

TWELFTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2006-2008)**

FIFTY NINTH REPORT

(Presented on 15th July, 2008)



SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2008

TWELFTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2006-2008)**

FIFTY NINTH REPORT

On

**Paragraphs relating to Public Works Department, contained in the
Reports of the Comptroller and Auditor General of India for the
year ended 31st March 1998 No. 3 (Civil) 31st March
2000 (Civil) 31st March 2001 (Civil) 31st March
2002 (Civil) and 31st March 2003 (Civil)**

CONTENTS

| | <i>Page</i> |
|---|-------------|
| Composition of the Committee | .. v |
| Introduction | .. vii |
| Report | .. 1 |
| Appendices : | |
| I Summary of main Conclusions/ Recommendations | .. 40 |
| II Notes furnished by the Government | .. 53 |

COMMITTEE ON PUBLIC ACCOUNTS (2006-2008)

Chairman :

Shri Aryadan Muhammed

Members :

Shri C. T. Ahammed Ali

” Alphons Kannanthanam

” P. Jayarajan

” K. M. Mani

” K. P. Mohanan

” C. K. P. Padmanabhan

” M. Prakashan Master

” Thiruvanchoor Radhakrishnan

” N. Rajan

” A. K. Saseendran

Legislature Secretariat :

Dr. N. K. Jayakumar, Secretary

Smt. D. Kumari Girija, Deputy Secretary

Smt. A. Achamma, 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 Fifty Ninth Report on paragraph relating to Public Works Department contained in the Report of the Comptroller and Auditor General of India for the years ended 31st March 1998 No. 3 (Civil) 31st March 2000 (Civil.) 31st March 2001 (Civil), 31st March 2002 (Civil) and 31st March 2003 (Civil).

The Reports of the Comptroller and Auditor General of India for the years ended 31st March 1998 No. 3 (Civil), 31st March 2000 (Civil) 31st March 2001 (Civil), 31st March 2002 (Civil), and 31st March 2003 (Civil), were laid on the Table of the House on 13-4-1999, 2-7-2001, 15-3-2002, 8-7-2003 and 28-6-2004 respectively.

The Committee considered and finalised this Report at the meeting held on 7th July, 2008.

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

Thiruvananthapuram,
15th July, 2008.

ARYADAN MUHAMMED,
Chairman,
Committee on Public Accounts.

REPORT

PUBLIC WORKS DEPARTMENT

AUDIT PARAGRAPH

Excess expenditure due to failure in accepting contractor's claim for enhanced rates :

The work of construction of Chithrapuzha bridge (estimated cost: Rs. 1.58 crore) was awarded by the Superintending Engineer (SE), Roads and Bridges, Central Circle, Aluva in November 1990 to a contractor at 25 *per cent* above estimate [accepted amount of contract (PAC) being Rs. 1.99 crore] for completion by January 1994. As per the original design approved by Chief Engineer, Design, Research, Investigation and Quality Control (DRIQ) in July 1991, the bridge was to have 7 spans of 26.58 metres each.

One year after the award of the contract, Chief Engineer (CE), Roads and Bridges approved a revised design in November 1991 enhancing the PAC to Rs. 2.70 crore and extending the period of completion to March 1995 as the subsoil was very slushy and high embankment had to be formed for the approach roads necessitating increase in the number of spans from 7 to 10. In February 1993, the Champakara canal over which the bridge was being built, was declared as National Waterway No.3 by the GOI. The design of the bridge was again modified in August 1994 as desired by Inland Waterways Authority of India (IWAI). In July 1995, Government sanctioned the revised estimate for Rs. 3.05 crore as per the revised design. The contractor demanded in March 1995 enhanced rates of 33 *per cent*. As there was delay of 6 months in taking a decision on his claims for enhanced rates, the contractor retracted (September 1995) from his offer and demanded 75 *per cent* hike above 1992 SOR. High Level Committee recommended the rate of 73 *per cent* hike for acceptance in January 1996. Government approved (March 1996) the enhanced rates and a supplemental agreement was executed for Rs. 1.63 crore in May 1996 stipulating completion of the work by August 1997. The work had not been completed as of April 1998.

Delay in acceptance of the contractor's proposal by Government for 33 *per cent* escalation in rates thus resulted in avoidable estimated excess expenditure of Rs. 48.75 lakh.

The following additional observations are made in audit:

- (i) Having decided to construct the bridge, the sub soil strata of the embankment should also have been subjected to detailed

investigation as per the departmental instructions, before drawing up the design. The haphazard finalisation of the design was a contributory factor for the excess.

- (ii) Champakara canal was improved by deepening and widening under a centrally sponsored scheme during the 1970s. As such, the navigational requirements while constructing a bridge across the canal should not have been overlooked while designing the bridge. Had the design been finalised taking into account the minimum standards, the necessity to change it increasing the number of spans to 11 with a single decked central span at the intervention of IWAI could have been avoided.

The matter was referred to Government in May 1998; reply had not been received (October 1998).

[Paragraph 4.11—Contained in the Report of the Comptroller & Auditor General of India for the year ended 31st March 1998 No. 3 (Civil)].

Note received from Government on the above paragraph is included as Appendix II.

The witness informed the Committee that the administrative sanction for the work was accorded in 1989 and agreement executed in 24-1-1990. The time of completion was set on 6-1-1994. The design of the bridge, which had 7 spans of 26.58 mts. was later on changed to 10 spans since approach roads had to be built. The time of completion was also extended to 31-3-1995. When the canal was declared as National Water Way, the design had to be modified again. The contractor demanded additional rate. Arbitration Committee accepted the rate of 33% above estimate. As the approval of the increased rate was delayed the contractor demanded further enhancement. Arbitration Committee agreed to raise the rate to 73%. The Committee pointed out that it was the delay on the part of the Arbitration Committee that had led to the increase in rate from 33 to 73%. The witness submitted that the delay had been unintentional. When many such works come before the Arbitration Committee for its decision, the decision on the case under reference might have been postponed to the subsequent meeting and hence got delayed.

2. The Audit pointed out that the Department had not considered the fact that the canal was going to be widened and declared as National Water Way by the Inland Water Ways Authority of India, while designing the bridge. The Committee pointed out that the construction of more bridges in northern Kerala might be affected by the declaration of National Water Way.

Conclusions/Recommendations

3. Noting that the design of Chithrapuzha bridge was revised twice, leading to revision of estimate, the Committee observes that frequent revision of design is a clear indication of lapse in planning and investigation. The first revision of design and estimate was necessitated by the slushy nature of the subsoil. It is obvious that the department failed to conduct necessary soil exploration test for ascertaining the nature of soil before approving the original design of the bridge. The Committee requires the department to fix responsibility of this on those who were involved in the investigation and planning of the construction. The Committee finds that the second revision was as desired by the Inland Waterways Authority of India- IWAI. The canal over which the bridge was being built was declared as National Waterway in February 1993. The department should not have overlooked the deepening and widening of the canal, done before the nationalisation of the canal. In the circumstance, the department should have intimated GOI of their programme of construction of bridge, in order to avoid further revision of design. The Committee points out that the lack of foresight and planning on the part of the staff of the department has led to such a situation. The Committee feels that while taking decision in matters involving spending of public money the officers should display more responsibility. The Committee requires the department to enquire in to the reason for the delay and to fix liability on those responsible for the delay that caused consequent loss to public exchequer.

AUDIT PARAGRAPH

Idle investment on a bridge due to failure in acquiring of land for approach roads in time :

Superintending Engineer, Roads and Bridges, North Circle, Kozhikode awarded the work 'construction of a bridge on Mannurvalavu Mukkathukadavu-Thenhipalam road across Canoli canal in Kohikode district including formation of approach road on either side' to a contractor in November 1991 at 35 per cent above estimate (probable amount of contract: Rs. 34.76 lakh). The bridge was intended to provide an easy access for the people in the interior area of Vallikunnu, Chelambra and Kadalundi Panchayats to Kozhikode city. The work was scheduled to be completed by May 1993. The bridge was completed in March 1994 at a cost of Rs. 20.53 lakh.

As the land for approach roads was not handed over till March 1995, the contractor requested the department to relieve him from the balance work on the ground of escalation in cost of labour and material. Executive Engineer (EE) proposed in April 1997 to the Superintending Engineer (SE) to terminate the

contract without invoking the risk and cost clause and to arrange the work separately at the revised estimated cost of Rs. 37 lakh. No decision had been taken as of April 1998.

As the land for forming the approach roads was not acquired in time, construction of approach roads could not be taken up and consequently, the bridge built at a cost of Rs. 20.53 lakh could not be linked to the existing road. Thus, the objective of providing easy access to people in interior areas to Kozhikode city could not be achieved even 4 years after the construction of the bridge.

The matter was referred to Government in June 1998; reply had not been received (October 1998).

[Paragraph 4.12—Contained in the Report of the Comptroller & Auditor General of India for the year ended 31st March 1998 No.3 (Civil)].

Note received from Government on the above paragraph is included as Appendix II.

4. The witness informed that the work had been completed and opened for public. The delay in the construction was due to the delay in acquiring land for approach road.

Conclusion/Recommendation

5. The Committee observes that the delay of more than 4 years in completing the construction of the bridge and approach roads has led to the idling of money spent on the work. Before awarding such a work, the department should have ensured the availability of land. The Committee is convinced that the officers of the department failed in carrying out their responsibility. The Committee urges the department to take action for preventing such lapses on the part of the officers in order to avoid the loss/idling of public money in future.

AUDIT PARAGRAPH

Unfruitful expenditure on a temporary diversion road constructed across river-bed :

The Roads Division, Thrissur constructed a temporary road across 'Bharathapuzha' for Rs. 11.25 lakh for diversion of road traffic during major repairs of Cochin bridge in the State Highway between Thrissur and Shoranur. The temporary road was laid on earthen bund formed by dumping earth and providing vents for flow of water down stream. The road was opened for traffic on 3rd April 1996. Due to heavy summer showers on 15th April 1996, it suffered

severe damages. A portion of the road was swept away by flood waters on 24th April 1996. Thus, the road was available for diversion of traffic only for a few days and the expenditure of Rs. 11.25 lakh rendered no benefit.

The Executive Engineer, Roads Division, Thrissur stated (February 1997) that the road was intended for use during dry season only and attributed the short-lived period of utilisation of the road to unexpected rain and flood. This contention is not tenable as construction of even temporary road links across river-beds should take into account peculiar site conditions, seasonal factors and provide for adequate safety measures against foreseeable vagaries of nature.

The matter was referred to Government in September 1996; reply had not been received (October 1998).

[Paragraph 4.13—Contained in the Report of the Comptroller & Auditor General of India for the year ended 31st March 1998 No. 3 (Civil)].

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

6. The witness informed that a temporary road was constructed for diversion of traffic when old Cochin bridge in Trichur-Shornur National Highway was under repairs. The road was opened for traffic on 3rd April 1996. But due to heavy rain on the 14th and the 24th April, a portion of the road was swept away. The Department had intended to complete the work before the commencement of rainy season in June.

Conclusion/Recommendation

7. The Committee observes that though the road was intended as a temporary one, for use only in dry season, Government had spent Rs. 11.25 lakh for the work. When spending money from the public exchequer, the department has the responsibility to ensure that the work is done as per standard specification and under close supervision. The Committee enquires whether the department had taken into account the site condition and 'season' factor and ensured adequate safety measures before starting the work. The Committee requires the department to inquire into the matters and take strict action against those responsible for this so as to prevent such lapses in future.

AUDIT PARAGRAPH

Extra expenditure due to non-finalisation of design:

A bridge construction work started in 1989 is still continuing and the cost of the work has escalated from Rs.1.01 crore to Rs. 3.57 crore at the award stage as of November 1999. Scrutiny of the work revealed serious irregularities and

non-compliance of basic requirements by Superintending Engineer (SE) Roads and Bridges, South Circle, Thiruvananthapuram which led to enormous time overrun and cost escalation as discussed below:

Chief Engineer (CE), Roads and Bridges issued technical sanction (estimated cost: Rs. 89.10 lakh) for construction of a bridge at Valiyaperumpuzha kadavu in Alapuzha District in September 1989, based on a tentative design. The SE, while awarding the work disregarded the suggestion of the CE, Design wing to conduct fresh soil investigation to assess the bearing capacity of the soil for foundation wells. He entrusted (September 1990) the work to a contractor for a contract amount of Rs. 1.01 crore.

According to the tentative design, wells for abutments and piers were to be founded at a depth of 10 metres. During sinking of wells hard strata for plugging the wells was not found even at an average depth of 12 metres. Pending finalisation of the design, the contractor stopped the construction activity in December 1991.

The subsoil investigation of the foundation area conducted in January 1992 revealed that well sinking for a minimum of 23 metres to 36.5 metres was required for foundation wells. In July 1994, Government terminated the contract without risk and cost to the contractor. Expenditure incurred on the work till July 1994 amounted to Rs. 42.15 lakh.

The estimate was revised to Rs. 2.87 crore in November 1994 on the basis of modified design approved by the CE, Design wing in March 1994. As favourable offers were not received in response to tenders invited in November 1995, the work was retendered in February 1996 and SE arranged the balance work in April 1997 after negotiation with the single tenderer for a contract amount of Rs. 3.57 crore. The work was in progress as of November 1999.

Award of work by the SE before conducting soil investigation and finalisation of detailed design resulted in extra expenditure of Rs. 1.12 crore at the award stage. Besides, inordinate delay in completion of the work mainly due to hasty arrangement of the work caused sharp increase in the cost of construction of the bridge from Rs. 1.01 crore to Rs. 3.57 crore.

The matter was referred to Government in July 2000; reply has not been received (November 2000).

[Paragraph 4.7—Contained in the Report of the Comptroller & Auditor General of India for the year ended 31st March, 2000 (Civil)].

Note received from Government on the above paragraph is included as Appendix II.

8. The Committee came to know that Administrative sanction was given for the work on 10-8-1989 for Rs. 95 lakhs. The work was entrusted to a contractor for an amount of Rs. 1.01 crore as per 1986 schedule of Rate. The depth of the foundation well for the bridge was fixed at 10 meters as the strata for well was usually available at 10 meters in that area. As suggested by the Design Wing, detailed investigation was conducted at the time of execution. Then it was found that the well could be sunk only at the depth of 23m to 36m. As per the request of the contractor, the contract was terminated in 1994 without risk and cost. The work received revised administrative sanction on 14-11-1994 for an amount of Rs. 2.87 crore. Though tenders were invited twice, there were no favourable offers. The work was finally arranged on retender at the rate of 105% above estimate. The tenderer completed the work in 6/2000 for an amount of Rs. 3.52 crores.

9. When enquired about the soil investigation the Chief Engineer clarified that the general practice was to design the bridge on the basis of the estimation done for a similar work in the nearby area. The Committee enquired as to why the design wing had recommended for a detailed soil investigation if that was not the usual practice. The Chief Engineer explained that it was just a general direction for precaution. On detailed investigation it became clear that there was variation in the depth of the hard strata. The design was modified according to the findings of the investigation. There after the department had taken a decision to finalise designs only after detailed investigation.

Conclusion/Recommendation

10. The cost of the work for constructing bridge at Valiyaperumpuzha-kadavu escalated from the initial estimate cost of Rs. 1.01 crore to Rs. 3.52 crore on its completion. The Committee observes that it is the lapse on the part of the department in not conducting necessary soil investigation before awarding the work that had led to the escalation in expenditure. The Committee is not ready to accept the department's claim that the suggestion for detailed investigation was just a general direction for precaution. It is clear that the lapse has cost the department clearly. The Committee requires the department to inquire into the issue and to fix liability on the officers responsible for the lapse.

AUDIT PARAGRAPH

Extra expenditure due to non acceptance of tenders within firm period :

According to the provision in Kerala Public Works Department (KPWD) Manual, officers responsible for finalisation of tenders are required to act upon tenders expeditiously with a view to finalising contracts within their validity

period. Two cases of non-acceptance of tenders within validity period and consequent extra financial commitment of Rs. 51 lakh, noticed in Public Works, Roads and Bridges (R&B) Circles at Aluva and Kozhikode are mentioned below:

(i) Superintending Engineer (SE), R & B Circle, Aluva invited (January 1996) tenders for arranging the work 'Improvements to Pattupurackal Edachira Vayanasala road' in Ernakulam District (estimated cost: Rs. 27.43 lakh). Two offers were received. The lowest offer was 48.89 *per cent* above estimate rates (Agreed contract amount: Rs. 38.25 lakh). In February 1996, CE* recommended acceptance of the lowest offer. The validity period of the tender was to expire in June 1996. The Government Tender Committee decided to accept the tender only in September 1996. The tenderer, however, refused to extend the validity period and work had to be retendered in February 1997. SE awarded the contract to another agency in April 1997 for an agreed contract amount of Rs. 53.91 lakh and the work was completed in May 2000. Thus, failure to accept the tender within the firm period entailed extra expenditure of Rs. 15.66 at tender stage.

Audit scrutiny disclosed that the proposal from CE was lying with the Administrative Department/Finance Department for seven months (24th February 1996 to 25th September 1996). Due to such unjustified delay Government was put to loss of Rs. 15.66 lakh.

(ii) Superintending Engineer (SE), R & B Circle, Kozhikode invited tenders in March 1997 for arranging the work 'Construction of a bridge across Pallamcode river in Kasaragod District'. Of the six bids received, the lowest was 43.46 *per cent* above estimate rates (contract value: Rs. 1.68 crore). SE forwarded the tender documents on 19th March 1997 to CE who forwarded the same to Government on 3rd June 1997 with his recommendations for acceptance of the lowest offer, validity period of which was up to July 1997. Government Tender Committee accepted the lowest offer on 8th August 1997, but Government issued necessary orders to that effect only in January 1998 though extension of validity period only up to 31st December 1997 was brought to the notice of Government by the CE on 21st November 1997. As the tenderer refused to extend the firm period any further, fresh tenders were called and SE awarded (June 1999) the work to another contractor for an agreed cost of Rs. 2.03 crore. Delay in issue of orders accepting the tender resulted in estimated extra financial commitment of Rs. 35 lakh.

Scrutiny revealed that CE took 2½ months to forward the tender documents to the Secretary, Public Works Department and again 3½ months to submit his proposals on the recommendations of the tender committee. Thus, failure of CE to finalise the tenders within the validity period and issue necessary

* Chief Engineer, R & B

order led to loss of Rs. 35 lakh at the award stage. Government need examine the matter to fix responsibility.

The matter was referred to Government in August 2000; reply has not been received (November 2000).

[Paragraph 4.9—Contained in the Report of the Comptroller & Auditor General of India for the year ended 31st March, 2000 (Civil)].

Note received from Government on the above paragraph is included as Appendix II.

11. The tender for the work of construction of a bridge across Pallamcode river in Kasaragod District was invited in March 1997. The lowest bid of 43.46% above estimate was accepted by the tender Committee in August 1997. The order was delayed and could be issued only in January 1998. The extended firm period had ended in December 1997. Hence the delay in acceptance of tender led to the extra expenditure of Rs. 35 lakhs. The witness attributed the delay to the declaration of Assembly Elections.

12. The Committee pointed out that there were 2 cases of non acceptance of tender within firm period. The delay in both the cases would not be due to elections.

13. The witness, Secretary, Public Works Department clarified that the main reason for the delay was that a decision could not be taken during the firm period of the tender. He added that notwithstanding to wait for the orders from Government, the Department could have their option to retender the work if the tender was not accepted during the firm period, which was the practice followed in the department.

14. The Committee noted that there was difference in the view point of the department and that of the Government. It was clear that the officers had not discussed the matter before hand.

15. The Committee enquired about the latest position of the work and the witness replied that the work had been completed. The Committee urged the Department to fix responsibility for the delay that has led to the extra financial commitment to Government.

Conclusion/Recommendation

16. The Committee notes that there was delay on the part of Government in accepting the lowest bid recommended by the CE for the work under R & B Circle Aluva. Referring to the witness's view that in case the acceptance of tender got delayed, the department could have retendered it without waiting for

Government order, the Committee points out that the contradiction in the Government's stand and that of the department is obvious and such a situation is detrimental to the interest of the State. The Committee requires the Government Secretary to furnish a report regarding the issue. The Committee observes that officers have to bear in mind that proper co-ordination and communication between the Government and its departments is necessary for the smooth functioning of the administrative system.

17. The Committee feels that it is high time that the Government should prescribe necessary steps for fixing time limit at various stages of tendering in order to avoid unjustifiable delay as all levels which would bring about financial burden to the exchequer. The Committee requires that strict action be taken against those responsible for the delay that has led to the extra financial commitment to Government.

AUDIT PARAGRAPH

Extra expenditure due to acceptance of higher rate :

In April 1987, Superintending Engineer (SE), Roads and Bridges Circle, Thiruvananthapuram awarded the construction of a bridge at Thanni in Kollam District to a contractor 'A' at Rs. 59.75 lakh (1986 SoR*) to be completed by March 1990. As the contractor failed to make required progress in work, SE terminated the contract in June 1990 invoking the risk and cost clause. The value of work till that date was Rs. 16.59 lakh.

