at Kottarakkara	131	11	<u>9.27</u> 28 January 2010	<u>9.41</u> 31 October 2011	0.14
2.	Construction of Hostel for Men at Government TDMC Alappuzha	310	190	<u>8.18</u> 2 March 2010	<u>11.41</u> 27 December 2011	3.23

9 Firm Period is the period upto which the tender will be firm and the contractor will not be free to withdraw the tender during the period.

1	2	3	4	5	6	7
3.	Construction of a Mega Office Complex under Taxes Department Kacherippady Ernakulam	183	63	<u>10.61</u> 11 August 2010	<u>11.14</u> 19 August 2011	0.53
4.	Construction of Ladies Hostel Government Engineering College Idukki	334	214	<u>3.49</u> 29 July 2010	<u>3.61</u> 27 March 2012	0.12
TOTAL						4.02

Source : Department Records.

Audit while analysing the reasons for the delay observed that the Government had taken 65 days and 236 days respectively for approving tenders in the work of TDMC Alappuzha and Ladies hostel at Idukki, and 50 days each in other two works in the above table. The time taken for receipt of financial bids at CE's office after evaluation of technical bids was about 49 to 83 days. The average time taken at SE, CE and Government for finalising the tenders of the works was 45, 44 and 100 days respectively excluding an average transit delay of 16 days. Thus the total average time taken for finalising the tender was 205 days as against the stipulated time of 120 days.

Government's failure in finalising the tender within tender period necessitated the Department to re-tender the work and resulted in extra expenditure of ₹ 4.02 crore.

The matter was brought to the notice of the Government in October 2012. Government stated (December 2012) that the delay in processing the tender was not purposeful. The reply was not acceptable as the process was required to be completed within the tender period as stipulated in para 15.7.13 of the Kerala Public Works Department Manual.

Audit Paragraph 3.1.4 contained in the Report of the Comptroller and Auditor General of India for the year ended on March 2012 (Economic Sector).

Notes received from government on the above audit paragraph is included as Appendix II.

12. Regarding the audit paragraph avoidable expenditure in finalisation of tenders the Chief Engineer, PWD (Buildings) detailed that tender was not finalised within firm period. Approval of tender upto ₹ 3 crore was done by Government Tender Committee, and above ₹ 3 crore by the Committee presided by Chief Secretary. After approval, the minutes were circulated among Finance and PWD Ministers and subsequently the Government Order would be issued. A decision was taken by PWD on 4-9-2013 that if the minutes circulated to the ministers were not returned within 21 days Government Order should be issued thereafter. According to the Government Order related to 'Delegation of Powers' issued by Finance Department the Chief Engineer could approve tenders upto ₹ 5 crore by 10% above by comparing with latest SOR and tender Committee could approve up to 10% amount ranging from 5-10 crore. High value tender should be approved by the Committee presided by Chief Secretary. Hence problems relating to tenders was resolved.

13. To another query regarding tender received on 2-3-2010, the Chief Engineer, PWD (Buildings) explained that it was a prequalification Work Tender and it was submitted before Chief Engineer on 20-3-2010. Price bid was opened when list of contractors approved by PQ Committee was submitted to Superintending Engineer. Price bid was returned to Chief Engineer's Office on 22-4-2010 after approval by PQ and it was sent to Superintending Engineer for LMR calculation. The Chief Engineer admitted the delay occurred during LMR calculation and informed that presently the problem was rectified and now the estimates are prepared through software.

14. The Deputy Accountant General (ES II) commented that firm period was reduced to two months in the revised Kerala Public Works Manual. The Committee suggested that it may be condoned if the department submit a detailed report before the Committee admitting that government had incurred financial loss and there was no purposeful delay.

Conclusion/Recommendation

15. The Committee observes that the department had not yet submitted the detailed revised report about the objection raised by the audit as per the direction of the Committee. Hence the Committee opines that it could not be condoned and recommends that appropriate action should be taken against the delinquents in this regard and be informed to the Committee accordingly.

Thiruvananthapuram,
30th January, 2018.

V. D. SATHEESAN
Chairman,
Committee on Public Accounts.

APPENDIX-I

SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

Sl. No.	Para No.	Department Concerned	Conclusion/ Recommendation
1	2	3	4
1	9	Public Works	<p>The Committee is aggrieved to note that change in rate from ₹ 12,355 per metre to 77,674 per metre for a length of 354.53 metre piles in the construction of bridge at Aralam resulted in extra payment of ₹ 2.32 crore to the contractor.</p> <p>The Committee is of the opinion that purposeful avoidance of LBS report regarding the subsoil conditions and consideration of 'normal work' as 'extra item of works' paved way for the extra payment. The Committee opines that extra payment amounting to ₹ 2.32 crore on account of revision of rates by the Chief Engineer at the request of the contractor was in violation of contract conditions and an undue benefit to the contractor. The Committee finds that it is a case of prima facie manipulation by the officers concerned. Therefore, the Committee recommends to submit a detailed report regarding the avoidance of LBS report which lead to the extra payment of ₹ 2.32 crore and the departmental action taken against the officers who were responsible for the same to the Committee.</p>

2.	11	Public Works	The Committee expresses its dissatisfaction over the avoidable expenditure of ₹ 1.63 crore for the use of costlier quarry muck in contravention of IRC standards, instead of conventional ordinary earth soil. Hence the Committee recommends that disciplinary action should be taken against the officers responsible for the use of quarry muck, which resulted in huge loss to the exchequer to the tune of ₹ 1.63 crore.
3.	15	Public Works	The Committee observes that the department had not yet submitted the detailed revised report about the objection raised by the audit as per the direction of the Committee. Hence the Committee opines that it could not be condoned and recommends that appropriate action should be taken against the delinquents in this regard and be informed to the Committee accordingly.

APPENDIX-II
NOTES RECEIVED FROM THE GOVERNMENT

GOVERNMENT OF KERALA
PUBLIC WORKS (D) DEPARTMENT
COMMITTEE ON PUBLIC ACCOUNTS (2011-14) - REMEDIAL MEASURES TAKEN STATEMENT ON AUDIT
PARA BASED ON THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR
ENDED 31ST MARCH 2012 ON ECONOMIC SECTOR

Para No.	Recommendations of the Committee	Action Taken by Government
3.1.1	<p><u>Undue benefit to contractors in violation of MORTH specifications</u> - Executive Engineer, National Highways (NH) Division, Malappuram made an excess payment of Rs.64.72 lakh for laying additional layer of tack coat in six road works against MORTH specifications and thereby providing undue financial aid to the contractors - Chief Engineer, National Highways, Public Works Department, Thiruvananthapuram (CE) sought technical approval of Ministry of Road Transport and Highways (MORTH) for four out of six road works for laying of 50 mm Bituminous Macadam (BM) and 30mm Bituminous Concrete (BC) on existing surface of four stretches of NH 213 under Improvement of Riding Quality Programme (IRQP) at a cost of Rs.29.48 crore. The works were funded by MORTH under direct payment system. CE also proposed two works costing Rs.23.75 crore with similar specification for two State Roads utilising Central Road Funds created by Government of India. The detailed estimates of both the proposals contained use of two layers of tack coat, one layer over the existing road surface and an additional layer over the freshly laid BM layer. MORTH, while according the sanction (between October 2007</p>	<p>The Executive Engineer, National Highways Division, Malappuram who was in charge of the work reported that the estimates are prepared as per the actual site necessity based on the field experience of the Engineer in charge. The second layer of tack coat is a bare necessity due to heavy traffic over the road surface and the possible contamination due to it. The tack coat is applied over BM</p>