Following retendering of the balance works (estimated cost Rs. 33.10 lakh based on 1990 SoR) in April 1991, the lowest offer was received from 'B' at 92.5 per cent above estimates on negotiation. However, Government, in September 1992, asked the Chief Engineer (CE), Roads and Bridges to explore the possibility of getting the work executed by the original contractor 'A'. The CE accordingly conducted negotiation with the original contractor 'A' who agreed to execute the balance works at 92 per cent above estimate rates based on 1990 SoR. Government decided in March 1995 to entrust the balance works to him. The contractor demanded (July 1996) enhancement in rates either of 220 per cent over 1990 SoR or of 92 per cent over the then current SoR on the ground of increase in cost of materials and labour. Based on the recommendation (May 1997) of Arbitration Committee, Government accepted (May 1997) the demand of the contractor 'A' for increase in rates by 220 per cent over 1990 SoR. Supplemental agreement was executed with 'A' in June 1997 for a total cost of Rs. 1.65 crore and date of completion as June 1999. The work was in progress as of June 2000. The extra financial commitment due to entrustment of the

* Schedule of Rates

balance works with the contractor 'A' worked out to Rs. 47.58 lakh at tender stage.

Following points were noticed in audit :

While Department failed to enforce contract conditions, Government cause totally avoidable delay of nearly 5 years (from September 1992 to May 1997) by asking the CE to enter into irregular negotiations with the defaulting original contractor 'A' in violation of provisions of Kerala Public Works Department Manual.

The contractor 'A' who was responsible for slow progress and the cancellation of the original contract, was given undue benefit by the Government first by re-entry to the work and then by allowing huge extra increase in the rates on the ground of delay, for which the same contractor was initially responsible. Had the Government not committed such gross violation of rules and patronised a defaulting contractor, the delay and the cost escalation could have been avoided.

The matter calls for investigation and fixation of responsibility.

The matter was referred to government in May 2000; reply has not been received (November 2000).

[Paragraph 4.10—Contained in the Report of the Comptroller & Auditor General of India for the year ended 31 March, 2000 (Civil)].

Note received from Government on the above paragraph is included as Appendix II.

18. It is to be noted that the contract for the work of constructing the bridge at Thanni, Kollam, awarded to a contractor in 1987 was terminated as there was no progress in the work. On retendering the balance work in April 1991, the lowest offer received was at 92.5% above estimate. But the Government had asked Chief Engineer (R&B) to explore the possibility of arranging the balance work with the original contractor at a lower rate through negotiation with him. As such the original contractor agreed to execute the work @ 92% above the estimate. The decision of the Government to award the work to the original contractor at the rate of 92% above estimate was challenged by the second contractor in the High Court. The court upheld the decision taken by the Government. Later on the contractor demanded an enhancement in the rate to 220% above estimate based on 1990 Schedule of Rate. Government accepted that demand. As there was not much progress in the work it was terminated on 6-4-2002. This action was challenged in the court. The work was

tendered again, but it was cancelled due to stay from court. On retender, the bid of a contractor at the rate of 240% above estimate was submitted twice to the tender Committee. But it was not accepted. The direction was to reestimate the work. It was found that an approximate amount of Rs. 4.34 crores would be necessary for completing the balance work. The work could be completed for Rs. 3.78 crore if the bid at the rate of 240% above estimate was accepted. The witness added that the pre cast piles and other materials used for the construction of the bridge would have to be removed based on new plan and investigation. The Audit pointed out that the charge for removal of the materials would also have to be included in the new estimate. The witness informed that it had been included in the estimate.

19. When enquired about the payment made to the contractor, the witness replied that the Department paid Rs. 24 lakh to the contractor. Of the 10 span of the bridge to be completed, he had completed only three. Only one third of the work had been completed.

20. The Committee enquired whether responsibility had been fixed for the lapse and also whether action had been taken against the contractor. The irregularity was of a serious nature which required vigilance enquiry. The Committee directed the Secretary to examine the case in detail and furnish a report.

Conclusion/Recommendation

21. The Committee observes that there is serious irregularity in the procedure followed in the tendering of the work for constructing the bridge at Thanni in Kollam district. The work, originally awarded in 1987 has not been completed even after the lapse of 19 years. The department's failure to enforce contract conditions and the undue favour shown to the defaulting contractor have led to the inordinate delay in the completion of the work and the unjustifiable escalation in the cost of work. There has also been gross violation of rules/provision of KPWD Manual. These lapses bring to light the negligence on the part of the officials in discharging their duty. There is apparent lack of concern about the loss of money from the public exchequer. The Committee feels that such a serious situation calls for a vigilance enquiry. The Committee enquires whether any departmental inquiry on the irregularity has been conducted, responsibility been fixed and action taken against those responsible for the lapses.

22. The Committee finds that the detailed report on the issue has not been furnished even though the Committee had required it to be submitted at the earliest. Expressing dissatisfaction at this lapse the Committee directs that the report should be furnished immediately.

23. The Committee desires to know whether any action has been taken against the contractor for the loss made to the exchequer due to stopping of work in violation of agreement conditions.

AUDIT PARAGRAPH

Payment beyond the scope of agreement :

In May 1997, Superintending Engineer (SE), Roads and Bridges Circle, Kozhikode awarded 'Construction of Augustianmoozhikadavu bridge' in Kozhikode District to a contractor for an agreed contract amount of Rs. 1.28 crore to be completed within eighteen months. As of June 2000, all the five deck slabs have been completed and formation of approach roads was pending for want of land for the approaches on Thendimmal side. Expenditure incurred was Rs. 1.17 crore.

Conditions in the contract stipulated that the rates quoted by the contractor shall be inclusive, covering all operations contemplated in the specifications and all incidental works. The contract agreement further laid down that extra payment shall be made only for items of work, which were not expressly or impliedly described in the schedule, plans or specifications.

According to agreement conditions, the contractor was bound to carry out sinking of wells in all classes of soil except hard rock for proper seating on hard rock. The agreement schedule also provided for dowell bars at the bottom of the wells and bottom plugging of the wells. Thus, 'seating of wells' was an item of work envisaged in the specifications for well sinking. The approved plans and drawings attached to the tender documents also indicated the necessity of seating RCC wells on rock for satisfactory completion of well sinking operations. Therefore, contractor's quoted rate for well sinking was inclusive of the charges for seating of wells also. Further, the contractor was paid Rs. 16.70 lakh in March 1999 as extra for cutting down and removal, of large sized boulders and wooden logs found under the cutting edges of the well kerbs. In spite of all these, SE sanctioned (March 1999) an amount of Rs. 16.01 lakh as extra payment towards 'seating of wells' which was paid to the contractor in March 1999 itself. As 'seating of wells' was an incidental work for satisfactory completion of sinking of wells for foundation of piers and abutments as per the plan and specifications in the contract, extra payment of Rs. 16.01 lakh was irregular and constituted an undue favour to the contractor.

Government admitted (August 2000) that though the contract envisaged proper seating of the wells on hard rock, for proper seating, wells had to be sunk through hard rock after breaking the rocky projections found below the

cutting edges of well kerbs for which no provision was made in the agreement. The reply is not acceptable as seating of well kerbs in position on rocky strata was contemplated in the contract and the contracts should provide for all foreseeable factors. Therefore, extra payment of Rs. 16.01 lakh was irregular and inadmissible.

[Paragraph 4.13—Contained in the Report of the Comptroller & Auditor General of India for the year ended 31 March, 2000 (Civil)].

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

24. The Committee learned from the Audit observation that an extra-payment of Rs. 16.70 lakh had been made to the contractor for the work of seating of well, which was included in the specification of the contract of the construction work of bridge “Augustianmoozhikadavu” in Kozhikode District. The Committee enquired the reason for such extra payment to the contractor. The witness informed that in the specification for sinking of wells, only seating of well on rock had been included in the specification, not the labour cost. Actual cost of labour and machinery had to be given as extra payment. Only a lumpsum provision was made in the estimate. Actual cost could be worked out only during the course of execution.

25. When enquired about the cutting charge and the completion of the work, the witness replied that the work had been completed. An amount of Rs.16 lakh had been paid towards the cost of construction of 10 wells. Labour charge for cutting has been made as extra payment.

Conclusion/Recommendation

26. The Committee cannot agree with the contention that actual cost of labour and machinery had to be given as extra payment especially when the contract condition stipulated that the rates quoted by the contractor should include that of all the operations contemplated in the specifications and all incidental works. The Committee takes exception to the claim that actual cost could be worked out only during the course of execution. Proper investigation would give the department a clear picture of all aspects involved in the work. The rate of the work could then be calculated before hand. The department's claim pointed either to the inadequacy of the investigation or to the deliberate action to provide extra payment to the contractor. The Committee requires that an enquiry be conducted, responsibility fixed and action taken against those found guilty of irregular payment beyond the scope of agreement.

AUDIT PARAGRAPH

Unjustified closure of contract :

Superintending Engineer (SE), Roads and Bridges North Circle, Kozhikode awarded in January 1993 works for formation of bypass road in Manjeri Municipality from km 0/0 to 3/600, excluding portions from km 0/900 to 2/200, to a firm at its quoted rate of 3.6 *per cent* below estimate rates (contract value being Rs. 36.17 lakh) to be completed by June 1994. The work was not completed by the due date. In November 1994, SE entrusted work relating to the section km 0/900 to 2/200 also to the firm at the same rates to be completed by July 1997. The firm carried out till July 1997 works valued at Rs. 80.95 lakh except metalling and black topping (BT) works and requested SE to relieve it from the contract mainly on the plea that quantities far exceeding those in the agreement schedule had been executed. Chief Engineer (CE), Roads and Bridges granted (January 1998) permission to exempt the firm from doing metalling and BT works and accordingly, the contract was closed in April 1998. The balance works were awarded in July 1998 to another firm at 75 *per cent* above estimate rates (since revised in January 1998). The balance works were completed in December 1998 at Rs. 62.43 lakh.

Scrutiny revealed the following :

Notice Inviting Tenders forming part of the agreement spelt out clearly that quantities provided in the schedule might vary widely and that tenderer should be prepared to execute any excess over scheduled quantities at the quoted rates. Closure of contract by the CE exempting the firm from doing major items included in the agreement schedule which were not at all taken up for execution by the firm, was irregular. Re-arrangement of execution of metalling and BT works in the two reaches (from km 0/0 to 0/900 and km 2/200 to 3/600) caused additional financial commitment of Rs. 13.22 lakh.

The matter was referred to Government in May 2000; reply has not been received (November 2000).

[Paragraph 4.14—Contained in the Report of the Comptroller & Auditor General of India for the year ended 31 March, 2000 (Civil)].

Note received from Government on the above paragraph is included as Appendix II.

27. In reply to the Committee's question about the latest position of the work, the witness informed that the work was completed in 1998. The work, divided into three portions had been entrusted to the contractor at the rate of

3.6 % below estimate. The middle portion was excluded as land was not available. As the rate was below estimate, Government entrusted the work of the central portion also to the same contractor. But the work got delayed due to a case in the court regarding the shifting of 110 K.V. electric post. In that situation the contractor requested for termination of contract. The balance work of metalling and black topping were arranged separately. The work had been completed and the road was opened for traffic. The witness added that really there was no loss to Government as the first contractor had undertaken the work below estimate rate and there had been rate revision during the course of work.

Conclusion/Recommendation

28. The Committee cannot accept the view that there was no loss to Government due to the unjustified termination of contract. Though the contractor failed to complete the work assigned to him, the department awarded the rest of the work also to the same contractor. The department should have ascertained the contractor's ability to complete the work before awarding the second assignment. Relieving the contractor from the contractual obligations without risk and cost was not at all proper as the agreement condition clearly specifies that the contractor is bound to carry out the excess work at the quoted rate even if that rate varies widely during execution. The Committee requires the department to strictly adhere to the rules while tendering and executing such works in future.

AUDIT PARAGRAPH

A bridge lying unused for more than a year :

Kerala Public Works Department Manual enjoins upon the authorities concerned to ensure before award of work that land would be ready for being handed over to the contractor. The required land either should have already been acquired or be otherwise available or land acquisition proceedings should have reached a fairly advanced stage, when it could reasonably be anticipated to make available the land before the contractor starts the work.

Superintending Engineer (SE), Roads and Bridges, North Circle, Kozhikode did not observe these provisions while awarding the work of construction of Kothypallykandi bridge across Kallai river and its approaches to a contractor in July 1995 for a contract value of Rs. 4.02 crore. The period of completion prescribed in the contract was 30 months, i.e. within January 1998 which was further extended upto 31 March 2000. Construction of the bridge was completed in July 2000 and Rs. 3.11 crore paid to the contractor till

December 2000. Work on formation of approaches for a total length of 1.8 km has not commenced as of August 2001 since 6.39 acres of land required for approaches has not been acquired. The bridge is lying unused since July 2000. According to the SE, the land acquisition proceedings involved eviction and rehabilitation of 264 families. A rehabilitation project (cost : Rs. 2.32 crore) prepared by Chief Engineer, Roads and Bridges in March 1998 was rejected by Government in August 1999. Fresh proposals to rehabilitate the residents have not been forwarded (August 2001). The prospect of resumption of the remaining work in near future is not known. Thus the expenditure on the bridge is totally unfruitful as of now.

Thus, award of the contract before ensuring availability of land for approaches resulted in blocking funds amounting to Rs. 3.11 crore.

The matter was referred to Government in May 2001; reply has not been received (October 2001).

[Paragraph 4.9—Contained in the Report of the Comptroller & Auditor General of India for the year ended 31 March 2001 (Civil)]

Note received from Government is included as Appendix II.

29. The witness informed that the work for constructing the bridge had started in 1995 and was completed in the year 2000. The work of the approach road could not be started as the Government land earmarked for the purpose had been occupied by encroachers. Government had taken the decision to evict the encroachers and rehabilitate them and make the land available before 31 March 2006.

Conclusion/Recommendation

30. The Committee desires to know whether the encroachers in the land earmarked for the approach road have been evicted as per the decision taken by Government and whether the work of the road has been completed.

31. Pointing out the direction in the PWD Manual that availability of land should be ensured before awarding the work, the Committee observes that the lapse on the part of the department in following the direction had resulted in the blocking of public fund amounting to Rs. 3.11 crores incurred for the work. Also the bridge which has been completed could not be used. The Committee directs the department to adhere strictly to the rules to avoid the recurrence of such issues and also to inform the present position of the case.

AUDIT PARAGRAPH

Extra Expenditure due to administrative delays :

Superintending Engineer (SE), Roads and Bridges Circle, Kozhikode invited (December 1995) tenders from four pre-qualified tenderers for construction of a bridge across Karimpuzha river at Koottilakkadavu in Palakkad District. Superintendent Engineer recommended (January 1996) the offer of the single tenderer 'A' for the contract amount of Rs. 1.94 crore at 195 *per cent* above the estimate (1992 SoR*). Government Tender Committee (GTC), however, decided (January 1996) to invite fresh open tenders. On retender in February 1996, the lowest offer was at 107 per cent above the estimate rates (contract amount: Rs. 1.51 crore) and GTC recommended (March 1997) acceptance of the offer. Though Chief Engineer, Roads and Bridges solicited (April 1997) formal Government orders, Government did not take a decision in the matter for nearly two years. No reasons were on record to show why Government did not take a decision on the recommendation of GTC. Thus, the second tender was allowed to lapse. After revising the estimate based on 1996 SoR, Superintendent Engineer again invited tenders in March 1999. Of the four tenders received, the lowest rate quoted was 59 *per cent* above estimate (Rs. 2.09 crore) from the same contractor 'A' whose earlier offer was rejected by GTC in January 1996. Government, accepted (December 1999) the offer as recommended by GTC and work was awarded by Superintendent Engineer in December 1999 for Rs. 2.09 crore.

Government's failure to issue orders on the recommendation of GTC made in March 1997 led to delay of more than 19 months in awarding the work and extra expenditure of Rs. 58.61 lakh at the award stage.

The matter was referred to Government in May 2001; reply has not been received (October 2001).

[Paragraph 4.10—Contained in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2001 (civil)]

Note received from Government on the above paragraph is included as Appendix II.

32. The witness explained that on inviting tender for the construction of the bridge at Koottilakkadavu, only one tender at 197% above estimate was received. It was not accepted by the Tender Committee. Therefore, fresh tenders were then invited and one tender at 107% above estimate was received. But the Tender Committee by taking into account of revision in Schedule of Rates in

* Schedule of Rates

1996 decided to revise the estimate of the work. Tenders were invited again based on the revised estimate and the lowest quoted rate of 59% above estimate was accepted.

33. The Committee pointed out that though Government Tender Committee (GTC) had accepted the offer of 107% above estimate in the second tender Government had not acted upon it and hence there was serious lapse on the part of the Government. Had the tender been accepted there would not have been any need for a retender or rate revision which resulted in the extra expenditure of Rs. 58.61 lakh at the time of the award of the work. No reason was adduced for rejecting the lowest bid in the second tender. In the third tender, the same contractor's offer was accepted at a higher rate. When the Committee enquired the reason for such an action, the witness replied that the contractor might have quoted the higher rate ie. more than 100%, above the estimate anticipating the rate revision. The witness added that the rate was revised in 1999. As the Committee did not consider the reply as satisfactory, the witness, Secretary, Public Works Department assured to look into the matter.

Conclusion/Recommendation

34. The Committee observes that there was serious lapse on the part of Government in not accepting the offer of 107 % above estimate received in the second tender. Rejecting that offer Government had accepted the offer of a higher rate in the third tender from the contractor whose offer was rejected in the first tender. The Committee cannot accept the reply that the contractor might have raised the rate anticipating revision of Schedule of Rates. The department need not go into the merits of the contractor's action. It is clear that the Government action of letting down the offer in the second Tender had led to the extra expenditure of Rs. 58.61 lakh at the award stage and delay in the completion of the work. If the offer in the second tender was accepted the work could have been awarded before the revision of SoR in 1996.

35. The Committee observes that lapses in the procedure for awarding work has become a common practice in the department, leading to extra expenditure from the Public Exchequer. Though the Secretary Public Works Department has assured to look into the matter no information has yet been furnished to the Committee in this regard. The Committee express dissatisfaction at this lapse and directs the department to enquire into the administrative delay in accepting the tender. The Committee requires the department to fix responsibility and to take suitable action against the culprits. The Committee adds that a report in this regard be furnished at the earliest.

AUDIT PARAGRAPH

Wasteful Expenditure on Construction of a bridge :

Progress of work of construction of Mukkannankadavu bridge across Nellippuzha river in Palakkad District awarded to a contractor in July 1992 at a cost of Rs. 43.67 lakh, for completion by March 1994 was not satisfactory. Hence, the Superintending Engineer (SE), Roads and Bridges Circle Kozhikode terminated (February 1996) the contract at the risk and cost of the contractor. Rupees 29.92 lakh were paid (March 1994) to the contractor for the work executed by him.

Inspection of the partially constructed structure (August 1998) by the Structural Engineering Research Centre (SERC), Chennai revealed (December 1999) that the piers and abutments were weak due to lower strength values of in-situ concrete and presence of excessive voids and these were not suitable for constructing the deck super-structure, in view of the uncertainty on the quality of concrete and depth of well foundation. Despite such defective construction by the contractor no liability has been fixed against the contractor and departmental officers responsible for supervisory lapses and for having authorised payment to contractors despite substandard work. In April 2001, Superintending Engineer awarded the work of re-construction of the bridge on lump sum contract basis to another contractor for Rs. 1.75 crore. The responsibility to ensure quality and economy of Government work rested with the departmental officers concerned. The Assistant Engineer in charge of execution of work was to supervise the work frequently. Provision also existed for supervision of work by the Executive Engineer and Superintending Engineer. As such the responsibility to ensure quality of work devolved on those officers.

Thus, due to poor quality work, failure in supervision and unjustified release of payment to contractor despite substandard work, Rs. 35.30 lakh (including Rs. 5.38 lakh paid to SERC for inspection work) spent on the work became a waste and the work was delayed by more than 7 years at the award stage.

The matter was referred to the Chief Engineer, Roads and Bridges in February 2001 and to the Secretary to Government in July 2001. Replies have not been received (October 2001).

[Paragraph 4.14—Contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2001 (Civil)]

Note received from Government on the above paragraph is included as Appendix II.

36. The witness informed that the contract for the work of constructing the bridge was terminated at the risk and cost of the contractor as the work was not satisfactory. Due to some doubt about the quality of the work of the contractor, SERC (Structural Engineering Research Centre), a firm in Chennai was entrusted with the inspection of the partially completed bridge. On the basis of their investigation report it was decided to reconstruct the bridge and the bridge was completed and opened for traffic.

37. The Committee enquired whether any action had been taken against the officers who were responsible for non-supervision of the work. The witness informed that some of the officers were retired from the service. The matter was now under Vigilance enquiry. The witness could not state the latest position of the Vigilance enquiry. The Committee required the witness to furnish a detailed report regarding the issue.

Conclusion/Recommendation

38. The Committee observes that the departmental officers who had the responsibility to ensure quality and economy of Government work miserably failed in their duty. As a result money had been spent from the public exchequer for the substandard work done by the first contractor and for the inspection work of SERC. Moreover, the work was delayed for more than seven years. Though the Committee had required the department to furnish a detailed report regarding the issue, it had failed to do so. The Committee expresses dissatisfaction at this lapse and directs that the report should be furnished without further delay. The Committee requires the department to include the latest position of the vigilance enquiry in the report.

AUDIT PARAGRAPH

Unauthorised aid to Contractor

The work on 'Construction of Nelliadikadavu bridge' in Kozhikode District awarded by the Superintending Engineer (SE), Roads and Bridges Circle, Kozhikode to a firm in February 1996 for a contract amount of Rs. 2.77 crore was completed in January 2000 at a cost of Rs. 3.11 crore. Audit scrutiny revealed that extra payment of Rs. 30.02 lakh was made to the firm outside the scope of the contract.

Based on an estimate approved by the Chief Engineer (CE), Roads and Bridges in January 1995 an agreement (February 1996) was concluded by the Superintending Engineer for formation of islands of size 13.50 metres x 8 metres with average height of 2.30 metres around 7 pier points for sinking foundation wells, at Rs. 42600 per island. In February 1997, Chief Engineer changed the

specification for the islands by enlarging the island size to 14.5 metres x 9 metres with average height of 2.60 metres on the ground that the islands originally proposed would not withstand the heavy flow of water in the stream and islands of bigger size were required to provide enough working space around the outer ring of the wells. As against 7 islands., the firm constructed 9 islands. The construction of two extra islands for abutments was not envisaged in the original agreement and not approved by competent authority (CE). For formation of the enlarged islands, Rs. 2.30 lakh per island was granted which was exorbitant compared to the originally accepted rate of Rs. 0.43 lakh per island.

Post-contractual changes in the number and specifications of the islands to be formed at rates more than five times of the originally agreed rate resulted in extra expenditure of Rs 30.02 lakh which constituted an unintended aid to the contractor. The following points were noticed:

(i) The original estimate was based on investigations done in 1987. There was no change in this estimate before the award of work in February 1996. The changes in number and size of the islands to be formed were attributed to the vast changes in the site conditions. Such vital changes in the scope of work after award of the work and during execution, indicated that the estimate was approved by the Chief Engineer without adequate examination of the ground conditions.

(ii) According to Kerala Public Works Department Manual, in cases where the works are arranged after a lapse of 2 years since preparation of the estimates, it is incumbent upon Assistant Engineer (AE) Executive Engineer (EE) to re-examine the site conditions and to recast the estimate, if necessary, to accommodate, major variations in the site conditions. No such re-verification of site conditions by Assistant Engineer / Executive Engineer before arranging the work after a lapse of more than eight years, was carried out. Nor was such re-examination insisted upon by the Chief Engineer who approved the obsolete estimates necessitating major change in the scope of work at the post agreement stage at a huge extra cost.

(iii) The argument that the changes were necessary to enable island formation and to provide additional working space was not tenable as the contractor was to satisfy himself about the workability aspect before tendering for the work. There was no evidence to suggest that the contractor did not do so in this case. Hence, such post contractual changes amounted to unintended gratuitous favour to the tenderer.

The matter was referred to the Chief Engineer, Roads and Bridges in May 2000 and to the Secretary to Government in July 2001. Replies have not been received (October 2001).

[Paragraph 4.15—Contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2001 (Civil)]

Note received from the Government on the above paragraph is included as Appendix II.

39. The witness informed that the estimate for the work was based on the investigation made in 1987. The work started in 1996. Problems arose after the commencement of the work.

40. The Committee pointed out that the Department should have adhered to the provision in the Public Works Department Manual which stipulated re-examination of the site by Executive Engineer/Assistant Engineer in cases where the commencement of work arranged 2 years after the preparation of estimate. The Committee enquired whether such a system existed in the Department.

41. The witness, Secretary, Public Works Department informed that direction had been issued to all to certify the estimate while preparing it. As more cases of similar nature were being pointed out by the Accountant General, a circular had been issued instructing officials not to specify in the estimate the size and depth of the island.

42. When enquired about the mechanism to check whether the officers concerned inspected the site or not, the witness replied that the Executive Engineer (EE) maintained fortnightly progress reports. Executive Engineers had to check whether the Assistant Engineer (AE) had inspected the site and verified the fortnightly progress reports submitted by Assistant Engineers. He admitted that due to heavy workload and shortage of staff, those procedures could not always be followed. The Committee observed that the Department should ensure that the rules in the Manual are strictly adhered to. The witness assured the Committee to examine the prevailing monitoring mechanism and incorporate necessary changes as suggested by the Committee.

Conclusion/Recommendation

43. The Committee observes that though the original estimate was based on investigation done in 1987, the department failed to re-examine the site and revise the estimate when the work was awarded in 1996. This is a clear violation of the provision in the Public Works Department Manual. In this case, though the work was arranged more than 8 years after the preparation of the original estimate, the officers approved the estimate without adequate examination of the site condition. The failure to re-examine the site conditions had led to the post contractual changes in the work and the subsequent extra expenditure of Rs.30.02 lakh. The Committee enquires whether action has been taken to fix responsibility for the lapse.

44. The Committee expresses concern that lapses in investigation of site condition and preparation of estimate are becoming a common practice in the department. Procedures for monitoring whether the officers concerned are inspecting the sites and for maintaining progress reports are not strictly followed. Strict measures are necessary to ensure that the procedures and rules are followed diligently. The Committee requires the department to inform about the action taken to improve the prevailing situation.

AUDIT PARAGRAPH

Extra liability due to post contractual modification of design :

In March 2000, Superintending Engineer (SE), Roads and Bridges, North Circle, Kozhikode awarded the work of constructing a high-level bridge across Bharathapuzha connecting Ottappalam and Mayannur, to Kerala State Construction Corporation Limited (KSCC), a Government company for a contract amount of Rs. 9.69 crore. stipulating the time of completion (TOC) as March 2002. When foundation work for the bridge was nearing completion, KSCC expressed (November 2000) inability to stick to the stipulated TOC because of practical difficulties in executing concrete work as per the approved design during rainy season. To adhere to the time schedule fixed in the agreement, KSCC suggested substitution of 're-cast girders and slabs' instead of 'in-situ cast slabs' for the superstructure of the bridge. Government accepted (March 2001) the design modification involving estimated extra liability of Rs. 3.70 crore. The bridge had not been completed as of December 2002.

Following points were noticed in audit:

(i) The reasoning that the change in design would enable KSCC to complete the work within TOC was belied, as the work remained incomplete as of December 2002.

(ii) As per conditions of contract, KSCC was expected to ensure the workability of the rate quoted by it after taking into account the site conditions. As such, practical difficulties encountered during actual execution were not valid grounds for the firm's demand for change of design or extension of TOC.

(iii) Two components of the work, viz., Formation of approach road on either side and Construction of a railway over-bridge (at Ottapalam side), which were essential to derive full benefits of the proposed bridge, had not been taken up as of December 2002.

Thus, post contractual change in design of the bridge to complete the work within the targeted date as demanded by the firm was defeated as it remained incomplete. The estimated extra liability on this account amounted to Rs. 3.70 crore.

The matter was referred to the Chief Engineer, Roads and Bridges in September 2001 and to the Principal Secretary to Government in March 2002. Replies have not been received (December 2002).

[Paragraph 4.2—Contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2001 (Civil)]

Note received from Government on the above paragraph is included as Appendix II.

45. When enquired about the latest position of the work, the witness replied that the work was not yet completed. Nine decks had been launched. Railway Over bridge had also been included in the work and an amount of Rs.2.86 lakh had to be remitted to Railways for which a proposal had been submitted to Government but yet to receive the sanction. The witness expressed the hope that on receiving the Government sanction the work would be completed by March, 2007.

46. The Committee observed that though design was changed in order to complete the work in March 2002, Kerala State Construction Corporation (KSCC) couldn't complete the work, by this time. The witness informed that the KSCC's practice of stopping work when the payment of their bills get delayed might be one of the reasons for the delay in completing the work.

47. The Committee observed that KSCC had the record of stopping its work halfway. The Corporation's practice of sub-contracting the work should be enquired into. The Committee enquired whether the Department reviewed the work done by KSCC. The witness, Secretary, Public Works Department answered in the affirmative. He added that all the works were not done by KSCC. He admitted that the officers of the department did not always strictly supervise the work. The Committee required the Department to conduct a review regarding all the work undertaken by KSCC.

Conclusion/Recommendation

48. Referring to the post contractual modification of design brought about at the instance of KSCC, the contracting agency, the Committee observes that Government should not have given in to the suggestion for design change halfway through the work. The constructing firm should have taken into account the site conditions and the workability of the rate before taking up the work. The design modification effected in order to facilitate completion of work within scheduled time has not obtained the desired effect. Besides, it has resulted in an additional liability of Rs. 3.70 crore to the exchequer. The Committee points out that lapses in strictly following rules and procedures has

led to such a situation. A detailed enquiry regarding the issue is therefore necessary. The Committee requires the department to conduct the enquiry and report its findings at the earliest.

49. The Committee observes that KSCC has the record of stopping work halfway and subcontracting work assigned to them. The Committee requires the department to enquire into such unhealthy practices that cause liability to Government. The Committee desires that a review regarding all the works undertaken by KSCC also be conducted.

AUDIT PARAGRAPH

Avoidable liability on formation of approach roads for a rail over bridge :

In January 1999, Superintending Engineer (SE), Roads and Bridges, Central Circle, Aluva awarded the formation of approaches to the proposed rail over bridge at Wadakkancherry in Thrissur District to a contractor for Rs. 85.83 lakh at 23.11 per cent below estimate. The work was scheduled to be completed in March 2002.

Estimate of the work prepared on the basis of soil test conducted by Executive Engineer (EE) in 1991 included 2808 cubic metres of rock blasting under ordinary conditions at Rs. 1581 per 10 cubic metres and 702 cubic metres under protective conditions at Rs. 2055 per 10 cubic metres as per 1996 SoR*. During execution, quantity of rock blasting registered an enormous increase to 58930 cubic metres. The Executive Engineer classified the entire additional quantity of blasting as protective blasting. Government Arbitration Committee recommended (June 2000) payment for protective blasting for quantities in excess of 125 per cent of the agreed quantity, at the rate of Rs. 3487 per 10 cubic metres which was 20 per cent more than the rate as per the 1999 SoR. Government accepted the recommendation in November 2000 and SE executed (May 2001) a supplemental agreement with the contractor for protective blasting of 58930 cubic metres at the rate of Rs. 3487 per 10 cubic metres but without applying the tender rebate of 23.11 per cent. Provision was also made in the supplemental agreement for sale of rubble obtained from blasting to the contractor at a price of Rs. 2.50 per cubic metre. Payment made to the contractor as of December 2002 was Rs. 60.69 lakh. Following points emerged in audit scrutiny.

(i) Huge increase in the quantity of rock blasting (8295 per cent) indicated improper preliminary investigation by the Executive Engineer and preparation of defective estimate conferring undue favour to the contractor.

* Schedule of Rates

(ii) As Notice Inviting Tenders (NIT) forming part of the agreement stipulated that the SoR effective at the time of execution of extra items shall be the basis for valuing such extra items, addition of 20 per cent increase over 1999 SoR for extra items was not justifiable. This resulted in over rating of the item to the extent of Rs. 581 per 10 cubic metres and consequent estimated undue gain of Rs. 34.24 lakh to the contractor.

(iii) Exclusion of extra item from the purview of tender rebate was against the provisions of the original agreement and this resulted in undue monetary gain of Rs. 47.49 lakh to the contractor as in the case of percentage rate contracts, the tender premium or tender rebate quoted by contractor shall be applied over departmental rate for arriving at the rates for extra items.

(iv) As the blasted rubble had not been certified as unfit for use or as inferior in quality, the decision to sell it at a manifestly low price was not justifiable compared to the price of Rs. 140 per cubic metre notified in the SoR 1999 for blasted rubble. Government sustained estimated loss of Rs. 1.22 crore on account of the uneconomic sale.

The matter was referred to Chief Engineer, Roads and Bridge in December 2001 and to the Principal Secretary to Government in April 2002. Replies have not been received (December 2002).

[Paragraph 4.3—Contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2002 (Civil)]

Note received from the Government on the above paragraph is included as Appendix II.

50. The witness informed that during the examination of the work of approach roads the quantity of rock blasting under protective conditions registered an enormous increase from 700 cubic metres to 60000 cubic meters. There had been corresponding decrease in earthwork bringing about variation in the estimate amount. The witness admitted that detailed investigation would have revealed the exact quantity of rock, if done earlier. After blasting 1000 cubic meter, the contractor demanded rate enhancement.

51. The Committee pointed out that even if the fact that quantity for protective blasting had increased is acceptable there was no justification in increasing the rate for the work which the contractor had already agreed to do. The witness clarified that the contractor had agreed to take up the work below estimate rate as the work involved was largely of earth work and that he had the machinery for the purpose. When it was found that the quantity of blasting had increased, the contractor requested to raise the rate or to relieve him from

the contract. The issue was taken up by the Arbitration Committee. The contractor demanded a rate of Rs.4500. After negotiation, the Arbitration Committee fixed the rate at Rs.3487 per 10 cubic metres. The witness added that the work had been completed and that the Railway had invited tenders for completing their portion of work.

Conclusion/Recommendation

52. The Committee observes that the wide variation in the quantity of rock blasting which was discovered during the execution stage has led to additional payment to the contractor causing considerable loss to Government. The Committee points out that the witness's statement itself reveals that detailed investigation was not conducted before the preparation of estimate. Lapses in the investigation and preparation of estimate are becoming usual practice. The Committee recommends strict action against those responsible for the lapse in order to curb such practices in future.

53. The Committee finds that the SoR effective at the time of execution was not taken as the basis for valuing the extra items of rock blasting though it was stipulated in the notice inviting tender. Moreover, the provision of 23.11 % rebate which formed part of tender agreement was not included in the supplemental agreement. The Committee takes strong exception to such deviations from the provision in the tender agreement. A detailed departmental enquiry is necessary to bring to light all aspects related to the issue, including the issue of sale of blasted rubble at a very low cost.

The Committee requires the department to conduct the enquiry and furnish the report at the earliest.

AUDIT PARAGRAPH

Extra Expenditure due to departmental lapses :

In January 1995, the Superintending Engineer (SE), Roads and Bridges Circle, Kozhikode awarded construction of Kuniyilkadavu Bridge in Kozhikode District to a contractor for a contract amount of Rs. 3.16 crore, stipulating its completion in January 1997. As the Department failed to supply materials required for the work and to make payment of bills on time, the contractor suspended the construction activity in March 1998 by which time the works on the abutment A2 and piers P11 to P 15 only were completed. He demanded (May 1998) 40 per cent increase in the agreed rates which was accepted by Government in November 1999 based on the recommendation of the Arbitration Committee*. Consequently, estimated extra liability amounted to Rs. 1.23 crore which was due to department's failure in adhering to the contract conditions.

* A Committee of Government Secretaries and Chief Engineer set up by Government to resolve dispute with contractors.

The work was in progress as of May 2002. Audit scrutiny revealed further extra expenditure of Rs. 34.28 lakh due to post contractual changes in design of foundation as discussed below.

In January 2000, Superintendent Engineer proposed to the Chief Engineer (CE), Roads and Bridges for changing the well foundation envisaged in the original contract to pile foundation on the ground of speedy execution at lesser cost. But the Department's conclusion was erratic as the work remained incomplete even as of January 2001. In support of change of design, the Department prepared a comparative cost analysis statement according to which the cost of well foundation was Rs. 111.78 lakh and that of pile foundation was Rs. 98.42 lakh. Audit scrutiny revealed that items of work viz. seating of well and removal of obstacles which were incidental to well sinking were reckoned for estimate originally and that in the comparative statement prepared in support of design change, these elements (cost: Rs. 37 lakh) were additionally reckoned so as to boost the cost of well foundation and to justify the design change. Projection of items already included in the original contract as separate and distinct for the purpose of comparison, jacked up the cost of well foundation *vis-a-vis* the newly proposed pile foundation, while pile foundation was actually costlier. Thus post contractual change in design entailing extra expenditure of Rs. 34.28 lakh paved the way for unjust enrichment to the contractor.

The matter was referred to the Chief Engineer, Roads and Bridges in February 2001 and to the Principal Secretary to Government, Public Works Department in May 2002. Replies have not been received (December 2002).

[Paragraph 4.4 contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2002 (Civil)]

Note received from the Government on the above paragraph is included as Appendix II.

54. The witness informed that the system prevalent during that time was to supply materials for the work from the department store itself. As there was failure on the part of the department in providing materials and in making payment of bills in time, enhancement of 40% in the rates was provided to the contractor. The system of providing materials had been dispensed with, since 1996. Only bitumen is currently provided by the Department for work costing upto Rs.15 lakh. The Committee enquired about the reason for the delay in making timely supply of materials. It was also enquired whether responsibility had been fixed for the lapse. The Committee wanted to know whether the cost of materials to be provided had been calculated and also whether the delay in supply had really been due to paucity of materials in the store. The witness, Secretary, Public Works Department assured to look into all these matters.

55. When enquired about the change in design, the witness replied that there were 15 piers and 2 abutments. After constructing 11 piers and 1 abutment, design of 4 piers and 1 abutment was changed. The design of well foundation of the piers and abutment had been changed to pile foundation. The change was proposed due to the peculiar site condition, the nature of subsoil and also in order to speed up the construction of the bridge. It was admitted that detailed investigation could not be done due to the magnitude of the work.

56. The Committee pointed out that there had been no reduction in rate as claimed by the Department when the design was changed from well foundation to pile foundation. The witness clarified that the actual expenditure included the rate for removing obstacles also. An amount of Rs. 4 lakh per well had been included as actual labour charge for each well. For pile foundation, there was no need for removal of obstacles. To a question of the Committee, the witness added that the work had been completed and opened for traffic in 2002.

Conclusion/Recommendation

57. The Committee observes that the department's failure to supply materials for the work in time was one of the main reasons for the delay in completing the work and the extra expenditure incurred. Though the Secretary, Public Works Department had assured to look into the various aspects related to the issue, no report has yet been furnished. The Committee urges the department to furnish the report without further delay.

58. Referring to the design change proposed during the implementation of the work, the Committee observes that the post contractual change did not speed up the work or reduce the cost of work as anticipated. The witness's own admission reveals that detailed investigation which has to be done compulsorily especially before such major work, was ignored. Obviously, this had led to the post contractual change and the resultant extra monetary liabilities. The committee finds that the department is taking such lapses on a routine manner and trying to cover it up. Such irresponsible attitude cannot be tolerated. The Committee urges the department to conduct a detailed enquiry into the matter and take action against those responsible for the lapse. The Committee recommends that measures should be taken for ensuring detailed investigation of site condition by experts before tendering works in future. The Committee further requires the department to issue strict instruction to

avoid post contractual changes in the agreement that are detrimental to Government cause.

AUDIT PARAGRAPH

Extra Expenditure due to delay in acceptance of tender and subsequent change of design :

The Construction of a bridge at Orikkadavu in Kasargod District estimated to cost Rs. 1.65 crore was sanctioned by Government in March 1996. As the lowest tenderer passed away in May 1999 before delivery of the selection notice, Chief Engineer (CE), recommended (August 1999) acceptance of the second lowest tender at 79 per cent tender premium (contract amount : Rs. 2.86 crore) to Government. As no decision on his offer was forthcoming, the tenderer backed out in November 1999, Government issued orders accepting the tender only in February 2000.

Meanwhile, Chief Engineer proposed (September 1999) a change in the design of foundation from pre-cast concrete piles to bored cast in-situ piles on the pretext that driving pre-cast piles was laborious and time consuming. Accordingly, Chief Engineer, Design, Research, Investigation and Quality Control (DRIQ) modified the foundation design in June 2000. The estimate was recast to Rs. 4.20 crore as per 1999 Schedule of rates incorporating the revised foundation design. The work was retendered and awarded in December 2000 to another contractor for Rs. 3.82 crore stipulating completion in June 2002. However, by January 2003 only 25 per cent of the work could be completed.

Non-acceptance of the original tender in time and change of foundation design caused estimated extra liability of Rs. 96 lakh.

Government justified (January 2002) the delays in acceptance of the tender on the ground of meagre budget provisions made. As works were to be put to tender with reference to budget provision available, the reply is not acceptable. Change of design for quicker and easier execution of the foundation works did not seem justifiable as revealed by the insignificant progress of work, viz, only 25 per cent as of January 2003.

The matter was referred to Chief Engineer, Roads and Bridges in January 2002 and to the Principal Secretary to the Government in May 2002. Replies have not been received (December 2002).

[Paragraph 4.5—Contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2002 (Civil)]

Note received from Government on the above paragraph is included as Appendix II.

59. When enquired about the delay in accepting the tender the witness informed the Committee that as the first lowest tenderer died before the acceptance of the tender, the department had to negotiate with the second lowest tenderer and hence delayed the tender process. The Committee opined that the delay was in taking the decision of accepting the tender. The witness clarified that the second lowest tenderer was not willing to take up the work at the rate of 65% above estimate, which the lowest tenderer had quoted. The second lowest tenderer quoted 79% above estimate and demanded an increase of 30% over the rate of 179% if the work was awarded within the expiry of firm period. He also demanded a change in the design of the bridge since the use of the pre-cast concrete piles for the foundation of the bridge was not feasible for the speedy and safe execution of the work and hence it should be substituted by bored cast in situ piles.