<p>and November 2008) stipulated that the additional layer of tack coat provided in the estimates are approved only for estimate purpose and if the roads, before laying BC were required to be opened after laying BM, the cost of which should be borne by contractors.</p> <p>Test check of records of these works in the office of the Executive Engineer (EE), NH Division, Malappuram revealed that the EE paid Rs.64.72 lakh for additional tack coat over 8,56,489.90 square metres area of BM at rates ranging from Rs.5 to Rs.10 per square metre in violation of MORTH specification. The expenditure was irregular due to the fact that the MORTH, in their technical note had stated that the approval for second layer of tack coating was only for estimate purpose. The Government stated (December 2012) that the above works were carried out on the existing roads having heavy traffic and that the BM surface was getting contaminated and necessitated additional tack coat layer. The reply is not acceptable since the situation mentioned by the Government required laying of seat coat at contractor's cost instead of tack coat at Government's expense. Thus, making payments for the execution of work of laying additional layer of tack coat in violation of the technical specification of work and the specific directions issued by MORTH at the time of issuing technical sanctions for works resulted in undue benefit to the contractors to the tune Rs.64.72 lakh.</p> <p>The department may ensure that work is executed complying with specification and MORTH direction.</p>	<p>surface as a binder between BM & BC layer. The work is executed exactly as per technical note issued by the Ministry. There is no violation of the instruction of the Ministry.</p>
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GOVERNMENT OF KERALA
PUBLIC WORKS (D) DEPARTMENT

Statement of Action Taken on the Recommendations contained in the
Public Accounts Committee(20.11.2014)

Para No.	Recommendation of the Committee	Action taken by the Government
3.1.2	<p><u>Undue benefit to a contractor of a bridge work</u> Chief Engineer extended undue benefit of ₹ 2.32 Crore to a contractor by enhancing the unit rate of pile work by 528.68 per cent on a concluded contract for construction of a bridge.</p> <p>Government issued (June 2009) Administrative Sanction of ₹ 7.40 Crore for the construction of a bridge at Aralam across Baveli river connecting Iritty and Aralam in Kannur District under NABARD RIDF XIV Scheme. The Chief Engineer, Roads and Bridges (CE) issued Technical Sanction of ₹ 7.35 Crore for the work. The scope of work included construction of bridge proper (₹ 5.51 Crore), approach road and side protection works (₹ 1.29 Crore), construction of culverts (₹ 0.24</p>	<p>The Aralam Bridge is with 7 nos Spans of 25.32m each T-Beam - Cum Slab bridge. The foundation of the work was 5 Nos Pile foundations for piers P1 to P4 and Abutments and well foundation for Piers P5 and P6. During execution, the foundation one Pier was changed from Piles to well foundation after studying the site conditions of the soil strata below the river bed at that location.</p> <p>During tendering stage, the contractor have the details from the General Design Drawing of the Bridge which gave the details of the length, no.of spans, type of foundations, details of approach road constructions etc. Also before the tender, the contractor could inspect the site, where the bridge is proposed to be constructed. With this he could gather only the visible details at the site, such as the river flow conditions, availability of materials required for constructions, the alignment of the approach road etc. But the contractor will not get</p>

Crore) and miscellaneous items (₹ 0.31 Crore). The Superintending Engineer, Roads and Bridges (SE), North Circle, Kozhikode awarded (November 2009) the work to a contractor for a contract amount of ₹ 8.89 Crore at a premium of 30 percent on the estimated amount of ₹ 6.84 Crore. The estimate was prepared based on 2009 Schedule of Rates and the contract condition inter alia stipulated that the rates once fixed could not be increased. The work was completed and the final payment of ₹ 8.71 Crore had been made in February 2012.

The foundation proposed for 177.24 metre long bridge was (a) wells - at two pier points and (b) piles - at two abutment points and at four pier points. The piles were designed as bored - cast - in - situ piles and estimated for a length of 465 metre at ₹ 9,504 per metre; the cost on piles being ₹ 44 lakh. During execution, the foundation of one pier point was changed from piles to wells. Resultantly, the length of piles was reduced to 360.56 metres, but the cost of piles increased manifold from ₹ 44 lakh to ₹ 2.45 Crore. The increase was due to revision of rate for piling from ₹ 9,504 per metre to ₹ 68,980 per metre treating the

the exact knowledge of the nature and behavior of the sub-soil strata below the river bed, its variations across the river along the alignment, its exact behavior during execution of foundations, strength and properties of each layer of sub-soil strata etc.

The estimate of the bridge was prepared based on the visible details collected from the site and as per the details from the general design drawing (used for estimate purposes). The data of each item in the estimate were prepared based on the current IRC/MORTH specifications and Schedule of Rate during the estimate stage. During execution, when such data were found not suitable at the particular site conditions to execute the item of work i.e. the materials, machineries, etc. provided in the data of items in the original estimate found inadequate and not workable, such items of work are to be revised as per observed data suitable for the site conditions. The specifications of such items may not be available in the Codes and Manuals and the rates of such items were calculated based on observed data prepared at site conditions during the execution stage. It cannot be expected that the sub soil investigations shall be carried out by the contractor before submitting the tenders for a work.

In the present case, there was a drastic change in the nature of the sub soil strata underlying the foundation points below the river bed. The exact

item as an 'extra item'. After applying 30 per cent tender excess on eligible items, the effective rate payable to the contractor worked to Rs 77,674 per metre as against the contracted rate of Rs 12,355 per metre; the difference being Rs 65,319 per metre which was 528.68 per cent of the agreed rate of the total length of piles executed, a length of 354.53 metre was priced at the revised rates resulting in extra expenditure of Rs.2.32 Crore. The rates were revised by the Chief Engineer at the request of contractor because of difficulties experienced in drilling due to presence of pebbles and boulders in the bore holes. The chief Engineer while justifying the need for higher rates had stated that the drilling work was possible only with specialized equipment and not with ordinary equipment and execution of drilling work with the specialized equipment was not possible within tender rates. Accordingly, the original estimates of Rs 6.84 Crore were revised to Rs 7.39 Crore.