60. The Audit's view was that there was failure on the part of the Department in taking a decision on awarding the work within the firm period. It was noted that the proposal for change in design came from the contractor only after the acceptance of the tender. The Department accepted the proposal later. The extra expenditure and revision of rate were therefore, incurred due to the failure in taking timely decision.

61. The Committee enquired about the reason for the design change. The witness, Chief Engineer, Public Works Department pointed out that the sandy river bed had eroded due to strong under currents. As erection of precast piles on the sandy strata would be difficult, it was decided to use in-situ bored piles in place of pre cast piles to extend the piles to the hard strata below the sand. Pointing out that it was the contractor who had noted the peculiarities of the site condition and demanded the design change, the Committee enquired why the experts in the Design Research Investigation and Quality Control (DRIQ) couldn't find it out during investigation for preparing the original designs or during the site inspection. The Committee observed that changes in design and in the original estimate of the work had become the order of the day in the departmental work.

62. The witness, Secretary, Public Works Department admitted that designs of the majority of projects taken up by the Department underwent changes during their implementation stages. Though DRIQ was there to develop design parameters, it had to improve much more. Engineers were therefore being sent for training programmes. Department was also trying to outsourcing of design. He assured the Committee that he would look into the issue of delay in awarding the work and the design change and submit a note on the case.

63. The Committee observed that the system of tendering the work after developing the design should be changed so as to avoid the change in design and original estimate later. The witness informed that the performance of the design wing had improved considerably and successfully completed many works on bridges during the last four years. As per rules, detailed investigation had to be conducted at each level before drafting the design. But this could not always be pursued due to time limit. The witness asserted that design changes were not unusual.

64. When enquired about the latest position of the work the witness replied that the work was in progress and was expected to be completed within 12 months. To another question, the witness added that there were no changes in the original estimate of the work but changes in the rate as well as in the design could not be avoided.

65. The witness explained that the department followed the traditional system in preparing design and estimate. Also the implementation of the departmental project taking more than 3 years to be completed and making the designs outdated. In the fast developing world, it was necessary to adopt new technology. The service of project consultants could be sought for the latest designs. In the case of many works of Government of India on CPWD or ADB projects, the Project Consultants prepared the latest design and they were also responsible for the design they created. The witness pointed out that in the work of Kerala Road Fund Project as well as in the four lining work of National Highways, the services of Project Consultant had been deployed. He added that Supervision of the work could be done by departmental experts.

66. The Committee observed that it was true that changes in the design and estimates delayed the completion of works and thus increased the expenditure. But a change from the traditional system would create additional financial liability as the department maintained agencies like DRIQ and necessary staff for the purpose.

67. The witness admitted that it was high time that the department changed the outlook. He added that Department had started experimenting with new designs stressing the aesthetic aspect. Detailed investigations were being undertaken before designing the project. He pointed out that the new system being planned in the department would face resistance, especially from the Finance and Administrative Departments. L.B.S., a semi Governmental agency had started working on those lines. The Committee required the Department to submit a note including the details of the proposal.

Conclusion/Recommendation

68. The Committee finds that delay in accepting tender, delay in awarding the work within firm period and changes in design during implementation stage has become routine practice in the department. The departmental experts failed to conduct necessary detailed investigation of site condition which is a pre requisite for preparing estimate. All these lapses lead to the delay in completing the work and the incurring of extra liability to Government. The Committee recommends for urgent steps to curb such unhealthy practice.

69. Strict instructions are to be issued to ensure that rules and procedure are followed diligently. In the wake of increasing instances of changes in design and original estimate the department need to consider changing the system of tendering work after developing the design. Expressing dissatisfaction over the failure to submit the note on the issue as assured by the Secretary of the department, the Committee urges the department to furnish the note without further delay.

70. Appreciating the move for improving the performance of DRIQ, the Committee opines that the measures for qualitative improvement of the system in the department should be realistic and be based on the existing system and infrastructure in order to avoid resistance to the move.

71. The Committee remarks, that the department has failed to submit the note on the proposal for the new system to be adopted in the department even after the Committee's specific direction in this regard. The Committee expresses displeasure at this lapse and urges the department to furnish the note without any delay.

AUDIT PARAGRAPH

Extra Expenditure due to post contractual reclassification of soil:

In January 1999 and April 2000, Superintending Engineer (SE), Roads and Bridges, South Circle, Thiruvananthapuram concluded two separate contracts for the improvement of two roads* in Kottayam District for a total contract amount of Rs. 4.32 crore. The works scheduled to be completed in December 1999 and March 2002 respectively were in progress as of April 2002. Total payments made to the contractor till March 2002 aggregated Rs. 2.42 crore. Audit scrutiny revealed that extra expenditure of Rs. 55.04 lakh was entailed due to modified classification of soil as detailed below.

As contemplated in Kerala Public Works Department (KPWD) manual, the nature and quantity of soil were originally determined by the Executive Engineer

* (i) improvements to Kaippally-Yendayar road from Ch. 0/0 5/770 km (expenditure Rs.86.92 lakhs) and

(ii) improvements to Kanjiramkavala mechal-Nellappara Narimattom from km 9/150 to 16/00 (expenditure Rs. 155.51 lakh)

(EE) on the basis of trial pits taken. The quantities in contracts envisaged excavation of 1.79 lakh cubic metres of earth of which 0.38 lakh cubic metres (21 per cent) were classified as medium rock. While forwarding the initial levels, the Executive Engineer, Roads division, Kottayam, without conducting fresh investigation, reassessed (September 1999 and September 2000) the total quantity as 2.33 lakh cubic metres of which 1.71 lakh cubic metres constituted medium rock. Accordingly, SE executed supplemental agreements in March 2000 and October 2000. Calculated with reference to the agreed rates for ordinary earthwork excavation, the estimated extra payment worked out to Rs 55.04 lakh for the additional quantity of 1.21 lakh cubic metres of medium rock excavation.

Departmental decision to reclassify substantial quantity of soil as medium rock without conducting any fresh investigation especially when the original investigation was done on trial pit basis as laid down in the KPWD manual lacks justification and the matter calls for investigation.

The matter was referred to the Chief Engineer, Roads and Bridges in September 2001 and to the Principal Secretary to Government in June 2002. Replies have not been received (December 2002).

[Paragraph 4.6—Contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2002 (Civil)]

Note received from Government on the above paragraph is included as Appendix II.

72. The witness informed the Committee that initially it was envisaged that out of the total quantity to be excavated for the 13 k.m. long road, 0.38 lakh cubic metres would be medium rock. During execution it was found that the quantity of medium rock had increased. There had not been any reclassification of soil but increase in the quantum of medium rock. As the land for the road was not 'acquired' but 'free surrender', alignment could not be executed earlier. During execution, formation of width and depth had been increased. Then it was found that there was weather rock below the depth of 50-60 cms. Weather rock came to be classified as medium rock and hence the quantity of medium rock had increased. A part of the work ie. 5.77 k.m. had been completed. Only the work of black topping and one hair pin bend were to be completed which were awarded to another contractor. The witness added that no variation had been effected in the estimate.

Conclusion/Recommendation

73. The Committee is at a loss to understand the wide variation in the site condition found during execution works undertaken by the department. The

recurrence of the issue clearly points to lapse in the investigation. The Committee views with concern the casual attitude displayed by the department towards the issue. The Committee opines that the department need to take necessary steps to ensure that such lapses which lead to loss of money from exchequers do not recur.

74. The Committee desires to know whether the work of the road has been completed.

AUDIT PARAGRAPH

Excess Expenditure due to termination of contract without invoking risk and cost clause in agreement :

Superintending Engineer (SE), Roads and Bridges, South Circle, Thiruvananthapuram awarded (July 1989) the construction of Panayilkadavu Bridge in Thiruvananthapuram District to M/s Kerala State Construction Corporation Limited (KSCC) for a contract amount of Rs 90.30 lakh (55 per cent above 1986 SoR*). The stipulated date of completion of the work was January 1992, and the site was handed over to KSCC in December 1990.

Alleging delay in handing over the site, failure in supplying departmental materials in time and consequent time overrun, price escalation, etc., KSCC demanded (May 1993) payment at 55 per cent excess over 1992 SoR. Government accepted (August 1994) the demand with the stipulation that the work should be completed in February 1996. As the progress in execution was still poor, Government decided (June 1997) to terminate the contract with KSCC. Accordingly, SE terminated the contract in October 1997.

The balance work (revised cost : Rs. 1.40 crore) was entrusted to another contractor in October 1999 for a contract amount of Rs. 2.68 crore with completion date as March 2001. The work was in progress as of June 2002. Following points emerged in audit.

(i) Though the original contract was rescinded due to non-performance by KSCC, contract conditions on risk and cost liability were not invoked. Government decision (June 1997) to refer it to the Arbitration Committee was also not acted upon. Consequently, Rs. 45.45 lakh being the estimated liability of KSCC could not be recovered.

(ii) Failure in finalising the defaulter contractor's liability by the SE was violative of Government orders as such liability should be fixed within one year.

* Schedule of Rates.

(iii) Construction of the bridge started in 1990 remained incomplete for the last 12 years and the delay pushed up the cost from Rs. 90.30 lakh to Rs. 2.82 crore at award stage. As the balance works were not completed even up to March 2002, the cost would escalate further.

The matter was referred to the Chief Engineer, Roads and Bridges in August 2001 and to the Principal Secretary to Government in April 2002. Replies have not been received (December 2002).

[Paragraph 4.7—Contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2002 (Civil)]

Note received from Government on the above paragraph is included as Appendix II.

75. When enquired about the decision of the Arbitration Committee regarding the fixing of risk and cost liability of the Kerala State Construction Corporation (KSCC) and the recovery of Rs.45 lakhs, the witness replied that no decision had yet been taken by the Committee. Usually in the case of private contractors, Department would take strict action to fix liability. But in the case of Kerala State Construction Corporation being a Governmental agency, no decision had been taken on what course of action be taken against them. Government has not verified whether Kerala State Construction Corporation had taken steps to recover the amount of Rs. 45 lakhs from its contractor. The Managing Director, Kerala State Construction Corporation had to take necessary steps for the recovery. He added that departmental works were now rarely awarded to Kerala State Construction Corporation. The Committee then recommended that Kerala State Construction Corporation should take urgent steps to realise the liability of Rs. 45 lakhs from its contractor.

Conclusion/Recommendation

76. The Committee finds that no action has yet been initiated to recover Rs. 45 lakh which is fixed as the risk and cost liability of KSCC as the Arbitration Committee has not yet come out with a decision in this regard. Commenting that delay is not desirable in such matter, the Committee strongly recommends urgent steps to be taken by the Corporation to realise the amount from its contractor.

AUDIT PARAGRAPH

Irregular payments to contractors:

Construction of footbridges costing Rs. 44.94 lakh for inspection of work resulted in unauthorised aid to contractors.

According to the tender document, rates tendered by the contractor for work were inclusive of the cost of affording facilities for examination of work which the departmental officers might at any time consider desirable as also to count, weigh and assist in the measurement or check measurement of the work or materials. As such, no payment was to be made to the contractor for construction of temporary foot bridge for inspection as well as for checking alignment by departmental officers.

The Superintending Engineer (SE) Roads and Bridges Circle, Aluva executed three supplemental agreements with contractors for construction of foot bridges as extra items (estimated cost: Rs. 44.94 lakh) for departmental officers to inspect three works* in Thrissur District. The action of the SE executing supplemental agreement for the construction of footbridges as extra was beyond the scope of the agreements. This resulted in undue favour of Rs.44.94 lakh (on estimate basis) to the contractors. As of April 2003, the payment made to the contractor amounted to Rs.31.34 lakh on this account.

The matter was referred to Government in April 2003; reply has not been received (December 2003).

[Paragraph 4.3.2—Contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2003 (Civil)]

Note received from Government on the above paragraph is included as Appendix II.

77. The Committee came to know from the audit observation that though the rate in the tender document was also inclusive of cost of affording facilities for examination of work by the department officers to count, weigh and assist in the measurement or check measurement of the work or materials, an extra payment of Rs. 44.94 lakh had been made for the construction of a temporary foot bridge for inspection as well as for checking alignment by the department officers. To this the witness, Chief Engineer (Public Works Department) revealed to the Committee that the additional work to which the extra payment was incurred had not been included in the original estimate. In the original estimate, the tender condition stipulated provisions only for tools and plant but not for a foot bridge. The construction of a foot bridge came in the way during the interim period of the construction of the main bridge and that too for the benefit of many commuters including school children in the vicinity who were entirely dependent on a ferry service till then. Though sanction had been received for 3 foot bridges, one of them had later been abandoned. An amount of Rs. 31 lakh

* (i) Construction of Arattupuzha–Sasthamkadavu Bridge across Karuvannur river, (ii) Construction of a new bridge across Bharathapuzha at 32 km. of Thrissur–Shornur road and (iii) Construction of Mathilakom bridge in Mathilakom–Sholayar road.

had been paid to the contractor for the work. Total cost of the work of the bridges at Bharathapuzha, Sasthamkadavu and Mathilakom had been 6 crores, 3 crores and 5 crores respectively. The work of the Mathilakom foot bridge was not taken up.

Conclusion/Recommendation

78. The Committee understands that the rate in the tender document includes the cost of facilities for inspection of the work by departmental officers. As the foot bridge was essential for inspection its cost would be part of the cost of the work. In such a context including the work of foot bridge as an additional item and executing supplementary agreement resulted in deviation from the scope of original agreement. The action of the Superintending Engineer who executed the supplemental agreement has resulted in an undue payment of Rs.44.94 lakh to the contractor. The Committee recommends departmental enquiry into the issue. The Committee urges the Internal Audit Wing of the department to be more vigilant in order to curb such practices in future.

Thiruvananthapuram,
15th July, 2008.

ARYADAN MUHAMMED,
Chairman,
Committee on Public Accounts.

APPENDIX I

SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

| <i>Sl. No.</i> | <i>Para No.</i> | <i>Department concerned</i> | <i>Conclusions/Recommendations</i> |
|----------------|-----------------|-----------------------------|---|
| (1) | (2) | (3) | (4) |
| 1 | 3 | Public Works | Noting that the design of Chithrapuzha bridge was revised twice, leading to revision of estimate, the Committee observes that frequent revision of design is a clear indication of lapse in planning and investigation. The first revision of design and estimate was necessitated by the slushy nature of the subsoil. It is obvious that the department failed to conduct necessary soil exploration test for ascertaining the nature of soil before approving the original design of the bridge. The Committee requires the department to fix responsibility of this on those who were involved in the investigation and planning of the construction. The Committee finds that the second revision was as desired by the Inland Waterways Authority of India- IWAI. The canal over which the bridge was being built was declared as National Waterway in February 1993. The department should not have overlooked the deepening and widening of the canal, done before the nationalisation of the canal. In the circumstance, the department should have intimated GOI of their programme of construction of bridge, in order to avoid further revision of design. The Committee points out that the lack of foresight and planning on the part of the staff of the department has led to such a situation. The Committee feels that while taking decision in matters involving spending of public money the officers should display more responsibility. |

| (1) | (2) | (3) | (4) |
|-----|-----|--------------|---|
| | | | The Committee requires the department to enquire in to the reason for the delay and to fix liability on those responsible for the delay that caused consequent loss to public exchequer. |
| 2 | 5 | Public Works | The Committee observes that the delay of more than 4 years in completing the construction of the bridge and approach roads has led to the idling of money spent on the work. Before awarding such a work, the department should have ensured the availability of land. The Committee is convinced that the officers of the department failed in carrying out their responsibility. The Committee urges the department to take action for preventing such lapses on the part of the officers in order to avoid the loss/idling of public money in future. |
| 3 | 7 | „ | The Committee observes that though the road was intended as a temporary one, for use only in dry season, Government had spent Rs. 11.25 lakh for the work. When spending money from the public exchequer, the department has the responsibility to ensure that the work is done as per standard specification and under close supervision. The Committee enquires whether the department had taken into account the site condition and ‘season’ factor and ensured adequate safety measures before starting the work. The Committee requires the department to inquire into the matters and take strict action against those responsible for this so as to prevent such lapses in future. |
| 4 | 10 | „ | The cost of the work for constructing bridge at Valiyaperumpuzhakadavu escalated from the initial estimate cost of Rs. 1.01 crore to Rs. 3.52 crore on its completion. The Committee observes that it is the lapse on the part of the |

| (1) | (2) | (3) | (4) |
|-----|-----|--------------|---|
| | | | <p>department in not conducting necessary soil investigation before awarding the work that had led to the escalation in expenditure. The Committee is not ready to accept the department's claim that the suggestion for detailed investigation was just a general direction for precaution. It is clear that the lapse has cost the department dearly. The Committee requires the department to inquire into the issue and to fix liability on the officers responsible for the lapse.</p> |
| 5 | 16 | Public Works | <p>The Committee notes that there was delay on the part of Government in accepting the lowest bid recommended by the CE for the work under R & B Circle Aluva. Referring to the witness's view that in case the acceptance of tender got delayed, the department could have retendered it without waiting for Government order, the Committee points out that the contradiction in the Government's stand and that of the department is obvious and such a situation is detrimental to the interest of the State. The Committee requires the Government Secretary to furnish a report regarding the issue. The Committee observes that officers have to bear in mind that proper co-ordination and communication between the Government and its departments is necessary for the smooth functioning of the administrative system.</p> |
| 6 | 17 | „ | <p>The Committee feels that it is high time that the Government should prescribe necessary steps for fixing time limit at various stages of tendering in order to avoid unjustifiable delay at all levels which would bring about financial burden to the exchequer. The Committee requires that strict action be taken against</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|--------------|--|
| 7 | 21 | Public Works | <p>those responsible for the delay that has led to the extra financial commitment to Government.</p> <p>The Committee observes that there is serious irregularity in the procedure followed in the tendering of the work for constructing the bridge at Thanni in Kollam district. The work, originally awarded in 1987 has not been completed even after the lapse of 19 years. The department's failure to enforce contract conditions and the undue favour shown to the defaulting contractor have led to the inordinate delay in the completion of the work and the unjustifiable escalation in the cost of work. There has also been gross violation of rules/provision of KPWD Manual. These lapses bring to light the negligence on the part of the officials in discharging their duty. There is apparent lack of concern about the loss of money from the public exchequer. The Committee feels that such a serious situation calls for a vigilance enquiry. The Committee enquires whether any departmental inquiry on the irregularity has been conducted, responsibility been fixed and action taken against those responsible for the lapses.</p> |
| 8 | 22 | „ | <p>The Committee finds that the detailed report on the issue has not been furnished even though the Committee had required it to be submitted at the earliest. Expressing dissatisfaction at this lapse the Committee directs that the report should be furnished immediately.</p> |
| 9 | 23 | „ | <p>The Committee desires to know whether any action has been taken against the contractor for the loss made to the exchequer due to stopping of work in violation of agreement conditions.</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|--------------|---|
| 10 | 26 | Public Works | <p>The Committee cannot agree with the contention that actual cost of labour and machinery had to be given as extra payment especially when the contract condition stipulated that the rates quoted by the contractor should include that of all the operations contemplated in the specifications and all incidental works. The Committee takes exception to the claim that actual cost could be worked out only during the course of execution. Proper investigation would give the department a clear picture of all aspects involved in the work. The rate of the work could then be calculated before hand. The department's claim pointed either to the inadequacy of the investigation or to the deliberate action to provide extra payment to the contractor. The Committee requires that an enquiry be conducted, responsibility fixed and action taken against those found guilty of irregular payment beyond the scope of agreement.</p> |
| 11 | 28 | „ | <p>The Committee cannot accept the view that there was no loss to Government due to the unjustified termination of contract. Though the contractor failed to complete the work assigned to him, the department awarded the rest of the work also to the same contractor. The department should have ascertained the contractor's ability to complete the work before awarding the second assignment. Relieving the contractor from the contractual obligations without risk and cost was not at all proper as the agreement condition clearly specifies that the contractor is bound to carry out the excess work at the quoted rate even if that rate varies widely during execution. The Committee requires the department to strictly adhere to the rules while tendering and executing such works in future.</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|--------------|--|
| 12 | 30 | Public Works | The Committee desires to know whether the encroachers in the land earmarked for the approach road have been evicted as per the decision taken by Government and whether the work of the road has been completed. |
| 13 | 31 | „ | Pointing out the direction in the PWD Manual that availability of land should be ensured before awarding the work, the Committee observes that the lapse on the part of the department in following the direction had resulted in the blocking of public fund amounting to Rs. 3.11 crores incurred for the work. Also the bridge which has been completed could not be used. The Committee directs the department to adhere strictly to the rules to avoid the recurrence of such issues and also to inform the present position of the case. |
| 14 | 34 | „ | The Committee observes that there was serious lapse on the part of Government in not accepting the offer of 107 % above estimate received in the second tender. Rejecting that offer Government had accepted the offer of a higher rate in the third tender from the contractor whose offer was rejected in the first tender. The Committee cannot accept the reply that the contractor might have raised the rate anticipating revision of Schedule of Rates. The department need not go into the merits of the contractor's action. It is clear that the Government action of letting down the offer in the second Tender had led to the extra expenditure of Rs. 58.61 lakh at the award stage and delay in the completion of the work. If the offer in the second tender was accepted the work could have been awarded before the revision of SoR in 1996. |

| (1) | (2) | (3) | (4) |
|-----|-----|--------------|---|
| 15 | 35 | Public Works | <p>The Committee observes that lapses in the procedure for awarding work has become a common practice in the department, leading to extra expenditure from the Public Exchequer. Though the Secretary Public Works Department has assured to look into the matter no information has yet been furnished to the Committee in this regard. The Committee expresses dissatisfaction over this lapse and directs the department to enquire into the administrative delay in accepting the tender. The Committee requires the department to fix responsibility and to take suitable action against the culprits. The Committee adds that a report in this regard be furnished at the earliest.</p> |
| 16 | 38 | „ | <p>The Committee observes that the departmental officers who had the responsibility to ensure quality and economy of Government work miserably failed in their duty. As a result money had been spent from the public exchequer for the substandard work done by the first contractor and for the inspection work of SERC. Moreover, the work was delayed for more than seven years. Though the Committee had required the department to furnish a detailed report regarding the issue, it had failed to do so. The Committee expresses dissatisfaction at this lapse and directs that the report should be furnished without further delay. The Committee requires the department to include the latest position of the vigilance enquiry in the report.</p> |
| 7 | 43 | „ | <p>The Committee observes that though the original estimate was based on investigation done in 1987, the department failed to re-examine the site and revise the estimate when the work was awarded in 1996. This is a clear violation of the provision in the Public Works</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|--------------|--|
| | | | <p>Department Manual. In this case, though the work was arranged more than 8 years after the preparation of the original estimate, the officers approved the estimate without adequate examination of the site condition. The failure to re-examine the site conditions had led to the post contractual changes in the work and the subsequent extra expenditure of Rs. 30.02 lakh. The Committee enquires whether action has been taken to fix responsibility for the lapse.</p> |
| 18 | 44 | Public Works | <p>The Committee expresses concern that lapses in investigation of site condition and preparation of estimate are becoming a common practice in the department. Procedures for monitoring whether the officers concerned are inspecting the sites and for maintaining progress reports are not strictly followed. Strict measures are necessary to ensure that the procedures and rules are followed diligently. The Committee requires the department to inform about the action taken to improve the prevailing situation.</p> |
| 19 | 48 | „ | <p>Referring to the post contractual modification of design brought about at the instance of KSCC, the contracting agency, the Committee observes that Government should not have given into the suggestion for design change halfway through the work. The constructing firm should have taken into account the site conditions and the workability of the rate before taking up the work. The design modification effected in order to facilitate completion of work within scheduled time has not obtained the desired effect. Besides, it has resulted in an additional liability of Rs. 3.70 crore to the exchequer. The Committee points out that lapses in strictly following rules</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|--------------|--|
| | | | and procedures has led to such a situation. A detailed enquiry regarding the issue is therefore necessary. The Committee requires the department to conduct the enquiry and report its findings at the earliest. |
| 20 | 49 | Public Works | The Committee observes that KSCC has the record of stopping work halfway and subcontracting work assigned to them. The Committee requires the department to enquire into such unhealthy practices that cause liability to Government. The Committee desires that a review regarding all the works undertaken by KSCC also be conducted. |
| 21 | 52 | ” | The Committee observes that the wide variation in the quantity of rock blasting which was discovered during the execution stage has led to additional payment to the contractor causing considerable loss to Government. The Committee points out that the witness’s statement itself reveals that detailed investigation was not conducted before the preparation of estimate. Lapses in the investigation and preparation of estimate are becoming usual practice. The Committee recommends strict action against those responsible for the lapse in order to curb such practices in future. |
| 22 | 53 | ” | The Committee finds that the SoR effective at the time of execution was not taken as the basis for valuing the extra items of rock blasting though it was stipulated in the notice inviting tender. Moreover, the provision of 23.11 % rebate which formed part of tender agreement was not included in the supplemental agreement. The Committee takes strong exception to such deviations from the |

| (1) | (2) | (3) | (4) |
|-----|-----|--------------|---|
| | | | provision in the tender agreement. A detailed departmental enquiry is necessary to bring to light all aspects related to the issue, including the issue of sale of blasted rubble at a very low cost. The Committee requires the department to conduct the enquiry and furnish the report at the earliest. |
| 23 | 57 | Public Works | The Committee observes that the department's failure to supply materials for the work in time was one of the main reasons for the delay in completing the work and the extra expenditure incurred. Though the Secretary, Public Works Department had assured to look into the various aspects related to the issue, no report has yet been furnished. The Committee urges the department to furnish the report without further delay. |
| 24 | 58 | „ | Referring to the design change proposed during the implementation of the work, the Committee observes that the post contractual change did not speed up the work or reduce the cost of work as anticipated. The witness's own admission reveals that detailed investigation which has to be done compulsorily especially before such major work, was ignored. Obviously, this had led to the post contractual change and the resultant extra monetary liabilities. The committee finds that the department is taking such lapses on a routine manner and trying to cover it up. Such irresponsible attitude cannot be tolerated. The Committee urges the department to conduct a detailed enquiry into the matter and take action against those responsible for the lapse. The Committee recommends that measures should be taken for ensuring detailed investigation of site condition by experts before tendering works |

| (1) | (2) | (3) | (4) |
|-----|-----|--------------|--|
| | | | in future. The Committee further requires the department to issue strict instruction to avoid post contractual changes in the agreement that are detrimental to Government cause. |
| 25 | 68 | Public Works | The Committee finds that delay in accepting tender, delay in awarding the work within firm period and changes in design during implementation stage has become routine practice in the department. The departmental experts failed to conduct necessary detailed investigation of site condition which is a pre requisite for preparing estimate. All these lapses lead to the delay in completing the work and the incurring of extra liability to Government. The Committee recommends for urgent steps to curb such unhealthy practice. |
| 26 | 69 | ” | Strict instructions are to be issued to ensure that rules and procedure are followed diligently. In the wake of increasing instances of changes in design and original estimate the department need to consider changing the system of tendering work after developing the design. Expressing dissatisfaction over the failure to submit the note on the issue as assured by the Secretary of the department, the Committee urges the department to furnish the note without further delay. |
| 27 | 70 | ” | Appreciating the move for improving the performance of DRIQ, the Committee opines that the measures for qualitative improvement of the system in the department should be realistic and be based on the existing system and infrastructure in order to avoid resistance to the move. |

| (1) | (2) | (3) | (4) |
|-----|-----|--------------|---|
| 28 | 71 | Public Works | The Committee remarks, that the department has failed to submit the note on the proposal for the new system to be adopted in the department even after the Committee's specific direction in this regard. The Committee expresses displeasure at this lapse and urges the department to furnish the note without any delay. |
| 29 | 73 | Public Works | The Committee is at a loss to understand the wide variation in the site condition found during execution works undertaken by the department. The recurrence of the issue clearly points to lapse in the investigation. The Committee views with concern the casual attitude displayed by the department towards the issue. The Committee opines that the department need to take necessary steps to ensure that such lapses which lead to loss of money from exchequers do not recur. |
| 30 | 74 | ” | The Committee desires to know whether the work of the road has been completed. |
| 31 | 76 | ” | The Committee finds that no action has yet been initiated to recover Rs. 45 lakh which is fixed as the risk and cost liability of KSCC as the Arbitration Committee has not yet come out with a decision in this regard. Commenting that delay is not desirable in such matter, the Committee strongly recommends urgent steps to be taken by the Corporation to realise the amount from its contractor. |
| 32 | 78 | ” | The Committee understands that the rate in the tender document includes the cost of facilities for inspection of the work by departmental officers. As the foot bridge was essential for inspection its cost would be part of the cost of the work. In such a context |

| (1) | (2) | (3) | (4) |
|-----|-----|-----|--|
| | | | <p>including the work of foot bridge as an additional item and executing supplementary agreement resulted in deviation from the scope of original agreement. The action of the SE who executed the supplemental agreement has resulted in an undue payment of Rs. 44.94 lakh to the contractor. The Committee recommends departmental enquiry into the issue. The Committee urges the Internal Audit Wing of the department to be more vigilant in order to curb such practices in future.</p> |

APPENDIX II

ACTION TAKEN STATEMENT

C & AG's Report 1998 No. 3 (Civil)

| <i>Para No.</i> | <i>Department</i> | <i>Audit Para</i> | <i>Action Taken</i> |
|-----------------|-------------------|--|--|
| (1) | (2) | (3) | (4) |
| 4.11 | PWD | <p>The work of construction of Chithrapuzha bridge (estimated cost of Rs. 1.58 crore) was awarded by the superintending Engineer (SE) roads and bridges, Central Circle, Aluva in November 1990 to a contractor at 25 per cent above estimate (accepted amount of contract (PAC) being Rs. 1.99 crore) for completion by January 1994. As per the original design approved by Chief Engineer, Design Research Investigation and Quality control (DRIQ) in July 1991, the bridge was to have 7 spans of 26.58 metres each.</p> <p>One year after the award of the contract, Chief Engineer (CE) Roads and Bridges approved a revised design in November 1991 enhancing the PAC to Rs. 2.70 crore and extending the period of completion to March 1995 as the subsoil was very slushy and high embankment and to be formed for the</p> | <p>Government have accorded Administrative Sanction to the above work at an estimate cost of Rs. 158 lakhs vide G.O. (Rt.) 141/89/PW&T dated 24-1-1989. Technical sanction was issued by chief Engineer. Roads & Bridges, Trivandrum vide T. S. No. 37/90-91 for S. 182 lakhs. The work was arranged through the contractor Sri. P. T. Mathai at a quoted rate of 25% above estimate rate which was sanctioned as per 1990 schedule of rates. Agreement has been executed by the Superintending Engineer, Roads & Bridges, Central Circle Aluva vide agreement No. 27/SEC/A90-91 dated 24-11-1990. The site was handed over to the contractor on 7-1-1991. The time of completion as per agreement was 3 years ie. Upto 6-1-1994.</p> <p>The work was arranged based on the approved design furnished by the Chief Engineer, DRIQ Board, Trivandrum in which 7 pans of</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|---|---|
| | | <p>approach roads necessitating increase in the number of spans from 7 to 10. In February 1993 the Champakara canal over which bridge was being built, was declared as National Waterway No.3 by the Government of India. The design of the bridge was again modified in August 1994 as desired by Inland Waterways Authority of India (IWAT). In July 1995, Government sanctioned the revised estimate for Rs. 3.05 crore as per the revised design. The contractor demanded in March 1995 enhanced rates of 33 percent. As there was delay of 6 months in taking a decision on his claims for enhanced rates, the contractor retracted (September 1995) from his offer and demanded 75 percent hike above 1992 SOR. High Level Committee recommended the rate of 73 percent hike for acceptance in January 1996. Government approved (March 1996) the enhanced rates and a supplemental agreement was executed for Rs. 1.63 crore in May 1996 stipulating completion of the work by</p> | <p>26.58m each were proposed for the bridge proper. But considering the slushy nature of the subsoil, were high embankment for approach road had to be built up, the DRIQ Board had requested additional bore hole details for detailed embankment design. The sub soil exploration report was submitted to the Chief Engineer, DRIQ Board by the Superintending Engineer on 28-2-1991. As per this report high embankment had to be formed on pervious materials. Flatter side slope of 2½ :1 and balancing beams had also to be provided which would require additional land acquisition. After detailed discussion the proposal for increasing the number of spans from 7 to 10 was approved.</p> <p>Accordingly, the contractor proceeded with the work. As per the revised estimate prepared based on the modified design, the PAC of the work increased to Rs. 270 lakhs. In the meantime as requested by the contractor, extension of time of completion for the work was also granted up to 31-3-1995 without fine.</p> |

| (1) | (2) | (3) | (4) |
|-----|--|---|-----|
| | <p>August 1997. The work had not been completed as of April 1998.</p> <p>Delay in acceptance of the contractor's proposal by government for 33 percent escalation in rates thus resulted in avoidable estimated excess expenditure of Rs. 48.75 lakh.</p> <p>The following additional observations are made in audit.</p> <p>(i) Having decided to construct the bridge, the sub soil strata of the embankment should also have been subjected to detailed investigation as per the departmental instructions, before drawing up the design. The haphazard finalisation of the design was a contributory factor for the excess expenditure.</p> <p>(ii) Champakara canal was improved by deepening and widening under a centrally sponsored scheme during the 1970s. As such, the navigational requirements while constructing</p> | <p>Subsequently Champakara canal over which the Chithrapuzha bridge is being constructed was declared as National Water way No. 3 by the Central Government and come under the purview of Inland Water ways Authority of India. Since the bridge in question was under construction stage, authority wanted modification in the design ensuring 32m clear navigation way at Central span and 5.50m vertical clearance over MFL. The matter was taken up at higher level by Inland Water Authority of India and with the PWD. Therefore a joint inspection was conducted on 19-1-1994 with Additional Secretary, PWD and concerned Engineers. Consequently a decision at Govt. Level was taken to modify the design to meet the specification of Inland Water Authority of India. Direction on this was also issued by the Government. After detailed discussion and site studies, a revised design was prepared by the Chief Engineer, DRIQ Board in 11/94 in which 'Central span of 35.80 m prestressed deck slab was proposed, so as to get 32m gap at the foundation top</p> | |

| (1) | (2) | (3) | (4) |
|-----|-----|---|--|
| | | <p>a bridge across the canal should not have been over looked while designing the bridge. Had the design been finalised taking into account the minimum standards, the necessity to change it increasing the number of spans to 11 with a single decked central span at the intervention of IWAI could have been avoided.</p> | <p>level. Foundation is to be on board cast in situ piles and the number of spans has increased to eleven.</p> <p>A working estimate for the additional item required as per the modified design was also prepared incorporating all the new changes and the contractor has been instructed to proceed with the work. The revised P.A.C. will be Rs. 340 lakhs against the original agreed PAC of Rs. 199 lakhs.</p> <p>By this time, the contractor Sri. P. T. Mathai has submitted a petition dated 9-12-1994 to Government requesting for suitable revision of rates for the work done and to be done beyond the originally stipulated period of completion. In this he has also cited the revision of schedule of rates in 1992 and the escalated construction cost now prevailing. The contractor has also submitted another petition to the Honourable Minister for works and requested for enhancement in rates for the work already done after the agreed time of completion at the current schedule of rates plus 35% or to close the contract without any risk and cost.</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|-----|---|
| | | | <p>As per the terms and conditions of the contract, the contractor is entitled for rates for extra items only as per agreed schedule of rates. Now the PAC has subsequently increased form Rs. 199 lakhs to Rs. 340 lakhs due to modified design for the bridgework and the scope of work has changed considerably.</p> |
| | | | <p>Regarding the enhancement of rates requested by the contractor, the Arbitration Committee held on 23-1-1996 has decided to allow 73% above 1992 Schedule of rates for the balance work vide G.O. (Rt) No. 668/96/PW &T dated 19-3-1996. The contractor also executed supplemental agree ment for the balance work on 10-5-1996.</p> |
| | | | <p>From the above it could understood that, some major changes were required after awarding the work of construction of the bridge to the agency viz. (1) additional land spans for forming a safer embankment for the approach (2) due to the declaration of the water way as National Water way by the Inland Water Authority of India, the Central Span length has to be increased to 32m, with or</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|-----|---|
| | | | <p>vertical clearance of 5.50m. Being a major bridge, if the execution is proceeded continuously, by an agency, who has already been awarded with the work the same can be completed without putting the work in an unfinished stage on the other hand, if the agency is terminated in an in between stage, the work will stand in an abandoned stage and it will be difficult to arrange the balance work, especially, the nature of the work being "Construction of a bridge". If proceeded with arranging the balance work after terminating it will take more time and all the formalities have to be observed as in the case of arranging a new work. In this particular case, especially due to the peculiar conditions, department and Government took action to complete the bridgework without placing it in an abandoned stage for long time.</p> |

AUDIT REPORT 1997-98 (NO. 3 CIVIL)

Action Taken Report

| <i>Para No.</i> | <i>Extract of Report</i> | <i>Action Taken</i> |
|-----------------|--|--|
| (1) | (2) | (3) |
| 4.12 | <p><i>Idle investment on a bridge due to failure in acquiring of land for approach roads in time.</i></p> <p>Superintending Engineer, Roads & Bridges, North Circle, Kozhikode awarded the work construction of a bridge on Mannurvalavu Mukkathukadavu-Thenhipalam road across Canoli Canal in Kozhikode district including formation of approach road on either side to a contractor in November 1991 at 35 percent above estimate (probable amount of contract Rs. 34.76 lakh). The bridge was intended to provide an easy access for the people in the interior areas of Vallikunnu, of Chelambra and Kadalundi Panchayats to Kozhikode city. The work was scheduled to be completed by May 1993. The bridge was completed in March 1994 at a cost of Rs. 20. 53 lakh.</p> <p>As the land for approach roads was not handed over till March 1995 the contractor requested the department to relieve him from the balance work on the ground of escalation in cost of labour and material. Executive Engineer (EE) proposed in April 1997 to the Superintending Engineer (SE) to terminate the contract without invoking the risk and cost clause and to arrange the work separately at the revised estimated cost of Rs. 37 lakh. No decision had been taken as of April 1998.</p> | <p>Request for the land required for construction of approach road for the Mukkathukadavu bridge was made to the Revenue authorities in December, 1991 by the Superintending Engineer, Bridges Division, Kozhikode. The contractor was allowed to carry out the work in good faith and on the hope that land for approaches will become available before completion of the bridge. But the Revenue Department could make available the land in full only by July, 1995. ie. 16 months after completion of the bridge. If the PWD had delayed execution of the work of bridge till the land</p> |

| (1) | (2) | (3) |
|-----|---|---|
| | <p>As the land for forming the approach roads was not acquired in time, construction of approach roads could not be taken up and consequently; the bridge built at a cost of Rs. 20.53 lakh could not be linked to the existing road. This, the objective of providing easy access to people in interior areas to Kozhikode City could not be achieved even 4 years after the construction of the bridge.</p> <p>The matter was referred to Government in June, 1998; reply had not been received (October 1998).</p> | <p>became available it could not be expected that the work would have been carried out for the amount with which it was completed in March 1994. Even though there was come delay in opening the bridge for the public the exechequer has not suffered any loss on account of the delay in completion of the approach road.</p> |

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR
THE YEAR ENDED 31ST MARCH, 1998 (NO. 3 CIVIL)

| <i>Para</i> | <i>Observation</i> | <i>Action Taken</i> |
|-------------|--|---|
| (1) | (2) | (3) |
| 4.13 | <p><i>Unfruitful expenditure on a temporary diversion road constructed across river-bed :</i></p> <p>The Road Division, Thrissur constructed a temporary road across Bharathapuzha for Rs. 11.25 lakh for diversion of road traffic during major repairs of Cochin bridge in the State Highway between Thrissur and Shoranur. The Temporary road was laid on earthen bund formed by dumping earth and providing vents for flow of water down stream. The road was opened for traffic on 3 April, 1996. Due to heavy summer showers on 15 April, 1996 it suffered severe damages. A portion of the road was swept away by floodwaters on 24 April 1996. Thus, the road was available for diversion of traffic only for a few days and the expenditure of Rs. 11.25 lakh rendered no benefit.</p> <p>The Executive Engineer, Roads Division, Thrissur stated (February 1997) that the road was intended for use during dry season only and attributed the short-lived period of utilisation of the road to unexpected rain and flood. This contention is not tenable as construction of even temporary road links across river-beds should take into account peculiar site conditions, seasonal factors and provide for adequate safety measures against foreseeable vagaries of nature.</p> | <p>The Audit has commented that the department did not draw up a proper design taking into account the turbulent nature of the river during the rainy season. It may be noted that the department prepared the estimate after the Superintending Engineer and Chief Engineer had personally inspected the site. The diversion road was intended to be used only in the dry season. In the normal circumstances it would have been possible to make full use of the diversion road. But, as it happened, the pre-monsoon rains were very heavy in that year and that was unusual. Even if the estimates were prepared with a provision for a larger quantity of earthwork, R.C.C. Pipes, sand bags</p> |

| (1) | (2) | (3) |
|---|---|--|
| The matter was referred to Government in September 1996, reply had not been received (October, 1998). | etc. the rainwater would still have caused damages. Hence there was no way that the situation as it happened could have been avoided. | As regards under-execution of work, the fact is that the contractor had executed 10339.79m ³ of earth work against the agreement quantity of 12650m ³ and had placed 17900 numbers of sand bag as against the agreement quantity of 18000 numbers. |