Audit scrutiny (June 2011) revealed that the work of boring was expressly provided for in the agreement as per the specification in pile driving work and did not fall within the definition of an 'extra item'. Further in

behavior on the soil strata consisting deep layers of pebbles mixed with boulders below the river bed could not be known till the starting of the foundation work. The depth of strata consisting of pebbles mixed with boulders were so deep which extended from river bed top to the level of granite rock strata where foundation is fixed. The pebbles found were very hard, smooth surfaced, oval shaped granite stones which could not be broken using the boring equipments that provided in the data of the original estimate. While driving the chissel it just rotates within the bore hole, displacing the pebbles laterally but failed to penetrate through it. The chissel could not break the pebbles, instead it slips due to its shape and hardness, when more and more pebbles fallen into the bore. The contractor raised these problems before the Asst.Engineer who was supervising the work. The Asst.Engineer after studying the difficulties, gave report to the higher officers.

On the basis of the representations of the contractor, the Executive Engineer gave instructions to his subordinates for close supervision of the piling work and report the correct details. When all efforts to start the piling work using the ordinary equipments failed, the Asst.Engineer was instructed to visit other similar sites inside/neighbouring states where piling works were done and also collected the required details from such sites. Accordingly, the

view of clause 11 of the agreement, an item of work expressly or impliedly described in the scheduled plans or specifications would not be treated as extra. Hence extra payment amounting to Rs 2.32 Crore on account of revision of rates was a violation of contract conditions and an undue benefit to the contractor.

Government replied (December 2012) that the rates were revised after assessing the actual work executed at site and was found necessary for the satisfactory completion of the work.

The reply was not acceptable as the contractor had completed 2.20 metres of piles in a day using ordinary equipment but as per the data prepared by the Executive Engineer, the contractor could complete only 0.50 metre a day after using the advanced technology. This negated the very purpose of using specialized equipment. Thus the unjustified sanction of enhanced rate for piling by incorporating the revised rate as 'extra item of work' resulted in undue benefit to the contractor to the tune of Rs 2.32 Crore.

Asst. Engineer conducted a detailed study visiting many work sites where piling works were done using new methodology by engaging special type of plants and Machineries. The Asst. Engineer finally succeeded and got details of the piling work suitable at Aralam site using special type of drilling plants and machineries along with well trained skilled labourers were to be brought from the neighbouring state to Aralam site for doing the piling work.

Meantime knowing the delay in starting the work, the MLA, local people and local administrations started staging various agitations. They were afraid of what has happened earlier when the work was first tendered during 2006 (When SOR is 2004). It could not be materialized and the next tender was after a long interval in 2009 (when SOR is 2009) and the estimate amount increased considerable due to SOR revision from 2004 to 2009. Similarly if the present contractor was also withdrawn, further long delay will also come in the arrangement of the work after getting Revised Administrative Sanction, Special Sanction and new financial assistance from NABARD. Considering all the above factors, the department has no other option, but to accept the enhanced rate for the observed data for piling work for the satisfactory and early completion of the work. Several discussions were made with different agencies executing the piling work before fixing the rate for the piling work. The observed data was prepared studying the working conditions of the

plant at site which was approved by the Technical Sanction Authority.

The observed data for the piling work includes hire charges of the drilling plant and machineries brought from the neighbouring state to the work site at Aralam, cost of materials required for boring work, wages of skilled operators (specially trained for the purposes), other labourers, cost of concreting work etc. Hence the rate finalized for the piling work as per the observed data was realistic and not exorbitant. It is not correct and compare a rate based on observed data engaging special type of machineries, skilled labourers and mode of executions with another rate as in the original estimate based on ordinary type of equipments, materials and different mode of execution. In the present civil engineering construction industry, many new advanced technologies and new methodologies are coming up with new materials, machineries and different mode of execution. This results in the revision of the existing codal provisions and new specifications coming up every year. The use of sophisticated new machineries and equipments, usage of new construction materials, new methodology in the construction has resulted speedy execution and high durability in the work.

The work of pile boring as in the original agreement and that adopted with revised rate were

not same, because the materials and machineries involved in both were different. In the original agreement, ordinary type of equipments were adopted in the data, which could not be employed at the site due to the peculiar sub soil conditions. To overcome the difficulties, specially made boring plants were employed at the site to do the pile boring work through difficult strata containing pebbles and boulders. The specification of an item and its rate change when the materials, labour and machineries adopted in the data changes. So when the rate of an item in the original agreement is replaced by an item with different rate with similar specification it is treated as extra item. Hence adopting an extra item which highly essential and unavoidable for the completion of a project is not a valuation of the contract conditions. The extra item was adopted when the original agreement item failed and hence this cannot be treated as a benefit to the contractor.

Government's reply(in December 2012) that the rates were revised after assessing the actual work executed at the site and after it was found necessary for the satisfactory completion of the work were correct. When the piling work started with the ordinary equipment at the Abutment Points on Aralam side at 3 locations, the boring work were possible only through the top soil strata on the river bank and measured depths 2.10m, 1.88m and 2.05m

at the 3 locations. When boring work with the ordinary equipments failed, it was substituted by specialized equipments which gave a less out turn (only 0.50m/day) at this site. Thereafter the boring work through difficult strata containing pebbles and boulders were done using specialized equipments and only that measurement was considered for payment with revised rate. The top loose sub-soil portions were not considered for payment with revised rate.

The adoption of revised rate for piling work was very essential for the completion of the work. If it was not sanctioned at that time the contractor would quit from his contract which ultimately lead to the cancellation of the tendered work. If it was considered for a re-tender, the estimate cost will get boosted up due to SOR revision and require new Administrative Sanction and Special Sanction for the work. Also when put to re-tender, the quoted rate in the tender would be high knowing the difficulties at the site to carryout the boring works. So allowing the revised rate for the boring work, the high cost escalation of the recast estimate due to SOR revision during re-tendering could be avoided.

In view of the above position there is no irregularity in allowing revised rate for piling work. Further it is seen that certain extra items were found unavoidable during construction as the specifications

		<p>and rates of the agreement items being insufficient to cover the specifications and rates of actual works involved. Those extra items were approved by the Chief engineer who was competent authority. As such there was no irregularity in this respect. It is also reported that tender excess for hire charges of special tools and plant involved in the extra items were not admitted. Hence an amount of Rs.42,54,360/- has been deducted from the final payment to the contractor. The replies may be considered and the observation made in the C&AG's Report 2012 in respect of Aralam Bridge may please be dropped.</p>
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GOVERNMENT OF KERALA
PUBLIC WORKS (PS) DEPARTMENT
ACTION TAKEN STATEMENT ON THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
FOR THE YEAR ENDED 31.03.2012 [ECONOMIC SECTOR]

Sl No.	PARA No.	RECOMMENDATION	ACTION TAKEN
1.	3.1.3	<p data-bbox="258 434 834 482"><u>Avoidable expenditure due to use of quarry muck in filling of roads</u></p> <p data-bbox="258 511 834 580">Use of costlier 'quarry muck' in contravention of IRC standards, in place of conventional ordinary earth soil resulted in avoidable expenditure of ₹ 1.63 crore.</p> <p data-bbox="258 609 834 853">As per the Public Works Department (Buildings and Roads) instructions(May1984), the filling of roads was to be made only with ordinary soil. In February 1988, the department decided to adopt the Indian Road Congress (IRC) specification in road works in Kerala. According to the IRC specifications the earth - especially that obtained from road way cutting or from burrow pits was recognised as the best material for embankment filling in road works. Thus, the earth soil if available in the site without cost was required to be utilised in work.</p> <p data-bbox="258 886 834 1011">During test check of records in the office of the Executive Engineer (EE), Roads Division, Kozhikode and Wayanad, it was observed that the EE had opted for quarry muck, instead of earth soil for road construction and maintenance, in the estimates of eight works, without any justification. On the</p>	<p data-bbox="859 434 1390 984">The quarry muck is used for widened portion as, the added width has to be constructed properly to satisfy the quality requirements. The central stretch may be lacking in strength parameters and hence the widened portions should be constructed without inferior quality. Further due to the fact that the central stretch has been exposed to loads for years and several periodical renewals/repairs have been effected, the central portion has been imparting sufficient strength. Therefore to keep the parity, the widened portion needed to be constructed with sufficient strength, lest it should fail by sheer. The MORTH specification 401.2.1 reads as. "The materials to be used for the work shall be natural sand, moorum, Gravel, crushed stone, crushed slag, crushed concrete, brick, metal lateriate, Kankar etc". As such the list is not exhaustive and quarry muck fall into one of the suggested materials and the absence of specific mention 'Muck' is due to the fact that name is not used in North India. The name is not in use throughout Kerala but is special to Malabar region. Quarry muck is in use for decades for building up sub grade in consideration with its proven strength.</p>

basis of the estimates, the technical sanctions (between September 2009 and October 2010) were issued by the Chief Engineer (CE) and works were awarded (between January 2010 and October 2010) by Superintending Engineer (SE). The agreements entered into by the SE with the contractor also did not contain the specification or quality requirement of quarry muck to be used by the contractors.

The cost of quarry muck utilised in these works ranged from ₹ 79.20 per cubic metre (cum) to ₹93.50 per cum. As cut earth was available at the site itself, there would not have been any requirement for incurring any additional expenditure for filling had the available cut earth been used. Similarly, the conveyance charges incurred for the quarry muck in the works ranged from ₹ 277.20 to ₹ 777.70 per cum whereas the conveyance charges for earth was from ₹ 193.90 per cum to ₹ 276 per cum. Therefore the cost of embankment filling using quarry muck was much higher than the cost of embankment filling using earth.

In eight works, the department had incurred an additional expenditure of ₹ 1.44 crore by using 27,083 cum of quarry muck .

Further, in four works out of the above eight works, 10343.66 cum cut earth available at site for filling in road works was transported to contractor's place of choice, involving additional payment on transportation to the tune of ₹ 0.19 crore.

The avoidable expenditure in the above works on account of embankment filling, using quarry muck in place of earth amounted to ₹ 1.63 crore.

The department has been using quarry rubble (Muck) for raising areas susceptible to undulation and whenever quicker relief is needed in emergencies like flood and consequent breaching of road. As stated earlier the IRC is considering usage of new materials and technologies and it is not proper to insist that ordinary soil only be used for filling low areas. The ordinary soil contain predominantly clay which is most harmful for road construction. Gravel is a deposition which is not available. While building new pavement it is impossible to resort to take risk by adopting materials which are unlikely to withstand the pressure exerted by advanced traffic with weights above 40 tonnes. The Chief Engineer being the highest technical officer of the state has amply satisfied the strength of quarry muck offered in sub grade constructions, during field visits and evaluation of built up pavements.

As stated earlier the material listed in clauses 401-2-1 is not exhaustive. The quarry muck is a combination of crushed metal (Hard Granite), sand (Rock sand) etc, which is amply covered by the specifications of IRC. With regard to grading, quarry muck is a naturally graded material possessing high strength and in par with material for GSB and is used for sub grade only. It is a time tested material, commonly used for road construction.

It is an undubitable factor that for capillary cut off materials to be used for construction should comprise of sand or gravel or substances which do not allow

The department stated that quarry muck was used as Granular Sub Base (GSB) in the widened portion and in selected water logged low lying portions of the roads to raise the embankments. As good quality earth was not available in Wayanad district, quarry muck was used for stabilising the carriage way of the roads. It was also stated that quarry muck was used as capillary cut off as the alignment of road passed through areas with high water table.

The reply of the department was not acceptable as the specifications of IRC or MoRTH and the technical circulars of the department do not identify quarry muck as GSB or road filling material and is not provided for capillary cut off according to IRC 34. Further, as per the data published by Kerala Agricultural Department, the soil in major parts of Wayanad and Kozhikode districts is laterite/sandy which was considered suitable for road work. As the supply of good cut earth provided in the agreements of works was available in the site itself as evident from the contractor's bill, the use of quarry muck involving expenditure of ₹ 1.63 crore could have been avoided.

permeability. Quarry muck do satisfy the above requirement being devoid of clay or clayee substance. It is time proven that for filling in water borne areas or areas susceptible to undulation the best material is quarry rubble which is being cheaper than granite or sand. Hence on economic consideration also quarry muck is suitable. Once the requirements is established quarry muck is economical. Sand has become not only scarce but also costly. Granite paving would have been sufficient but costlier. Besides, the interstice would have to be filled up with sand. As gravel is not available, the only alternative is to go for the cheapest available material like quarry muck. Further, if durability and recurring maintenance costs also are considered, greater benefits have been brought to public and also brought pecuniary gain which will substantiate the usage of quarry muck. Considering the above facts further action may be dropped.

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**GOVERNMENT OF KERALA
PUBLIC WORKS (E) DEPARTMENT
ACTION TAKEN STATEMENT ON THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
FOR THE YEAR ENDED 31.03.2012 [ECONOMIC SECTOR]**

Sl. No.	PARA No.	RECOMMENDATIONS	ACTION TAKEN
1	3.1.4	<p>Avoidable expenditure in finalisation of tenders</p> <p>Failure of the department to finalise tenders of four building works within firm period resulted in avoidable expenditure of ₹ 4.02 crore on re-tendering of works.</p> <p>According to the provisions of Kerala Public Works Department Manual, consideration of tenders and the decision thereon should be completed well before the date of expiry of firm period indicated in the tender so that the selection notices are sent on or before the expiry of the firm period. As per provisions in the Notice Inviting Tenders (NIT) for works, the firm period was four months from the date of opening of tender. In case selection notice was not issued before the expiry of the firm period, the bidders' offer would stand nullified automatically.</p> <p>Test check of the records relating to pre-qualification tenders awarded in two circles of the Buildings and Local Works of the Public Works Department (PWD) during 2009-12, revealed that though the firm period was fixed as four months from the date of the opening tenders, the works were not awarded within the firm period due to delay at various stages. The works were subsequently re-tendered between August 2011 and March 2012 and awarded to different contractors at the rate upto 39.48 percent above the rates quoted in first tendering. This resulted in extra expenditure of ₹ 4.02 crore on the works as shown below:</p>	<p>Details regarding the acceptance of tender in respect of the works mentioned in the C&AG report is as follows:</p> <p>1. Construction of Mini Civil Station at Kottarakkara</p> <p>Initially, PQ tenders were invited fixing last date of tender as 23.01.2010. The expiry of firm period was on 27.05.2010. The prequalification was approved on 20.02.2010. The tender documents were received in the office of the CE on 19.03.2010 and the same was received in the Government on 19.04.2012. Proposal was placed in the GTC Meeting held on 12.05.2010 and as per G.O. (Rt)No.929/2010/PWD dated 08.06.2010 sanction was accorded to accept the tender from Sri. Abraham Varma at 4.5% above CR [2009 SoR]. Date of expiry of firm period was on 27.05.2010. Minutes of the GTC meeting was approved on 25.05.2012 by circulating the file to the Chief Minister. There was no delay in processing the file in the department.</p> <p>But by that time the firm period was over and contractor backed out and hence the work was re-tendered due to urgency. The last date of receipt of tender was on 02.07.2010. The pre-qualification was accepted on 27.07.2010 and tender was received in the office of the CE on 20.08.2010. Tender documents were received in Government on 02.09.2010 and the proposal was placed in the GTC meeting held on 09.09.2010. Government accepted the tender of KSCC Ltd at 29% above CR but</p>