ACTION TAKEN STATEMENT IN RESPECT OF THE REPORT OF THE
COMPTROLLER & AUDITOR GENERAL OF INDIA FOR
THE YEAR ENDED 31-3-2000 (CIVIL)

| <i>Recommendation</i> | <i>Action Taken Statement</i> |
|--|--|
| (1) | (2) |
| <p>4.7 A bridge construction work started in 1989 is still continuing and the cost of the work has escalated from Rs. 1.01 crore to Rs. 3.57 crore at the award stage as of November 1999. Scrutiny of the work revealed serious irregularities and non-compliance of basic requirements by Superintending Engineer (SE), Roads and Bridges, South Circle, Thiruvananthapuram which led to enormous time over run and cost escalation as discussed below :</p> <p style="padding-left: 40px;">Chief Engineer (CE), Roads and Bridges issued technical sanction (estimated cost Rs. 89.10 lakh) for construction of a bridge at Valiaperumpuzhakadavu in Alappuzha District in September 1989, based on a tentative design. The SE while awarding the work disregarded the suggestion of the CE, Design wing to conduct fresh soil investigation to assess the bearing capacity of the soil foundation wells. He entrusted (September 1990) the work to a contractor for a contract amount of Rs. 1.01 crore.</p> <p>According to the tentative design, wells for abutments and piers were to be founded at a depth of 10 metres. During sinking of wells hard strata for plugging the wells was not found even at an</p> | <p>The work "Construction of Bridge at Valiaperumpuzha Kadavu" was arranged based on a tentative design. Boring taken at that time showed that the hard strata was generally available at 10mm depth in the locality as per site survey details. Unfortunately when confirmatory borings were taken during execution the hard strata was not available at the depth in the particular site. As the hard strata was available only at 23m. to 36.5m, which entails heavy financial commitment, the original agency stopped the work and the work was rearranged without risk and cost. The estimate was revised to Rs. 287.15 lakhs. The excess estimate amount was only due to the increase of the depth of wells. Detailed investigation had not been conducted before starting the work. Hence extra expenditure is only due to the actual structural necessity at site.</p> <p>If the work was completed through the original agency without termination, these problems would not have arisen. Many works are being done like this and completed without escalation in cost. But</p> |

| (1) | (2) |
|---|---|
| <p>average depth of 12 metres. Pending finalisation of the design, the contractor stopped the construction activity in December 1991.</p> | <p>when there are problems during execution leading to the termination and rearrangement of the balance work, the Department has to observe the prevailing rules for taking up the rearrangement which take much time at various stages. This is inevitable. There will, therefore, be increase in cost of materials, labour etc. which results in enhancement in the tender of the balance work. At present the designs are mde only after detailed investigation and works are arranged based on finalised design only. Hence such instances are not likely to recur/in future.</p> |
| <p>The subsoil investigation of the foundation area conducted in January 1992 revealed that well sinking for a minimum of 23 metres to 36.5 metres was required for foundation wells. In July 1994, Government terminated the contract without risk and cost to the contractor. Expenditure incurred on the work till July 1994 amounted to Rs. 42.15 lakh.</p> | <p>It is informed that the construction of the bridge has already been completed the final payment made.</p> |
| <p>The estimate was revised to Rs. 2.87 crore in November 1994 on the basis of modified design approved by the CE, Design wing in March 1994. As favourable offers werenot received in response to tenders invited in November 1995, the work was re-tendered in February 1996 and SE arranged the balance work in April 1997 after negotiation with the single tenderer for a contract amount of Rs. 3.57 crore. The work was in progress as of November 1999.</p> | |
| <p>Award of work by the SE before conducting soil investigation and finalisation of detailed design resulted in extra expenditure of Rs. 1.12 crore at the awrad stage. Besides, inordinate delay in completion of the work mainly due to hasty arrangement of the work caused sharp increase in the cost of construction of the bridge from Rs. 1.01 crore to Rs. 3.57 crore.</p> | |
| <p>The matter was referred to Government in July 2000; reply has not been received (November 2000).</p> | |

| (1) | (2) |
|---|---|
| <p>4.9 (i) According to the provisions in Kerala Public Works Department (KPWD) Manual, officers responsible for finalisation of tenders are required to act upon tenders expeditiously with a view to finalising contracts within their validity period. Two cases of non-acceptance of tenders within validity period and consequent extra final commitment of Rs. 51 lakhs, noticed in Public Works, Roads and Bridges (R&B) Circles at Aluva and Kozhikode are mentioned below:</p> | <p>The tender for the work was invited by the Superintending Engineer, Roads & Bridges, Central Circle, Aluva fixing the last date of tender on 7-2-1996. In response to tender call, two tenders were received. But Tender Committee Meeting could not be held during the following months due to the declaration of Assembly Election in 4/96. The next Tender Committee meeting was held on 26-9-1996. Since the revision of schedule of rate came in force with effect from 7/96 and since the firm period had expired on 6-6-1996, the lowest tenderer Sri. P. J. Jacob refused to extend the firm period, which necessitated revision of estimate based on 1996 schedule of rates and re-tendering of the work. The delay in acceptance of tender is due to the delay in convening the Tender Committee due to declaration of Assembly Elections.</p> |
| <p>(i) Superintending Engineer (SE) R&B Circle, Aluva invited (January 1996) tenders for arranging the work 'Improvements to Pattupurackal-Edachira Vayanasala road' in Ernakulam district (estimated cost Rs. 27.43 lakh). Two offers were received. The lowest offer was 48.89 per cent above estimate rates. (Agreed contract amount Rs. 38.25 lakh). In February 1996, CE recommended acceptance of the lowest offer. The validity period of the tender was to expire in June, 1996. The Government Tender Committee decided to accept the tender only in September 1996. The tenderer, however, refused to extend the validity period and work had to be re-tendered in February 1997. SE awarded the contract to another agency in April 1997 for an agreed contract amount of Rs. 53.91 lakh and the work was completed in May 2000. Thus, failure to accept</p> | |

| (1) | (2) |
|---|---|
| <p>the tender within the firm period entailed extra expenditure of Rs. 15.66 lakh at tender stage.</p> | |
| <p>Audit scrutiny disclosed that the proposal from CE was lying with the Administrative Department/Finance Department for seven months (24 February 1996 to 25 September 1996). Due to such unjustified delay Government was put to loss of Rs. 15.66 lakh.</p> | |
| <p>4.10 In April 1987, Superintending Engineer (SE), Roads and Bridges Circle, Thiruvananthapuram awarded the construction of a bridge at Thanni in Kollm District to a contractor 'A' at Rs. 59.75 lakh (1986 SoR) to be completed by March 1990. As the contractor failed to make required progress in work, SE terminated the contract in June 1990 invoking the risk and costclause. The value of work till that date was Rs. 16.59 lakh.</p> | <p>The work of construction of a bridge at Thanni was originally tendered on 10-2-1986 by the Superintending Engineer, R&B South Circle, Thiruvananthapuram and awarded to the Contractor Sri Sam Cheriyan with a time of completion of the work as on 30-3-1990. Estimate PAC was Rs. 59,75,179 and accepted PAC Rs. 76,00,423 at 57% above estimate rate and agreement No. 3/SESC/87-88 dated 7-4-1987.</p> |
| <p>Following re-tendering of the balance works (estimated cost 33.10 lakh based on 1990 SoR) in April 1991, the lowest offer was received from 'B' at 92.5 per cent above estimates on negotiation. However, Government, in September 1992, asked the Chief Engineer (CE), Roads and Bridges to explore the possibility of getting the work executed by the original contractor 'A'. The CE accordingly conducted negotiation with he original contractor 'A' who agreed to execute the balance works at 92 per</p> | <p>Due to poor progress of work, the Superintending Engineer, R&B South Circle, Thiruvananthapuram has terminated the contract with Sri. Sam Cheriyan vide order No. DB2-16777/80 dated 5-6-1990 at the risk and cost of the contractor. Balance work amounting to Rs. 83,09,593 was re-tendered by the Superintending Engineer on 2-4-1991. The lowest tenderer was Sri. N. Parameswaran Pillai whose quoted rate was 105% above estimate rate (1990 Schedule of</p> |

| (1) | (2) |
|---|---|
| <p>cent above estimate rates based on 1990 SoR. Government decided in March 1995 to entrust the balance works to him. The contractor demanded (July 1996) enhancement in rates either of 220 per cent over 1990 SoR or of 92 per cent over the then current SoR on the ground of increase in cost of materials and labour. Based on the recommendation (May 1997) of Arbitration Committee, Government accepted (May 1997) the demand of the contractor 'A' for increase in rates by 220 per cent over 1990 SoR. Supplemental agreement was executed with 'A' in June 1997 for a total cost of Rs. 1.65 crore and date of completion as June 1999. The work was in progress as of June 2000. The extra financial commitment due to entrustment of the balance works with the contractor 'A' worked out to Rs. 47.58 lakh at tender stage.</p> | <p>rates). On negotiation he had reduced his quoted rate to 92.5% above estimate rate. Government vide letter dated 24-9-1992 requested to explore the possibility of arranging the work through the original contractor Sri. Sam Cheriyan at a lower rate than that was offered by Sri. N. Parameswaran Pillai. Accordingly negotiations were conducted and Sri. Sam Cheriyan agreed to execute the balance work at 92% above estimate rate (1990 schedule of rates). This was challenged by Sri. N. Parameswaran Pillai in the Hon'ble High Court. The Petition was dismissed by the High Court on 13-10-1995 and upheld the decision taken by the Government. Hence as directed by Government the work was entrusted to Sri. Sam Cheriyan at the rate agreed by him ie 92% above estimate rate (1990 SoR). Government has also directed that the termination of the original contract at the risk and cost of the contractor may be revoked. This case was placed before the Arbitration Committee for their recommendations. The Committee held on 31-10-1996 and on 13-2-1996 considered the matter and recommended that the original contractor Sri. Sam Cheriyan may be permitted to complete the work and the risk and cost may be considered only after the satisfactory completion of the work.</p> |
| <p>Following points were noticed in audit:</p> | <p>In G. O. (Rt) No. 972/96/PW&T dated 14-5-1996. Government accepted the recommendations of the Arbitration Committee.</p> |
| <p>While Department failed to enforce contract conditions, Government caused totally avoidable delay of nearly 5 years (from September 1992 to May 1997) by asking the CE to enter into irregular negotiations with the defaulting original contractor 'A' in violation of provisions of Kerala Public Works Department Manual.</p> | |

| (1) | (2) |
|--|---|
| <p>The contractor 'A' who was responsible for slow progress and the cancellation of the original contract, was given undue benefit by the Government first by re-entry to the work and then by allowing huge extra increase in the rates on the ground of delay, for which the same contractor was initially responsible. Had the Government not committed such gross violation of rules and patronised a defaulting contractor, the delay and the cost escalation could have been avoided.</p> <p>The matter calls for investigation and fixation of responsibility.</p> <p>The matter was referred to Government in May 2000; reply has not been received (November 2000).</p> | <p>Sri Sam Cheriyan was requested by the Superintending Engineer, Roads & Bridges, South Circle, Thiruvananthapuram to execute Supplemental Agreement, but he did not turn up to execute the Agreement and put forth 3 demands.</p> <p>(i) A rate of 220% above, 1990 Schedule of rate and to pay the pending bills.</p> <p>(ii) A rate of 92% above the prevailing schedule of rate and to pay the pending bills.</p> <p>(iii) If the above two are not accepted his bill for the work done, may be paid with a compensation of Rs. 73 lakhs and interest at 18% from 1/94 onwards and release his retention and security amount.</p> <p>The Arbitration Committee held on 6-5-1997 had decided that if the balance work costing Rs. 83,09,539 is tendered there is remote chance of a contractor coming forward to take up the work and the contract work of the present schedule of rate and tender excess will be more than 200 lakhs. The Committee then decided to give one more change to Sri. Sam Cheriyan to accept his first demand to complete the balance work at 220% above estimate rate based on 1990 schedule of rate. The contractor then executed the supplemental agreement based on G.O. (Rt.) 666/97/PW&T dated 31-5-1997. The contractor Sri. Sam Cheriyan had executed</p> |

| (1) | (2) |
|-----|---|
| | <p>Supplemental Agreement on 16-6-1997 with time of completion of 2 years ie, upto 15-6-1999 and accepted PAC of Rs. 1.65 crores.</p> |
| | <p>It may be seen from the above that in the then prevailing circumstances the option of awarding the work at 220% above 1990 of Schedule of rate was more advantageous to Government. The loss calculated based on the assumption that the contractor would take up the work at 92% over 1990 SoR is irrelevant since the contractor had gone back from his earlier stand.</p> |

Government of Kerala

PUBLIC WORKS DEPARTMENT

**Report of the Comptroller and Auditor General for the year ended 2000
Statement showing remedial measures taken by Government in
respect of audit pragraph 4.13 and 4.14**

| <i>Sl. No.</i> | <i>Para No.</i> | <i>Subject</i> | <i>Remedial measures taken</i> |
|----------------|-----------------|---|---|
| (1) | (2) | (3) | (4) |
| 1. | 4.13 | <i>Payment beyond the scope of agreement:</i> | |
| | | Rs. 16.01 lakh was paid as extra to the contractor for seating of wells which formed part of well sinking operation and was to be done by the contractor at contracted rate for the item. | <i>Non-acceptance of tender with in the validity period :</i> |
| | | In May 1997, Superintending Engineer (SE), Roads and Bridges Circle, Kozhikode awarded 'Construction of Augustian-moozhilkadavu bridge' in Kozhikode district to a contractor for an agreed contract amount of Rs. 1.28 crore to be completed within eighteen months. As of June 2000, all the five deck slabs have been completed and formation of approach roads was pending for want of land for the approaches on Thendimmal side. Expenditure incurred was Rs. 1.17 crore. | The Superintending Engineer (R&B), North Circle forwarded the lowest tender (43.46%) received for the construction of a bridge across Pallamcode river to the Chief Engineer (R&B) on 19-3-1997. The lowest tender was recommended to Government after detailed scrutiny by the Chief Engineer (R&B) on 3-6-1997. |
| | | Conditions in the contract stipulated that the rates quoted by the contractor shall be inclusive, covering all operations contem- | But necessary orders accepting the tender could be issued by Government only on 1-1-1998 after convening the Tender Committee on 8-8-1997 due to administrative reasons. The Chief Engineer (R&B) got the firm period of the tender extended up to 31-12-1997. But the contractor was |

| (1) | (2) | (3) | (4) |
|-----|-----|---|--|
| | | <p>plated in the specifications and all incidental works. The contract agreement further laid down that extra payment shall be made only for items of work, which were not expressly or impliedly described in schedule, plans or specifications.</p> | <p>not willing to extend the firm period beyond 31-12-1997. The delay in issuing formal orders was purely an administrative one which was beyond the control of departmental officers.</p> |
| | | <p>According to agreement conditions, the contractor was bound to carry out sinking of wells in all classers of soil except hard rock for proper seating on hard rock. The agreement schedule also provided for dowell bars at the bottom of the wells and bottom plugging of the wells. Thus, 'seating of wells' was an item of work envisaged in the specifications for well sinking. The approved plans and drawings attached to the tender documents also indicated the necessity of seating RCC wells on rock for satisfactory completion of well sinking operations. Therefore, contractors's quoted rate rate for well sinking was inclusive of the charges for seating of wells also. Further, the contractor was paid Rs. 16.70 lakh in March 1999 as extra for cutting down and removal of large sized boulders and wooden logs found under the cutting edges of the well kerbs. In spite of all these, SE sanctioned (March 1999) an amount of Rs. 16.01 lakh as extra payment towards 'seating of wells', which</p> | |

| (1) | (2) | (3) | (4) |
|-----|-----|--|--|
| | | <p>was paid to the contractor in March 1999 itself. As 'seating of wells', was an incidental work for satisfactory completion of sinking of wells for foundation of piers and abutments as per the plan and specifications in the contract, extra payment of Rs. 16.01 lakh was irregular and constituted an undue favour to the contractor.</p> <p>Government admitted (August 2000) that though the contract envisaged proper seating of the wells on hard rock, for proper seating, wells had to be sunk through hard rock after breaking the rocky projections found below the cutting edges of well kerbs for which no provision was made in the agreement. The reply is not acceptable as seating of well kerbs in position on rocky strata was contemplated in the contract and the contract should provide for all foreseeable factors. Therefore, extra payment of Rs. 16.01 lakh was irregular and inadmissible.</p> | |
| | | <p>2 4.14 <i>Unjustified closure of contract:</i></p> | <p><i>Angustiarmuzhikadavu Bridge at Kozhikode district.</i></p> |
| | | <p>Piece-meal arrangement of works and subsequent closure of contract allowing the firm to renege on the contract without any liability for the balance works, resulted in additional burden of Rs. 13.22 lakh.</p> | <p>In the agreement provision is given for sinking wells in all classes of agreement soil except hard rock. Details of specification is given below;</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|--|--|
| | | <p>Superintending Engineer (SE), Roads and Bridges, North Circle, Kozhikode awarded in January 1993 works for formation of bypass road in Manjeri Municipality from km. 0/0 to 3/600 excluding portions from km. 0/900 to 2/200 to a firm at its quoted rate of 3.6 per cent below estimate rates (contract value being Rs. 36.17 lakh) to be completed by June 1994. The work was not completed by the due date. In November 1994, SE entrusted work relating to the section km. 0/900 to 2/200 also to the firm carried out till July 1997 works valued at Rs. 80.95 lakh except metalling and black topping (BT) works and requested SE to relieve it from the contract mainly on the pleas that quantities far exceeding those in the agreement schedule had been executed. Chief Engineer (CE), Roads and Bridges granted (January 1998) permission to exempt the firm from doing metalling and BT works and accordingly, the contract was closed in April 1998. The balance works were awarded in July 1998 to another firm at 75 per cent above estimate rates (since revised in January 1998). The balance works were completed in December 1998 at Rs. 62.43 lakh.</p> <p>Scrutiny revealed the following:</p> <p style="padding-left: 40px;">Notice inviting Tenders forming part of the agreement spelt out</p> | <p>“Sinking C.C. Wells of 6.10 meter inner dia and 8.50 meter outer dia in all classes of soil except hard rock requiring blasting to lines and levels and plumbing by scooping out earth from inside and below of staining including hire of dredges on any other appliance by hire and labour charges to Kant ledge filling, dewaterling and vibrating or any other methods including removal of obstacles and dumping the spoil away as directed by the departmental officer forming island including maintaining the same till the completion of work, dewatering etc. complete with all other incidental charges as per the standard specification” so as per agreement condition the contractor is bound to carry out the sinking of well in all classes of soil except hard rock for proper seating on hard rocks. But at Augustiarmuzhi Bridge site, the rocky surface below the river bed is un even in nature and the cutting edge of the well touched rock only at the peak points and proper seating of well could</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|--|--|
| | | <p>clearly that quantities provided in the schedule might vary widely and that tenderer should be prepared to execute any excess over scheduled quantities at the quoted rates. Closure of contract by the CE exempting the firm from doing major items included in the agreement schedule which were not at all taken up for execution by the firm, was irregular. Re-arrangement of execution of metalling and BT works in the two reaches (from km. 0/0 to 0/900 and km 2/200 to 3/600) caused additional financial commitment of Rs. 13.22 lakh.</p> | <p>be achieved only after breaking these projections. So for proper seating of wells after touching the rock the wells had to be sunk through hard rock after breaking the rock projection for which no provision has been given in the agreement. So this work had to be carried out as a work beyond the scope of agreement by engaging labour and machinery for breaking the rocky projections into pieces. Payment was made for this a per actual labour and machinery engaged at site.</p> |
| | | <p>The matter was referred to Government in May 2000; reply has not been received (November 2000).</p> | <p>The depth of sinking accounted under the agreement items No. 6 and 7 in the depth for sinking of well up to the point where hard rock was met with. In order words, the depth of sinking in hard rock not accounted while measuring the depth of sinking of well in all classes of soil. Only the actual charges of labour and hire charges of tools and machineries engaged for the proper seating of wells in hard rock strata by sinking through hard rock in difficult conditions under water, taking all precautionary measures in order to avoid any possible accidents or tilting of wells were paid separately which was beyond the scope of agreement and hence may be admitted.</p> |

Government of Kerala

PUBLIC WORKS DEPARTMENT

**Report of the Comptroller and Auditor General for the year ended
2000-Statement showing remedial measures taken by
Government in respect of audit paragraph 4.14**

| <i>Sl. No.</i> | <i>Para No.</i> | <i>Subject</i> | <i>Remedial measures taken</i> |
|----------------|-----------------|---|--|
| (1) | (2) | (3) | (4) |
| 1. | 4.14 | <p><i>Unjustified closure of contract:</i></p> <p>Piece-meal arrangement of works and subsequent closure of contract allowing the firm to renege on the contract without any liability for the balance works, resulted in additional burden of Rs. 13.22 lakh.</p> <p>Superintending Engineer (SE), Roads and Bridges, North Circle, Kozhikode awarded in January 1993 works for formation of bypass road in Manjeri Municipality from km. 0/0 to 3/600 excluding portions from km. 0/900 to 2/200 to a firm at its quoted rate of 3.6 per cent below estimate rates (contract value being Rs. 36.17 lakh) to be completed by June 1994. The work was not completed by the due date. In November 1994, SE</p> | <p>Initially the work was arranged at starting point 0/0 to 0/900 and end portion 2/200 to 3/600 vide Agreement No. SE (K) 45/92-93 dated 11-1-1993 having an agreed PAC of Rs. 36,17,233 which was 3.6% below estimate. The middle portion of road from km. 0/900 to 2/200 was owned by Manjeri Municipality, which was not arranged along with the above work. The work was awarded to M/s. Hashim Constructions, Malappuram. During the execution of the work, Manjeri Municipality wanted to take up and improve this middle portion of the road also to S.H. standard. For improving the middle portion of the road, corss drainage works, side protection works, widening carriagewy and B. T. has to be done. For the better completion of this</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|---|---|
| | | <p>entrusted work relating to the section km. 0/900 to 2/200 also to the firm carried out till July 1997 works valued at Rs. 80.95 lakh except metalling and black topping (BT) works and requested SE to relieve it from the contract mainly on the plea that quantities far exceeding those in the agreement schedule had been executed. Chief Engineer (CE), Roads and Bridges granted (January 1998) permission to exempt the firm from doing metalling and BT works and accordingly, the contract was closed in April 1998. The balance works were awarded in July 1998 to another firm at 75 per cent above estimate rates (since revised in January 1998). The balance works were completed in December 1998 at Rs. 62.43 lakh.</p> <p>Scrutiny revealed the following:</p> <p>Notice inviting tenders forming part of the</p> | <p>bypass road, and full utility of this bypass this middle portion has also to be improved simultaneously. The present work entrusted to M/s. Hashim Constructions at 3.6% below estimate rate which is as per previous schedule of rates. Accordingly a revised estimate incorporating the improvements of middle portion was prepared and submitted to Chief Engineer, PWD, Roads and Bridges, Thiruvananthapuram for an estimate PAC of Rs. 80,94,551 against the PAC of Rs. 37,34,835. The proposal was approved by the Chief Engineer vide No. C7 14764/84/M dated 2-6-1994. By arranging the work covered under middle portion through the same agency there will be about 40% savings in actual cost of construction while comparing the current schedule of rates (1992).</p> <p>The Contractor in his request has informed that the work was commenced on 24-3-1993 with a time of completion of 18 months. Due to delay in shifting 110 KV electric post, a case registered in Sub Court, Manjeri by a private party, the work was totally delayed about 3 years. The contractor has requested to relieve him from</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|---|--|
| | | <p>agreement spelt out clearly that quantities provided in the schedule might vary widely and that tenderer should be prepared to execute any excess over scheduled quantities at the quoted rates. Closure of contract by the CE exempting the firm from doing major items included in the agreement schedule which were not at all taken up for execution by the firm, was irregular. Re-arrangement of execution of metalling and BT works in the two reaches (from km. 0/0 to 0/900 and km 2/200 to 3/600) caused additional financial commitment of Rs. 13.22 lakh.</p> <p>The matter was referred to Government in May 2000; reply has not been received (November 2000).</p> | <p>the contract. Since he was completed the work to the tune of Rs. 83,43,474 against the estimate PAC of Rs. 37,34,835 except metalling and B.T. works. Moreover, the road passes through hilly portions at ch. 0/0 to 2/200 where cutting and filling is coming subsequently and at ch. 2/200 to 3/600 passes through paddy fields having clay silt with slushy nature. Hence the department felt that due to these reasons, the metalling and B.T. works carrying out in the same season is not admissible for better completion of the work. It is seen that the contractor has executed the quantity of work at about 123% above estimate quantity.</p> <p>The middle portion of the road was improved by the contractor at the previous schedule of rates and 3.6% below estimate rates. During this time, schedule rates revision about 40% was come into force. By arranging the work covered under middle portion through the same agency, there will be about 40% savings in actual costs within the reduction of tender percentage (-3.6%).</p> |

കമ്പ്ലോളർ ആന്റ് ഓഡിറ്റ് ജനറൽ ഓഫ് ഇൻഡ്യയുടെ (സിവിൽ) 31-3-2001-ൽ
 അവസാനിച്ച വർഷത്തെ റിപ്പോർട്ടിലെ പരാമർശം/ശുപാർശ എന്നിവയും
 അതിന്മേൽ സ്വീകരിച്ച നടപടിയും

| ക്രമ നം. | പരാ. നം. | പരാമർശം/ ശുപാർശ | വിശദീകരണവും/ സ്വീകരിച്ച നടപടിയും |
|----------|----------|---|---|
| (1) | (2) | (3) | (4) |
| 1 | 4.9 | <p>കോഴിക്കോട് ജില്ലയിൽ കല്ലായിപ്പുഴയ്ക്ക് കുറുകെ നിർമ്മിച്ച കോതിപ്പള്ളിക്കണ്ടിപ്പാലത്തിന്റെ അപ്രോച്ച് റോഡിന്റെ പണി പൂർത്തിയാകാത്തതുകാരണം ഈ പാലത്തിനുവേണ്ടി ചെലവഴിച്ച തുക പ്രയോജനരഹിതമായി.</p> | <p>ഈ പാലത്തിന്റെ അപ്രോച്ച് റോഡിനാവശ്യമായ ഭൂമി ഏറ്റെടുക്കുന്നതിനുള്ള ജോലികൾ തടസ്സപ്പെട്ടത് അപ്രോച്ച് റോഡിന്റെ പണി പൂർത്തിയാക്കാൻ കാലതാമസമുണ്ടാക്കിയിട്ടുണ്ട്. അപ്രോച്ച് റോഡിനു വേണ്ടിയുള്ള സർക്കാർ സ്ഥലത്ത് അനധികൃതമായി കൈയേറി താമസിക്കുന്നവരെ പുനരധിവസിപ്പിക്കുന്നതിനു വേണ്ടി തയ്യാറാക്കിയ പദ്ധതി പ്രായോഗികമല്ലാതിരുന്നതിനാൽ ടി പദ്ധതി പുതുക്കി സമർപ്പിക്കുവാൻ ബന്ധപ്പെട്ട അധികാരികളോട് സർക്കാർ ആവശ്യപ്പെട്ടിരിക്കുകയാണ്. എത്രയും വേഗം കയ്യേറ്റക്കാരെ പുനരധിവസിപ്പിച്ച ശേഷം അപ്രോച്ച് റോഡിന്റെ പണി പൂർത്തിയാക്കി ഈ പാലം ഗതാഗതത്തിന് തുറന്നുകൊടുക്കുന്നതാണ്.</p> <p>ഈ പാലത്തിന്റെ നിർമ്മാണത്തിനു വേണ്ടി ചെലവഴിച്ച തുക പ്രയോജനരഹിതമായി എന്ന പരാമർശം പൂർണ്ണമായും ശരിയല്ല. ഈ ഇനത്തിൽ ചെലവഴിച്ച തുക ഉപയോഗിച്ച് പാലം പണി പൂർത്തിയാക്കിയിട്ടുള്ള സ്ഥിതിക്ക് ഇതിനായി ഇനി ചെലവുണ്ടാകുന്നതല്ല. മാത്രമല്ല ഇപ്പോൾ ഇതേപാലം നിർമ്മിക്കുന്നതിനുവേണ്ടി വരുന്ന പുതുക്കിയ നിരക്കിലുള്ള തുകയുമായി താരതമ്യം ചെയ്താൽ ചെലവഴിച്ച തുക തീരെ കുറവുമാണ്.</p> |
| 2 | 4.10 | <p>പാലക്കാട് ജില്ലയിൽ കരിമ്പുഴയ്ക്ക് കുറുകെ കൂട്ടിലക്കട</p> | <p>1992-ൽ 97.68 ലക്ഷം രൂപയുടെ അടങ്കലുള്ള ഈ പാലം നിർമ്മാണ ജോലിക്കു</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|---|---|
| | | <p>വിൽ പാലം നിർമ്മിക്കുന്നതിനു വേണ്ടി ലഭിച്ച ഓഫർ സംബന്ധിച്ച് സർക്കാർ ദർഘാസ് സമിതി നടത്തിയ ശുപാർശയിന്മേൽ നടപടിയെടുക്കാനുണ്ടായ പിഴവ് 58.61 ലക്ഷം രൂപയുടെ മതിയാക്കപ്പെട്ട അധിക ചെലവിലേക്ക് ആനയിച്ചു.</p> | <p>വേണ്ടി 10-1-1996-ൽ സ്വീകരിക്കത്തക്ക വിധം ടെണ്ടർ ക്ഷണിച്ചപ്പോൾ എസ്റ്റിമേറ്റ് തുകയേക്കാൾ 195% അധികത്തുകയുള്ള ഒരു ടെണ്ടർ (194 ലക്ഷം രൂപ) മാത്രമേ ലഭിച്ചിരുന്നുള്ളൂ എന്നതിനാൽ 23-1-1996-ൽ കൂടിയ ടെണ്ടർ കമ്മിറ്റി ഈ ഓഫർ നിരസിക്കുകയും കൂടുതൽ മത്സര സ്വഭാവമുള്ള തുറന്ന ടെണ്ടർ ക്ഷണിക്കുവാൻ ആവശ്യപ്പെടുകയും ചെയ്തു. ടെണ്ടർ കമ്മിറ്റിയുടെ നിർദ്ദേശാനുസരണം വീണ്ടും ടെണ്ടർ ചെയ്യുമ്പോൾ മൂന്നു ടെണ്ടറുകൾ ലഭിച്ചു. 26-9-1996-ൽ കൂടിയ ടെണ്ടർ കമ്മിറ്റി ഇവ പരിശോധിക്കുകയും 1996-ൽ നിലവിൽ വന്ന നിരക്കു പട്ടിക അടിസ്ഥാനമാക്കി എസ്റ്റിമേറ്റ് തുക പുതുക്കുവാൻ ആവശ്യപ്പെടുകയും ചെയ്തു. ഇതനുസരിച്ച് എസ്റ്റിമേറ്റ് തുക 135 ലക്ഷം രൂപയാക്കി പുതുക്കി നിശ്ചയിച്ചശേഷം 30-3-1999-ന് മുൻ യോഗ്യതാ ദർഘാസ് അടിസ്ഥാനത്തിൽ നടന്ന ടെണ്ടറിൽ കുറഞ്ഞ നിരക്കായ 59% രേഖപ്പെടുത്തിയത് 10-1-1996-ൽ 197% രേഖപ്പെടുത്തിയ കരാറുകാരനായിരുന്നു. ടെണ്ടർ കമ്മിറ്റി ഈ ഓഫർ സ്വീകരിക്കുവാൻ ശുപാർശ ചെയ്തതനുസരിച്ച് ഈ കരാറുകാരന് പാലം നിർമ്മാണ ജോലി ഏല്പിക്കുകയാണുണ്ടായത്.</p> <p>1992-ൽ 97.68 ലക്ഷം രൂപയുടെ അടങ്കലുള്ള പ്രവർത്തി ടെണ്ടർ ചെയ്തപ്പോൾ 195% അധികത്തിന് ലഭിച്ച ടെണ്ടർ 194 ലക്ഷം രൂപയ്ക്കുള്ളതായിരുന്നു. ഇതിനെ തുടർന്ന് ടെണ്ടർ കമ്മിറ്റിയുടെ നിർദ്ദേശപ്രകാരം 1996 ഫെബ്രുവരിയിൽ വീണ്ടും ടെണ്ടർ ചെയ്തപ്പോൾ 107% അധികനിരക്കിൽ കരാർ തുക 151 ലക്ഷം രൂപയായി കുറഞ്ഞിരുന്നു. 1996-ൽ നിലവിൽവന്ന നിരക്കുവർദ്ധന</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|-----|-----|
|-----|-----|-----|-----|

വിനെ തുടർന്നാണ് എസ്റ്റിമേറ്റ് പുതുക്കി ടെണ്ടർ ചെയ്യേണ്ടി വന്നത്. 1992 നിരക്കിൽ 107% അധികത്തിനു ലഭിച്ച ഒരു ഓഫർ 1997 ഏപ്രിലിൽ പരിഗണിക്കുമ്പോൾ സ്വഭാവവിക മായും 96 ജൂലൈയിൽ പുതുക്കപ്പെട്ട നിര ക്കിൽ കൂടുതൽ മത്സര സ്വഭാവത്തിൽ അനു കൂലവുമായ ടെണ്ടർ ലഭ്യമാകുമെന്ന പ്രതീക്ഷ യിൽ സദുദ്ദേശ്യത്തോടുകൂടി നിരാകരിക്കപ്പെട്ട ഒരു ഓഫർ 1996-ലെ പുതുക്കിയ നിരക്ക് പ്രകാരം വീണ്ടും ടെണ്ടർ ചെയ്തതിനുശേഷം 59% കൂടിയ നിരക്കിലാണ് കരാർ നൽകപ്പെട്ട ത്. ഇതനുസരിച്ച് കരാർ തുക 209 ലക്ഷം രൂപയായി വർദ്ധിക്കുകയുണ്ടായി. 151 ലക്ഷം രൂപയിൽ നിന്ന് 209 ലക്ഷം രൂപയായുള്ള വർദ്ധനവാണ് സി. ആന്റ് എ.ജി. റിപ്പോർട്ടിൽ അധിക ചെലവായി വിലയിരുത്തിയിട്ടുള്ളത്. നിരക്കുകൾ പുതുക്കിയതുകൊണ്ട് 97.68 ലക്ഷം രൂപയുടെ എസ്റ്റിമേറ്റ് 131.44 ലക്ഷം രൂപയായി വർദ്ധിക്കുകയുണ്ടായി. 33.56 ലക്ഷം രൂപയോട് കൂടി (131.44 - 97.68 = 33.56) 59% ടെണ്ടർ എക്സസ് കൂട്ടുമ്പോൾ 53.36 ലക്ഷം രൂപയുടെ വർദ്ധനവ് കരാർ തുകയിൽ ഉണ്ടാ യിട്ടുണ്ട്. ബാക്കി വന്നിട്ടുള്ള വർദ്ധനവ് 5.25 ലക്ഷം രൂപയുടെ (58.61-53.36) യാണ്. നിരക്ക് വർദ്ധനവ് കണക്കിലെടുക്കാതിരുന്നാൽ വന്നി ട്ടുള്ള വർദ്ധനവ് 25.05 ലക്ഷം രൂപയാണ്. (58.61-33.56) ഈ തുക 131.44 ലക്ഷം രൂപ യുടെ 19% മാത്രമാണ്. 1999 ഡിസംബറിലാണ് ഈ പ്രവർത്തിക്ക് കരാറിലേർപ്പെട്ടത്. ഈ സമയത്തിനകം 1999 ജൂലൈയിൽ വീണ്ടും നിരക്കുകൾ പുതുക്കിയിരുന്നു. 1996 നിരക്കി നേക്കാൾ ഏകദേശം 40%ത്തോളം വർദ്ധനവ് ഇതുമൂലം ഉണ്ടായിട്ടുണ്ട്. എന്നാൽ ഈ വർദ്ധ നവും, റീ-ടെണ്ടർ ചെയ്യുന്ന സമയത്ത് നിലവി ലുള്ള നിരക്കുകളും കണക്കിലെടുത്ത് റീടെണ്ടർ ചെയ്യാൻ ആവശ്യപ്പെട്ടതുമൂലം ലഭ്യമായ നിരക്കുകളും വിലയിരുത്തുമ്പോൾ റിപ്പോർട്ടിൽ പരാമർശിച്ച വർദ്ധനവ് ഒരു അനാവശ്യ ചെലവായി കണക്കാക്കാവുന്നതല്ല.

| (1) | (2) | (3) | (4) |
|-----|------|---|---|
| 3 | 4.14 | <p>കോങ്ങാട് മണ്ണാർക്കാട് ടിപ്പു സുൽത്താൻ റോഡിൽ നെല്ലിപ്പുഴ മുക്കണ്ണാങ്കടവ് പാലത്തിന്റെ നിർമ്മാണ ജോലിയിൽ വകുപ്പുദ്യോഗസ്ഥർ യുക്തമായി മേൽനോട്ടം നടത്തിയില്ല. നിലവാരം താഴ്ന്ന പണിക്ക് കരാറുകാരന് പണം കൊടുത്തു. 7 വർഷത്തോളം പണിക്ക് കാലതാമസം നേരിടുകയും 35.30 ലക്ഷം രൂപ പാഴാവുകയും ചെയ്തു.</p> | <p>എസ്റ്റിമേറ്റ് തുകയേക്കാൾ 7% കൂടുതൽ നിരക്കിൽ 31-3-1994-നുള്ളിൽ പണി പൂർത്തീകരിക്കണമെന്ന വ്യവസ്ഥയിൽ ശ്രീ. ജോസഫ് തോമസ് എന്ന കരാറുകാരനെ ഈ പാലം പണി ഏൽപ്പിക്കുകയും പിന്നീട് 31-12-1995 വരെയും കാലാവധി നീട്ടിക്കൊടുക്കുകയും ചെയ്തിരുന്നു. എന്നാൽ 19-3-1995-ന് ശേഷം പണി മുടങ്ങിയതിനാൽ ടിപ്പു റിസ്ക് ആന്റ് കോസ്റ്റ് ആയി കരാർ വിടുതൽ ചെയ്തു. ഈ പാലത്തിന്റെ ബലത്തെക്കുറിച്ച് സംശയമുണ്ടായ സാഹചര്യത്തിൽ ചെന്നൈയിലെ എസ്.ഇ.ആർ.സി. പരിശോധന നടത്തിയപ്പോൾ പാലം പുനർനിർമ്മിക്കേണ്ടതാണെന്ന് കണ്ടെത്തുകയും പാലം പുനർനിർമ്മിക്കുകയും ചെയ്തു. ആദ്യകരാർ അവസാനിപ്പിച്ചുവെങ്കിലും ഇതു സംബന്ധിച്ച ഫയലുകൾ വിജിലൻസിന്റെ കൈയിലായതിനാൽ ഈ ഇനത്തിൽ ഉണ്ടായിട്ടുള്ള ബാധ്യതകൾ, ഗവൺമെന്റിനുണ്ടായ നഷ്ടം എന്നിവ തിട്ടപ്പെടുത്താനായിട്ടില്ല. വിജിലൻസ് അന്വേഷണത്തിൽ ഈ കാര്യങ്ങൾ പരിശോധിച്ചു വരികയാണ്. വിജിലൻസ് റിപ്പോർട്ടിന്റെ അടിസ്ഥാനത്തിൽ തുടർ നടപടികൾ സ്വീകരിക്കുന്നതാണ്.</p> |
| 4 | 4.15 | <p>കോഴിക്കോട് ജില്ലയിലെ നെല്ലുമാടിക്കടവ് പാലത്തിന്റെ നിർമ്മാണ ജോലിയിൽ കരാറനന്തരം മാറ്റങ്ങൾ വരുത്തി കരാറുകാരന് അനധികൃത സഹായം നൽകിയത് സംബന്ധിച്ച്.</p> | <p>നിർദ്ദിഷ്ട നെല്ലുമാടിക്കടവ് പാലം നിർമ്മിക്കേണ്ടിയിരുന്ന സ്ഥലം ഉറപ്പുകുറഞ്ഞ ചെളിക്കെട്ടുള്ളതായിരുന്നു. പണി ആരംഭിച്ചതിനുശേഷം നിർമ്മാണഘട്ടത്തിൽ പാലം നിർമ്മാണത്തിനുവേണ്ടിയുള്ള തുരുത്തുകൾ നിർമ്മിക്കുന്നതിൽ ചില ബുദ്ധിമുട്ടുകൾ ശ്രദ്ധയിൽപ്പെട്ടതിനെ തുടർന്ന് നിർമ്മാണജോലിയിൽ ചില കരാറനന്തര മാറ്റങ്ങൾ വരുത്തേണ്ടിവന്നു. 2.30 മീറ്റർ ഉയരമുള്ള തുരുത്തുകൾ</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|-----|-----|
|-----|-----|-----|-----|