Table 3.1: Details showing extra expenditure due to delay in tendering.

Sl. No	Name of work	Days taken for approving the tender	Delay beyond firm period (days)	First Tender quoted Probable amount of Contract [₹ In Crore] Date	Re-tender Accepted Probable amount of Contract [₹ In Crore] Date	Difference [₹ In Crore]
1.	Construction of Mini Civil station at Kottarakkara	131	11	9.27 28.01.2010	9.41 31.10.2011	0.14
2.	Construction of Hostel for men at Government TDMC, Alappuzha	310	190	8.18 02.03.2010	11.41 27.12.2011	3.23
3.	Construction of Mega Office Complex under Taxes Department, Kacherippady, Ernakulam	183	63	10.61 11.08.2010	11.14 19.08.2011	0.53
4.	Construction of Ladies Hostel - Government Engineering College, Idukki	334	214	3.49 29.07.2010	3.61 27.03.2012	0.12
Total						4.02

KSCC was not willing to accept the above rate. Hence the 2nd lowest tender from Sri.J.Abdul Wahid at 17% above estimate rate was again recommended to Government on 02.11.2010 and Government as per G.O. (Rt)No.1921/2010/PWD dated 23.12.2010 accepted the tender from Sri.J.Abdul Wahid at 17% above estimate rate [2009SoR]. Hence it is submitted that no purposeful delay was occurred in Government or subordinate office in processing the tender.

2.Construction of Hostel for Men at Government TDMC, Alappuzha

Initially work was tendered fixing last date of receipt of tender on 02.03.2010 and the date of expiry of firm period was 01.07.2010. Technical bids of the work were received in the office of the CE on 20.03.2010 from the Superintending Engineer, South Circle, Thiruvananthapuram. The panel of pre-qualifies contractors was approved in the Chief Engineer's PQ Tender Committee meeting held on 21.04.2010. The tender document was received in Government on 22.06.2010 and the same was returned on 24.06.2010 for resubmitting along with the LMR justification. The CE resubmitted the tender documents only on 03.11.2010. Since this was a NABARD work, file was forwarded to Finance Department on 10.11.2010. Finance agreed to the proposal and returned the file on 01.12.2010. Later as per G.O.(Rt)No.35/2011/PWD dated 07.01.2011 sanction was accorded to accept the tender of KSCC Ltd at 16.20% above ER[2010 SoR]. Hence it is submitted that no purposeful delay was occurred in Government in processing the tender.

Audit while analysing the reasons for the delay observed that the Government had taken 65 days and 236 days respectively for approving tenders in the work of TDMC, Alappuzha and Ladies Hostel at Idukki, and 50 days each in other two works in the above table. The time taken for receipt of financial bids at CE's office after evaluation of technical bids was about 49 to 83 days. The average time taken at SE, CE and Government for finalising the tenders of the works was 45, 44, and 100 days respectively excluding an average transit delay of 16 days. Thus the total average time taken for finalising the tender was 205 days as against the stipulated time of 120 days.

Government's failure in finalising the tender within tender period necessitated the Department to re-tender the work and resulted in extra expenditure of ₹ 4.02 crore.

The matter was brought to the notice of the Government in October 2012. Government stated (December 2012) that the delay in processing the tender was not purposeful. The reply was not acceptable as the process was required to be completed within the tender period as stipulated in para 15.7.13 of the Kerala Public Works Department Manual.

3. Construction of Mega Office Complex under Taxes Department, Kacherippady, Ernakulam.

Initially the work was tendered fixing last date of receipt of tender on 11.08.2010 and the date of expiry of firm period was 21.01.2011. Technical bids of the work was received in the Office of the CE, from the Superintending Engineer, Central Circle, on 31.08.2010 and the panel of prequalified contractors was approved in the Chief Engineers PQ Tender Committee meeting held on 14.09.2010. The tender documents initially received in Government were returned on 21.12.2010 for resubmitting along with the LMR justification. The CE resubmitted the tender documents on 22.12.2010. The proposal was placed in the GTC meeting held on 20.01.2011. Later as per G.O. (Rt) No. 250/2011/PWD dated 10.02.2011 sanction was accorded to accept the tender of M/s K.V. Joseph & Sons at 11% above ER[2009 SoR]. Hence it is submitted that no purposeful delay was occurred in Government or subordinate office in processing the tender.

4. Government Engineering College, Idukki Construction of Ladies Hostel

Initially the work was tendered fixing last date of receipt of tenders on 29.07.2010 and the date of expiry of firm period was 30.12.2010. Technical Bid of the work was received in the Office of the CE, from the Superintending Engineer, Central Circle on 17.08.2010 and panel of pre-qualified contractors was approved in the Chief Engineer's PQ Tender Committee meeting held on 17.08.2010. The tender documents were received in Government on 04.11.2010 and the proposal was placed in the GTC meeting held on 23.12.2010. The GTC recommended accepting the tender of KSCC Ltd at 35% above ER[2009 SoR], the file

was sent to Finance Department on 27.01.2011 for concurrence. Finance agreed to the proposal and returned the file on 23.02.2011. Action in this file was kept in abeyance till the election process was over. Later the file was circulated to the new Minister [Works] and as per G.O. (Rt)No.857/2011/PWD dated 28.06.2011 sanction was accorded to accept the tender of M/s KSCC Ltd at 35% above ER [2009 SoR].

The firm period was expired on 30.12.2010 and the KSCC was not willing to extend the firm period. Hence negotiation was made with the 2nd lowest tenderer Sri. Eldose Abraham and he expressed his willingness to do the work at 35% above ER[2009 SoR]. The CE, Buildings as per his letter dated 10.11.2011 recommended to accept the proposal and Government as per G.O. (Rt)No.1805/2011/PWD dated 23.12.2011 accorded sanction for making contract with Sri.Eldose Abraham at 35% above ER [2009 SoR] ie. the rate already approved by Government. Hence it is submitted that no purposeful delay was occurred in Government or subordinate office in processing the tender.

The delay occurred in accepting the tenderer mentioned in the C&AG Report was mainly due to the elaborate procedure then prevailed in finalising the tender proposals. As per G.O.(P)No.396/2012/Fin dated 11.07.2012, G.O. (P)No.552/2012/Fin dated 10.10.2012 and G.O. (P)No.214/2013/Fin dated 09.05.2013, Government have simplified the procedure for accepting tenders. Now the files of tender need not be forwarded to Finance Department instead it need to be circulated to the Minister [Works] and Minister [Finance] for approval.

Considering the gravity in the observation of Accountant General, Government have decided to expedite the finalisation of acceptance of tender process by taking a cabinet decision and issued G.O. (Ms)No.77/2013/PWD dated 04.09.2013 accordingly. As per the above order, tender proposals which are recommended by the Government Tender Committee and the Committee of Secretaries need to be approved and orders need to be issued within 21 days. Thus it may be seen that there is no chance for any kind of delay in finalising the tender proposal in future.

For the reasons explained above further action of the audit para in question may be dropped.



കേരള സർക്കാർ

സംഗ്രഹം

പൊതുമാതൃത്വ വകുപ്പ് - ഗവൺമെന്റ് ടെണ്ടർ കമ്മിറ്റിയുടെയും, ചീഫ് സെക്രട്ടറി ചെമ്പർമാനായ സെക്രട്ടറിമാരുടെ കമ്മിറ്റിയുടെയും തീരുമാനങ്ങൾക്ക് അംഗീകാരം കിട്ടുന്നതിലെ കാലതാമസം ഒഴിവാക്കുന്നതിന്, സമയപരിധി നിശ്ചയിച്ച് ഉത്തരവ് പുറപ്പെടുവിക്കുന്നു.

പൊതുമാതൃത്വ (ഇ) വകുപ്പ്

സർക്കാർ ഉത്തരവ് (എം. എസ്) നം. 77/2013/പൊ.മ.വ. തീയതി, തിരുവനന്തപുരം 04.09.2013

- പരാമർശം :
1. 9.10.2009 ലെ ജി.ഒ. (എം.എസ്) നം. 67/2009/പൊ.മ.വ. നമ്പർ സർക്കാർ ഉത്തരവ്
 2. 11.07.2012 ലെ ജി.ഒ. (പി) നം. 396/2012/പിൻ നമ്പർ സർക്കാർ ഉത്തരവ്
 3. 09.05.2013 ലെ ജി.ഒ. (പി) നം. 214/2013/പിൻ നമ്പർ സർക്കാർ ഉത്തരവ്

ഉത്തരവ്

സർക്കാരിന്റെ വിവിധ വികസന പദ്ധതികൾ കാലതാമസം കൂടാതെ നടപ്പാക്കുന്നതിലേക്കായി, വിവിധ വകുപ്പുകളുടെ ഏകോപനാർത്ഥം ഉന്നത ഉദ്യോഗസ്ഥർ അടങ്ങുന്ന വിവിധ കമ്മിറ്റികൾ രൂപീകരിച്ചിട്ടുണ്ട്. പൊതുമാതൃത്വ വകുപ്പിലെ ഗവൺമെന്റ് ടെണ്ടർ കമ്മിറ്റി ഉത്തരവ്യിൽ രൂപീകരിക്കപ്പെട്ട ഒന്നാണ്. പരാമർശം (1) ഉത്തരവ് പ്രകാരം 2009 ലാണ് ഈ കമ്മിറ്റി അധ്യക്ഷനായി പുനസംഘടിപ്പിക്കപ്പെട്ടത്.

2. പരാമർശം (2) ഉത്തരവ് പ്രകാരം 2010 ലെ പുതുക്കിയ കേന്ദ്രീയ ജോബ് റേറ്റ് പ്രകാരം 15% ൽ അധികരിക്കുന്ന ടെണ്ടറുകളുടെ സൂക്ഷ്യ പരിശോധനക്കായി ചീഫ് സെക്രട്ടറി ചെമ്പർമാനും പൊതുമാതൃത്വ വകുപ്പ് സെക്രട്ടറി, ജലവിഭവ വകുപ്പ് സെക്രട്ടറി, ധനകാര്യ വകുപ്പ് സെക്രട്ടറി, ബന്ധപ്പെട്ട വകുപ്പുകളുടെ സെക്രട്ടറി എന്നിവരടങ്ങുന്ന സെക്രട്ടറിമാരുടെ കമ്മിറ്റി രൂപീകരിക്കുകയുണ്ടായി. ഉത്തരം കേന്ദ്രീകൃത സൂക്ഷ്യ പരിശോധന നടത്തി മന്ത്രിസഭയ്ക്ക് മുമ്പാകെ ശുപാർശ ചെയ്യുക എന്നതായിരുന്നു ഈ കമ്മിറ്റിയുടെ ചുമതല.

3. പിന്നീട് പരാമർശം (3) ലെ ഉത്തരവ് പ്രകാരം, വകുപ്പ് തല ഉദ്യോഗസ്ഥർ, ഗവൺമെന്റ് ടെണ്ടർ കമ്മിറ്റി, സെക്രട്ടറിമാരുടെ കമ്മിറ്റി എന്നിവയുടെ അംഗീകാര ചുമതലകൾ വർദ്ധിപ്പിച്ച് നല്ലതയും മന്ത്രിസഭാ തയ്യാറാക്കിന്റെ അംഗീകാരം വേണമെന്ന നിബന്ധന മാറ്റി പകരം ഗവൺമെന്റ് ടെണ്ടർ കമ്മിറ്റിയുടെ കാര്യാലയം പോലെ ബന്ധപ്പെട്ട മന്ത്രിയുടെയും ധനകാര്യ മന്ത്രിയുടെയും അംഗീകാരം ലഭ്യമാക്കിയാൽ മതിയെന്ന് ഉത്തരവാകുകയും ചെയ്തു.

4. എന്നാൽ പരാമർശം (3) ലെ ഉത്തരവ് പ്രകാരം ടെണ്ടർ അംഗീകാരത്തിനായുള്ള പരിഷ്കരിച്ച തീതി കാലതാമസത്തിനിടയാക്കുന്നുണ്ട്. ടെണ്ടറുകൾ അംഗീകരിച്ചു നല്കുന്നതിനുള്ള കാലതാമസം മൂലം ഏറ്റവും കുറഞ്ഞ തുകയ്ക്ക് ടെണ്ടർ നല്കിയ കരാറുകാർ, പല കേന്ദ്രീകൃതവും പേരും കാലതാമസ് കഴിയുന്ന മുറയ്ക്ക് അവരവരുടെ ചുമതലകളിൽ തിന്ന് ഒഴിവാക്കി പോകുന്നതായി കാണുന്നുണ്ട്. ഈ രാജ്യത്ത് പണികൾ

തുടർന്ന് റി ടെണ്ടർ ചെയ്യുമ്പോൾ ആദ്യ ടെണ്ടറിൽ വന്നതിനേക്കാൾ വളരെയധികം ഉയർന്ന-തുകയ്ക്ക് കരാർ നൽകേണ്ടതായും വരുന്നു. ഇത്തരമൊന്നിൽ കോപ് ടോളർ ആയ്ക്ക് ഓഡിറ്റർ ജനറലിന്റെ 2012 മാർച്ച് 31 ന് അവസാനിച്ച "എക്സ്ട്രാ എക്സ്പെന്റീച്ചർ ഡ്യൂ റൂ നോൺ ഫൈനലൈസേഷൻ ഓഫ് ടെണ്ടർ വിയിൽ ഫോ പിരിയ" എന്ന തലക്കെട്ടുള്ള ആഡിറ്റ് റിപ്പോർട്ടിൽ, ഫോ കാലതാളവിൽ നടപടിക്രമം പൂർത്തീകരിച്ച് നല്ലവൻ വകുപ്പുകൾ വിജ് വരുത്തുന്നതുമാത്രം റി ടെണ്ടറിങ്ങ് മുഖേനയുണ്ടാകുന്ന ഒഴിവാക്കാനാകുന്ന അധിക ചെലവുകളെക്കുറിച്ച് പരാമർശിച്ചിരിക്കുന്നു.

5. സർക്കാർ ഇക്കാര്യം വിശദമായി പരിശോധിച്ചു. മേൽപ്പറഞ്ഞ കാലതാമസം ഒഴിവാക്കുന്നതിനായി, ചീഫ് സെക്രട്ടറി ചെയർമാനായുള്ള സെക്രട്ടറിമാരുടെ കമ്മിറ്റി അംഗീകരിക്കുന്നതും വിവിധ വകുപ്പുകളുടെ ടെണ്ടർ കമ്മിറ്റി അംഗീകരിക്കുന്നതും ശുപാർശ ചെയ്യുന്നതുമായ പദ്ധതികൾ പരമാവധി 21 ദിവസത്തിനകം അംഗീകരിച്ച് ഉത്തരവ് പുറപ്പെടുവിക്കേണ്ടതാണെന്ന് ഉത്തരവാകുന്നു.

(ഗവർണ്ണറുടെ ഉത്തരവിൻ പ്രകാരം)
 റ്റി. ഒ. സൂരജ്
 ഗവൺമെന്റ് സെക്രട്ടറി

പ്രിൻസിപ്പൽ അക്കൗണ്ടന്റ് ജനറൽ (ഓഡിറ്റ്), കേരളം, തിരുവനന്തപുരം
 അക്കൗണ്ടന്റ് ജനറൽ (എ & ഇ), കേരളം, തിരുവനന്തപുരം
 എല്ലാ ചീഫ് എഞ്ചിനീയർമാർക്കും
 സെക്രട്ടേറിയറ്റിലെ എല്ലാ എഞ്ചിനീയറിംഗ് വകുപ്പുകൾക്കും
 ധനകാര്യ വകുപ്പ്
 പൊതുജനം (എസ്.സി) വകുപ്പ് (27.08.2013 ലെ ഇനം നം. 4098 പ്രകാരം)
 ഇൻഫർമേഷൻ ഓഫീസർ (വെബ് & ന്യൂ മീഡിയ)
 ജ്യോഷ് ഫയൽ / ഓഫീസ് കോപ്പി

Audit Report (Revenue Receipts) for the year ended 31st March 2011

Sl. No.	Para No.	Recommendation	Action taken
1)	6.7.3	<p><u>Non-Collection of security deposit from the assignee.</u> <i>(Taluk Office, Udumbanchola, February 2010)</i></p> <p>We scrutinised the records of Taluk Office, Udumbanchola and found that lease rent of 149.1053 ha. of land amounting to Rs.1.66 Crore demanded from Agency for Non-Conventional Energy and Rural Technology (ANERT) for the period 2005-06 to 2007-08 was not paid. We noticed that the land was leased out despite the fact that the security deposit of Rs.55.24 lakh was not paid. Further, the lessee had not paid lease rent of Rs.1.66 crore for the period 2005-06 to 2007-08 and demand for 2008-09 and 2009-10 for lease rent has not been raised. The resulted in non-deposit of security deposit of Rs.55.24 lakh and non-recovery of lease rent of Rs.1.66 crore.</p> <p>We pointed out the case to the Department (April 2010) and to the Government in May 2011. We have not received further information (December 2011).</p>	<p>07-08-2004 ലെ സ.ഉ.(കൈ) നം.261/04/റവ. പ്രകാരം ഇടുക്കി ജില്ലയിൽ ഇടുമ്പൻചോല താലൂക്കിൽ പാറത്തോട് വില്ലേജിൽ 149.10.53 ഹെക്ടർ ഭൂമി കരസ്ഥം വിലയുടെ 10% വാർഷിക പാട്ടനിരക്കിൽ 20 വർഷക്കാലത്തേക്ക് കാറ്റാടി നിലയാ സ്ഥാപിക്കുന്നതിനായി അനർട്ടിന് പാട്ടത്തിന് അനുവദിച്ചിരുന്നു.(അനുബന്ധം 1) എന്നാൽ അനർട്ട് പാട്ടക്കടിയിലെ വരുത്തുകളും പ്രസ്തുത കടിയിലെ സി ആന്റ് എജിയുടെ ഓഡിറ്റ് പാഠയിൽ ഉൾപ്പെടുകയും ചെയ്തു (അനുബന്ധം 2) .കടിയിലെ ഈടാക്കുന്നത് സംബന്ധിച്ച നിരവധി നടപടികൾ റവന്യൂ വകുപ്പ് നീക്കം ആരംഭിച്ചിരുന്നു.</p> <p align="center"><i>04-03-2015 ൽ ബഹു.മുഖ്യമന്ത്രിയുടെ അദ്ധ്യക്ഷതയിൽ ചേർന്ന ഉന്നത തല യോഗം വിഷയം പരിഗണിക്കുകയുണ്ടായി.(അനുബന്ധം 3)</i></p> <p>AG യുടെ ഓഡിറ്റിന്റെ അടിസ്ഥാനത്തിലാണ് RR നടപടികൾ റവന്യൂ വകുപ്പ് സ്വീകരിച്ചത്. ഈ ഭൂമിയിൽ കാറ്റാടി യന്ത്രങ്ങൾ സ്ഥാപിച്ച് വൈദ്യുതി ഉൽപാദിപ്പിച്ച് അങ്ങനെ ലഭിക്കുന്ന വരുമാനത്തിന്റെ ഒരു ഭാഗം ലിസ് ഷർജയായി നൽകാൻ കഴിയുമെങ്കിലും 2004 മുതൽ ഇതുവരെ കാറ്റാടി യന്ത്രങ്ങൾ ഇങ്ങോട്ടേക്ക് കൊണ്ടുപോകാനോ വൈദ്യുതി ഉത്പാദനം നടത്താനോ സാധിച്ചിട്ടില്ല. ANERT ഉം, KSEB യും ഇതിനായി നിരവധി പ്രാവശ്യം ശ്രമിച്ചെങ്കിലും കാറ്റാടി യന്ത്രങ്ങൾ സ്ഥാപിക്കാൻ വഴി ലഭ്യമല്ല എന്ന കാരണത്താൽ പദ്ധതി ആരംഭിക്കാൻ കഴിഞ്ഞിട്ടില്ല. കേന്ദ്ര പൊതുമുഖലാ സ്ഥാപനമായ NTPC യുമായി കേരള സർക്കാർ ഇക്കാര്യത്തിനായി രണ്ട് വർഷം മുൻപ് ഒരു ധാരണാപത്രം ഒപ്പിട്ടിരുന്നുവെങ്കിലും വഴി</p>

			<p>പട്ടുമാകാത്തതിനാലും ഈ ഉയർന്ന ലിസ്റ്റ് ചാർജ്ജ് പദ്ധതി ലാഭകരമായി നടപ്പിലാക്കാൻ തടസ്സം നിൽക്കുന്നതിനാലും പദ്ധതിയുമായി മുന്നോട്ടുപോകാൻ കഴിയില്ല എന്ന് NTPC അറിയിച്ചിട്ടുണ്ട്.</p> <p>ഈ സാഹചര്യത്തിൽ യോഗം താഴെപ്പറയുന്ന തീരുമാനങ്ങൾ കൈക്കൊണ്ടു.</p> <p>(1) റവന്യൂ റിക്കവറി നടപടി അവസാനിപ്പിക്കാൻ മന്ത്രിസഭയുടെ അനുമതി തേടുക.</p> <p>(2) പദ്ധതി പൂർത്തിയാകുന്നതുവരെ ഈ ഭൂമിയുടെ ലിസ്റ്റ് ചാർജ്ജ് ഒഴിവാക്കി നൽകാൻ മന്ത്രിസഭയുടെ പരിഗണനയ്ക്ക് സമർപ്പിക്കുക.</p> <p>(3) പദ്ധതി പ്രദേശത്തേക്ക് വഴി ലഭ്യമാക്കുന്നതിന് ആവശ്യമായ ഭൂമി Negotiated purchase സംവിധാനം വഴി വാങ്ങാൻ നടപടി കൈക്കൊള്ളുക.</p> <p>മേൽകാര്യങ്ങൾ മന്ത്രിസഭായോഗത്തിന്റെ പരിഗണനയ്ക്ക് സമർപ്പിക്കാൻ ബഹു മൂല്യമന്ത്രി ഉത്തരവായിട്ടുണ്ട്. ധനകാര്യ വകുപ്പിന്റെ അഭിപ്രായം ഈ വിഷയത്തിൽ തേടുകയും ആയത് 12.10.2015-ന് ലഭിച്ചിട്ടുണ്ട്. ഇത് മന്ത്രിസഭായോഗത്തിന് സമർപ്പിക്കുന്നതിനുള്ള നടപടികൾ റവന്യൂ വകുപ്പിൽ സ്വീകരിച്ചു വരുന്നു.</p>
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taken to realise the luxury tax and in eight³ cases *Tahsildars* stated that the tax would be given to the village officers to realise the luxury tax due. In five cases *Tahsildars* replied that the matter would be examined. Further developments in the recovery have not been received (December 2011).

We reported the matter to the Government in March 2011. We have not received any further information from them (December 2011).

6.7.2 Non-assessment of building tax

(Five *Taluk* offices⁴; between March 2010 and January 2011)

Under the Kerala Building Tax Act and the Kerala Building Tax (Plinth Area) Rules, 1992 made thereunder, every village officer shall transmit to the assessing authority, within 5 days of the expiry of each month, a monthly list of buildings liable to assessment, together with extracts from the building application register of the local authority within whose area the buildings included in the list are situated.

We cross verified the building tax assessment records of five *taluk* offices with the registers containing building numbers maintained by the local authority for property tax and found that 295 buildings completed between April

2006 and March 2010 were

not assessed to building tax. This resulted in non assessment of building tax of ₹ 93.88 lakh.

After we pointed out the matter to the Department between March 2010 and January 2011 the Department stated that the cases would be examined.

We reported the matter to the Government in March 2011; we have not received any further information (December 2011).

6.7.3 Non-collection of security deposit from the assignee

(*Taluk* office, Udumbanchola; February 2010)

Rule 18(2) of the Kerala Land Assignment Rules, 1964 provides that the assignee shall, in addition to the rent payable under Rule 18(1) deposit with the Government in advance an amount equal to one year's rent as security deposit.

We scrutinised the records of *Taluk* office, Udumbanchola and found that lease rent of 149.1053 ha. of land amounting to ₹ 1.66 crore demanded from Agency for Non-Conventional Energy and Rural Technology

(ANERT) for the period 2005-06 to 2007-08 was not paid. We noticed that the

³ *Taluk* Offices: Devikulam, Ernad, Kanayannur, Kottarakkara, Kozhenchery, Nedumangad, Thalassery and Thiruvananthapuram

⁴ *Taluk* Offices: Chavakkad, Ottappalam, Palakkad, Thalappilly and Thrissur.

⁵ *Taluk* Offices: Aluva, Ernad, Ottapalam, Thalassery and Thiruvananthapuram

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അയ്യപ്പൻ എന്നിവിടെയ്ക്ക് സ്പെഷൽ സർവ്വീസുകൾ
 വിട്ടിട്ടുണ്ട്. 2000 ഓഗസ്റ്റിൽ 21 ന്
 തുടങ്ങിയത്. അതിന്റെ ഭാഗമായി
 സർക്കാർ UTPC യുടെ ഭാഗമായി
 തിരുവനന്തപുരം റെയിൽവേ സ്റ്റേഷൻ
 21 ന് ചേർക്കാനുള്ള നടപടികൾ
 എടുത്തു. 21 ന് ചേർക്കാനുള്ള നടപടികൾ
 നടപ്പിലാക്കി അത് നടപ്പിലാക്കി. ചേർക്കാനുള്ള
 ക്രമങ്ങൾ 21 ന് ചേർക്കാനുള്ള നടപടികൾ
 നടപ്പിലാക്കി.

21) 2000 ഓഗസ്റ്റിൽ 21 ന് തുടങ്ങിയത്. അതിന്റെ ഭാഗമായി
 സർക്കാർ UTPC യുടെ ഭാഗമായി

1) റെയിൽവേ സർവ്വീസുകൾ നടപ്പിലാക്കാനുള്ള
 നടപടികൾ

2) 2000 ഓഗസ്റ്റിൽ 21 ന് തുടങ്ങിയത്. അതിന്റെ ഭാഗമായി
 സർക്കാർ UTPC യുടെ ഭാഗമായി

3) 2000 ഓഗസ്റ്റിൽ 21 ന് തുടങ്ങിയത്. അതിന്റെ ഭാഗമായി
 സർക്കാർ UTPC യുടെ ഭാഗമായി

22) 2000 ഓഗസ്റ്റിൽ 21 ന് തുടങ്ങിയത്. അതിന്റെ ഭാഗമായി
 സർക്കാർ UTPC യുടെ ഭാഗമായി

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