നിർമ്മിക്കുന്നതിന് വണ്ണം കുറഞ്ഞ കാഷ്യൂറിന പോസ്റ്റുകൾ ഉറപ്പുകുറഞ്ഞ ചെളി മണ്ണിൽ താഴ്ത്തി ഉറപ്പിക്കാൻ പ്രയാസം നേരിട്ടതിനാൽ തുരുത്തുകൾ നിർമ്മിക്കേണ്ട പോസ്റ്റുകൾ വണ്ണം കൂടിയതും, നീളമുള്ളതുമായ തെങ്ങ് കൊണ്ട് നിർമ്മിക്കേണ്ടി വന്നു. കൂടാതെ കിണറിന്റെ ക്യാപിന്റെ അടി ലവൽ ലോടെഡ് ലവലിൽ നിർത്തിയായിരുന്നു ഡിസൈൻ. അങ്ങനെ വരുമ്പോൾ ഉപ്പുവെള്ളമുള്ള പുഴയായതിനാൽ ക്യാപ് കോൺക്രീറ്റ് ചെയ്യുന്നതിനും അതിന് ശേഷം വെള്ളം പമ്പ് ചെയ്ത് വറ്റിച്ച് വെള്ളത്തിന്റെ ലവൽ താഴെ നിർത്തേണ്ടത് ആവശ്യമായതിനാൽ തുരുത്തുകളുടെ ചുറ്റും ഒരു ബണ്ടുകൂടി ഉണ്ടാക്കേണ്ടതായി വന്നു. സൈറ്റിൽ തുരുത്തുകൾ ഉറപ്പിക്കുവാനുള്ള പ്രയാസം പണിനടക്കുമ്പോൾ മാത്രമാണ് അറിയാൻ കഴിഞ്ഞത്. എസ്റ്റിമേറ്റ് പ്രകാരമുള്ള തുരുത്തുകൾ നിർമ്മിച്ച് അതിൽ കോൺക്രീറ്റ് കിണറുകൾ വച്ച് താഴ്ത്തിയിരുന്നെങ്കിൽ ബലമില്ലാത്ത തുരുത്തുകൾക്ക് കേട് സംഭവിച്ച് കിണറുകൾ ചരിയുകയും അതുമൂലം പാലം പ്രവൃത്തി തന്നെ തടസ്സപ്പെടുകയും ഡിപ്പാർട്ടുമെന്റിന് ഭീമമായ സാമ്പത്തികനഷ്ടം ഉണ്ടാവുകയും ചെയ്യുമായിരുന്നു. അതുകൊണ്ടാണ് തുരുത്തുകളുടെ വലിപ്പവും ഘടനയും മാറ്റാൻ ഡിപ്പാർട്ടുമെന്റ് നിർബന്ധിതമായത്. 1987-ൽ ഇൻവെസ്റ്റിഗേഷൻ നടത്തിയതിനു ശേഷം പുഴയുടെ വീതിയിലും മറ്റും ചില മാറ്റങ്ങൾ വരികയുണ്ടായി. പണിനടത്തുവാൻ അബട്ട്മെന്റ് നിർമ്മിക്കുന്നതിനുവേണ്ട കോൺക്രീറ്റ് കിണറുകൾ വയ്ക്കുന്നതിന് 2 തുരുത്തുകൾക്കൂടി കൂടുതലായി നിർമ്മിക്കേണ്ടി വന്നു. എസ്റ്റിമേറ്റ് തയ്യാറാക്കിയപ്പോൾ ഇക്കാര്യം പരിഗണി

| (1) | (2) | (3) | (4) |
|-----|-----|-----|--|
| | | | <p>ച്ചിരുന്നെങ്കിൽ രണ്ട് തുരുത്തുകൾകൂടി എസ്റ്റിമേറ്റിൽ ഉൾപ്പെടുത്തേണ്ടിവരുമായിരുന്നു. അതുകൊണ്ട് കൂടുതലായി വേണ്ടിവന്ന തുരുത്തുകൾ പ്രവൃത്തി പൂർത്തീകരിക്കുന്നതിന് അത്യാവശ്യമായി വന്നതാണ്. പിയറുകൾ നിർമ്മിക്കുന്നതിന് ആവശ്യമായ തുരുത്തുകൾ വലിപ്പം കൂട്ടി ചെയ്യേണ്ടിവന്നത് ഇരട്ടക്കിണറുകൾക്ക് പകരം പൈലുകളാക്കി മാറ്റിയതിനെ തുടർന്നാണ്. പിയറുകളുടെ ഇരട്ടക്കിണറുകൾക്ക് പകരം ആവശ്യമായ തുരുത്തുകൾ അബട്ട്മെന്റിന്റെ ഒറ്റക്കിണർ വയ്ക്കുന്നതിന് അത്യാവശ്യം വേണ്ട വലിപ്പം ഇല്ലായിരുന്നതുകൊണ്ടാണ് ഇവയ്ക്കുകൂടി വലിപ്പം കൂട്ടിയ തുരുത്തുകളെ അവലംബിക്കേണ്ടി വന്നത്. യഥാർത്ഥത്തിൽ ടെണ്ടർ ചെയ്യുന്ന ആവശ്യത്തിനു കരാർ പ്രവൃത്തി സ്ഥലം പരിശോധിക്കുമ്പോൾ പുഴയുടെ അടിത്തട്ടും അതിന്റെ സ്വഭാവത്തിന് അനുസൃതമായി മാത്രം പൂർത്തീകരിക്കുവാൻ കഴിയാത്ത ഡിസൈൻ വിശദാംശങ്ങളും സാമാന്യമായി വിലയിരുത്തലുകൾക്കേ വിധേയമാക്കാറുള്ളൂ. കൂടാതെ പരാമർശത്തിലുള്ള വിഷയത്തിൽ എസ്റ്റിമേറ്റ് കൃത്യമായി അളവുകൾ കൊടുത്തതിൽ നിന്നും വ്യത്യസ്തമായി അളവുകളിലുള്ള തുരുത്തുകൾ നിർമ്മിക്കേണ്ടത് ആവശ്യമായിരുന്നു. ഇക്കാര്യം ഡിപ്പാർട്ട്മെന്റിന് ബോധ്യപ്പെട്ടതിനു വിധേയമായിട്ടാണ് വലിപ്പം കൂടിയ തുരുത്തുകൾക്ക് കരാറുകാരനുമായി സപ്ലിമെന്റൽ എഗ്രിമെന്റ് വച്ച് പണം നൽകിയത്. പാലം പണി സുഗമമായി നടത്തുന്നതിനുവേണ്ടി സദുദ്ദേശ്യത്തോടെ ചെയ്ത ഈ നടപടി കരാറുകാരനെ സഹായിക്കുന്നതിന് വേണ്ടിയായിരുന്നില്ല. ഇത്തരം ഒരു നടപടി സ്വീകരിച്ചില്ലായിരുന്നെങ്കിൽ കരാറുകാരന്</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|-----|--|
| | | | <p>അർഹതപ്പെട്ട പണം നിഷേധിക്കപ്പെടുകയും തന്മൂലം വ്യവഹാരങ്ങൾക്ക് കാരണമാകുകയും പദ്ധതിയുടെ സമയബന്ധിതപൂർത്തീകരണത്തിന് തടസ്സമാവുകയും ചെയ്യുമായിരുന്നു. തന്മൂലം കരാർ ടെർമിനേഷൻ ബാക്കി പ്രവൃത്തികൾ റീ അറേഞ്ച്മെന്റിനെ തുടർന്ന് അടങ്കൽ തുകയിലുള്ള വർദ്ധനവ് എന്നിവയിലേക്കും നയിക്കുമായിരുന്നു. പദ്ധതിയുടെ നടത്തിപ്പുഘട്ടത്തിൽ പദ്ധതിയുടെ വിജയകരമായ പൂർത്തീകരണത്തിന് ആവശ്യം വേണ്ടതെന്ന് ഉത്തമ ബോധ്യം വന്നതിന്റെ അടിസ്ഥാനത്തിൽ, പൊതുതാല്പര്യം മുൻനിർത്തിയും ഖജനാവിന് കൂടുതൽ നഷ്ടം വരുത്താതെയും തങ്ങളിൽ നിക്ഷിപ്തമായ അധികാരം ഉപയോഗിച്ച് സദുദ്ദേശ്യത്തോടെയുമാണ് വകുപ്പുദ്യോഗസ്ഥന്മാർ കരാറനന്തര മാറ്റങ്ങൾ വരുത്തിയിട്ടുള്ളത്.</p> |

**Comptroller and Auditor General of India Report for the year ended
31-3-2002 (Civil)—Statement on Remedial measures taken in
Para No. 4.2, 4.3, 4.4, 4.5 and 4.7**

| <i>Sl. No.</i> | <i>Para No.</i> | <i>Recommendation</i> | <i>Details of Action taken</i> |
|----------------|-----------------|--|--|
| (1) | (2) | (3) | (4) |
| 1 | 4.2 | <p>Extra liability due to post contractual modification of design.</p> <p>Design of superstructure of a bridge was modified during execution to help the contractor causing extra liability of Rs. 3.70 crore.</p> | <p>In Bharathapuzha river, maximum working season available will be 6 months and hence if cast-in-situ girder and slab is adopted the work will drage on to more than 5 years for completing 24 spans and the time of completion originally stipulated can never be achieved leading to cost over runs. Hence meeting was convened in which 3 ministers, the MP, officials of department and KSCC attended. The idea to change the design was one of the many options considered and the decision was taken at Government level. Even without going for design change the extra expenditure would have become inevitable due to long time over run. The contracting agency is also a Government undertaking.</p> |
| 2 | 4.3 | <p>Avoidable liability on formation of approach roads for a railway over bridge.</p> <p>For protective blasting of rock that increased by 8295 per cent during execution, enhanced rates were allowed disregarding conditions of contract. Resultant additional liability to Govern-</p> | <p>Para I. Huge variation in quantities and enhancement in rate of rock blasting.</p> <p>The estimate prepared for the work was revised to the current schedule of rate. The soil classification arrived at, was based on the existing toe wall and on the basis of land exposed. There was no exposed rock on the surface or on the nearby lands, which are lying at lower levels, based on the classification arrived. Contrary to this observation, large quantity of rock was seen after exposing certain quantity of earth. Due to this, the</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|--|--|
| | | <p>ment worked out to Rs. 81.73 lakhs. Uneconomic sale of blasted rubble resulted in estimated loss of Rs. 1.22 crore.</p> <p>Para II. Overrating of item and consequent undue gain to the contractor on estimate basis.</p> <p>Para III. Supplemental agreement for extra items outside the purview of tender rebate and undue monetary gain to the contractor.</p> <p>Para IV. Uneconomic sale of blasting rubble.</p> | <p>quantity of rock blasting increased considerably. The Contractor's request was to either relieve him from the contract or to allow the rate of Rs. 4027 claimed by him for protective blasting. After considering all the facts by the high level committee, the rate of Rs. 3487/10m³ was approved. The expenditure incurred is not extra expenditure. Hence the actual execution has not violated the tender provisions and no undue favour has been shown to the contractor from the department.</p> <p>The contractor executed supplemental agreement No. II on 31-5-2001 in which he agreed to execute the extra items at the rates prescribed subject to all other conditions as per the original agreement except of the protective blasting. In the supplemental agreement it is clearly mentioned that the rate for the protective blasting will be Rs. 3487/10m³ without reflecting agreed tender deduction of 23.11% and there is no loss due to non-deduction of agreed tender deduction.</p> <p>Hence there is no overrating of this item and the supplemental agreement for extra items is not outside the purview of tender rebate.</p> <p>As per the estimate of the work the useful rock obtained from blasting is to be stacked at site. As per department procedure the measurement of the stacked rubble is to be taken and then the same should be disposed of in public auction, if the same is not required for departmental</p> |

(1) (2)

(3)

(4)

purpose. Hence, the rubble obtained by blasting was stacked and steps taken to dispose of the same in public auction. Public auction was conducted twice with wide publicity, but there was no response. Hence quotations were invited for the disposal of the same after giving publicity, but here also there was no response. Accordingly negotiated quotations were collected. Since there was no other way to dispose of the stacked rubble. After considering all aspects of the situation as per the site conditions the highest negotiated rate of Rs. 2.50/m³ with condition to deduct the stacking charges of the rubble was approved in the best interest of the Government. The contractor was ready to stack the rubble but there was severe lack of space. The poor response to auction also led to such a decision, as there was no other way. The circular No. W3-18589/94 is not applicable in this case since there was no such condition in the contract and the rate was approved by the Chief Engineer.

In the case of the rubble to be stacked, suitable land exclusively for the purpose is required. If the land for the purpose is acquired, an additional amount of Rs. 36.85/m³ to be given as minimum conveyance. Thus the total cost for stacking will be 53.30m³ in addition to the cost of land and much value for the rubble stacked cannot be expected as already experienced earlier. The additional cost of stacking will be more than 10% of the cost. By this, there is no loss. It is actually a gain and escape

| (1) | (2) | (3) | (4) |
|-----|-----|--|--|
| | | | the additional burden by way of compensation to the contractor for the delay in the works due to problem of stacking and disposal etc. Hence no loss is occurred to Government on account of this. |
| 3 | 4.4 | <p>Extra expenditure due to departmental lapses.</p> <p>Failure to supply departmental materials and make timely payments to the contractor led to enhancement in rates and the delays necessitated post contractual changes in design of foundation for abutments and piers. The extra financial commitment was Rs. 1.57 crore.</p> | <p>There were lapses on the part of the Department having failed in the timely supply of departmental materials due to the paucity of funds/Letter of credit. As such, the request of the contractor was placed before the Arbitration Committee, since the claim of the contractor was genuine. No tender percentage has been admitted towards the cost of materials to be purchased by the contractor. Reimbursement of the cost of materials purchased by the contractor is being made at the prevailing rate of public sector undertaking or the rate admitted by the Executive Engineer, Buildings.</p> <p>Since there was lapse on the part of the department, in the supply of materials, it cannot be expected that the contractor will complete the work at the agreed rate beyond the agreed time of completion. As such, the extra financial commitment was essential and unavoidable.</p> <p>The change in design was proposed to suit the condition of site and the poor nature of sub soil in continuing the well sinking operation keeping the position of wells and to avoid tilting. Tilting of wells involves consumption of more time to complete the work after bringing back the tilted wells to stable position. Practical</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|-----|--|
| | | | <p>difficulties were experienced in sinking of double wells. As such bored pile foundation was proposed, cost of construction of which is less than that of well foundation. As per the estimate, the cost of well foundation is Rs. 13,19,988 whereas the cost of bored pile foundation is Rs. 11,64,583. There is savings amounting to Rs. 1,55,405 due to the change in design. The estimation made by the audit is not correct. Detailed estimation of the well foundation and bored pile foundation is attached herewith.</p> <p>Though the work has been included under works having NABARD assistance, there was delay in getting financial assistance from NABARD, and in making timely part payment and procurement of departmental materials etc. As long as there is delay in payments and supply of materials the contractor cannot be expected to complete the work within the time further extended.</p> <p>In the Accountant General's report, it is pointed out that due to change in design for foundation, there was as additional excess commitment of Rs. 41.55 lakhs.</p> <p>As per the detailed estimate prepared for well foundation the amount comes to Rs.1,11,77,954 including cost of well seating and removing obstacles that is Rs. 37 lakhs. From the actual execution, it was found that extra payment has to</p> |

| | | | |
|-----|-----|-----|-----|
| (1) | (2) | (3) | (4) |
|-----|-----|-----|-----|

be given for well seating and removing obstacles, at approximately 4.00 lakhs/well . Hence for seating wells p1, p2, p3, p4 including A1 and extra amount of 37 lakhs has to be accounted for while comparing the cost of well with that of pile. Only L.S. provisions can be provided for the item such as seating and breaking boulders etc. while preparing the estimate since the necessity of these item of works will be observed at execution stage only.

The audit observations, contain on incorrect assumption that the foundation of the bridge under discussion was not attempted at all with a design for well foundation and that it is irrational to assume extra expenditure for seating of wells and for removing obstacles. Well foundation of piers P16 to P11 has already been completed by now. Extra expenditure for seating and removing boulders comes to amount Rs. 8 lakhs (2x4 lakhs) for wells under piers and Rs. 5 lakhs for wells under the abutment.

Thus pile foundation is economical, as there would be savings of Rs. 13.36 lakhs. The commitment worked out by the Accountant General can only be finally evaluated after receipt of sanction of rates for the bored pile works and by comparing with the expenditure incurred for the wells including seating and removal of obstacles based on actuals. As the work is still in progress it may not be realistic to compare the amount involved based on the rates to be sanctioned and amount on works to be executed.

| | | | |
|-----|-----|-----|-----|
| (1) | (2) | (3) | (4) |
|-----|-----|-----|-----|

The change in design is approved as per the site condition and nature of sub soil in the interest of speedy completion of the work.

As pointed out earlier, this change had to be effected due to practical conditions. Extra expenditure had to be incurred for abandoning wells due to anticipated filling of well beyond permissible limits and problems associated with relatively small span of 1.5m. between the wells, as even a small tilt may result in conveyance of alignment and cause hurdles in proceeding with the work. Hence the only way to proceed with the work is to make changes in the design of foundation. It was in these circumstances that the changes from well foundation to pile foundation was effected. The speedy completion of the work was intended not only in terms of quantitywise reduction but for ensuring an uninterrupted process of execution by avoiding hurdles in proceeding with the well sinking operations as stated herein. The reason for noncompletion of work even after the change in design was mainly due to paucity of funds for payment to the pending bills and inability of the department to issue to departmental materials in time to the contractor.

Had the department provided sufficient financial support in accordance with the progress achieved in the field,

| (1) | (2) | (3) | (4) |
|-----|-----|--|--|
| | | | <p>this work would have been completed as per the revised estimate, taking advantage of the relatively speedy nature of the completion of pile foundation.</p> |
| 4 | 4.5 | <p>Extra expenditure due to delay in acceptance of tender and subsequent change of design.</p> <p>Delay in acceptance of tender by the Government and change of design by the Chief Engineer led to avoidable extra liability of Rs. 96 lakhs.</p> | <p>Government have accorded administrative sanction and special sanction as per G.O. Rt. No. 760/96/PW&T, dated 19-3-1996 for Rs. 165 lakhs. Technical sanction was issued as per No. 25/CE/R&B 98-99 dated 18-8-1998 for Rs. 170 lakhs.</p> <p>The work was tendered on pre-qualification basis and 4 Nos. of tenders were received. Out of this only 3 Nos. were qualified. Hence, open tenders were called for on 26-2-1999. In response to this, 3 nos. of tenders were received and the lowest tender was in favour of Shri K. J. Thomas, Kasargode @79.5% above estimate rate, which was reduced to 65% above estimate rate. Selection Notice was issued to the contractor on 18-5-1999 by the SE, R&B, Calicut vide No. DC6/18385/87. But the Selection Notice was returned by the Postal Department stating that the addressee expired on 18-5-1999 in a road accident.</p> <p>According to para 15-7-1999 of K.P.W. Manual, the Superintending Engineer had to negotiate with next lowest tenderer to take up the work. Accordingly negotiation was made by him with the second lowest tenderer. The 3rd lowest tenderer has stated that they are not willing to take up the work, less than their quoted rate of 130% above estimate rate.</p> |

| | | | |
|-----|-----|-----|-----|
| (1) | (2) | (3) | (4) |
|-----|-----|-----|-----|

The 2nd lowest tenderer Shri Moideenkutty Haji had reported on 1-7-1999 that he is not willing to take up the work @65% above estimate rate (which is the accepted rate of the lowest tenderer). But he expressed willingness to take up the work @ his quoted rate of 79% above estimate rate with a condition that the work is awarded to him within the expiry of firm period vide his letter dated 7-7-1999. The contractor, Shri Moideenkutty Haji had submitted a letter dated 10-11-1999 (which is 4 months after his offer dated 7-7-1999) that he shall be paid 30% more over the rate of 179% offered in his letter dated 7-7-1999, which was not accepted till that date. Without considering the above petition of the contractor, the tender was accepted by Government vide G. O. (Rt) No. 111/2000/PWD dated 4-2-2000 @ 79% above estimate rate.

According Selection Notice was issued to the contractor from the office of the Superintending Engineer No. DC6/18385/87 dated 15-2-2000. On receipt of the selection notice, the contractor submitted another letter dated 2-3-2000 stating that he is not willing to take up the work @ 79% above estimate rate. Legally he was not bound to take up the work at a rate below that modified by him on 7-7-1999 and as per the selection notice issued on 15-2-2000, which was after 6 months. Instead of accepting the selection notice, a conditional offer was substituted by the contractor, on the argument stated below:—

The location of the site being very close to the estuary and due to the serious tidal

| | | | |
|-----|-----|-----|-----|
| (1) | (2) | (3) | (4) |
|-----|-----|-----|-----|

effect and strong under currents, driving pre-cast concrete piles for foundation is not feasible for speedy and safe execution of the work.

1. Bored cast in situ piles shall be provided for foundation to enable speedy and safe execution of the work.
2. Payment of bills for the work shall be made at least once in two months.
3. The work shall be included in the 'NABARD' scheme.

In the meanwhile, the Executive Engineer, Roads Division, Kasargode submitted a new proposal with drawing obtained for the above bridge.

In this context, as a reason for the change in proposal, an instance has been reported by the Executive Engineer, Kasargode. This relates to slight sinkage noticed by the Executive Engineer, Roads, Kasargode in the piles of the newly constructed Mundenada foot bridge which is near to the Orikkadavu bridge. A close study revealed that this was due to the erosion of sandy riverbed caused by strong under currents. Due to erosion frictional depth of driven piles will be decreased causing failure. This compelled the Department to conduct a close study of this bridge site and it was confirmed that strong under current exists at this site also. During the period, nearly 2 km. away from this site an island was connected to the main land by an earthen bud. This could have been the main reason to the strong under currents causing serious bed erosion. The foundations adopted for the newly

(1) (2)

(3)

(4)

constructed railway bridge was also on bored cast in situ piles. It is noticed that nearly 2.5m of sandy riverbed eroded after conducting the first investigation. The depth of precast piles proposed in the estimate earlier was 20 meters. Piles are designed considering the frictional resistance of the soil surrounding the pile and the resistance at the bottom of pile due to load bearing strata. It is, therefore, better to extend the pile upto a depth where a hard load bearing strata is available. This strata is found out based on standard penetration test, the result of which can be interpreted in terms of N value preferably more than 100. In the first investigation report, the maximum value of N is obtained as 24. This shows that during execution of the work, the length of pile will have to be extended further, so as to meet hard strata. The frictional resistance of pile will be decreased when the depth of embedment is decreased. Hence friction pile are not advisable at locations subjected to severe erosion of the supporting strata. The decrease in frictional resistance may lead to foundation failure. The sand has a peculiar quality of 'boiling sand' or 'quick sand condition'. In the event of an earth quake, the sand particles may loose its strength due to this effect. Hence it is safe to extend the piles upto hard strata. The said strata below sandy bed is fine clay at this site. In order to compensate in frictional loss due to erosion of 2.5 metre sandy strata, the piles have to be driven nearly 10m or more depth in fine clay strata. Hence the

| | | | |
|-----|-----|-----|-----|
| (1) | (2) | (3) | (4) |
|-----|-----|-----|-----|

piles has to be driven nearly 35m or more ie, 10 metres more than that provided in the estimate. At a site like Orikkadavu which is an estuary it is practically impossible to drive precast piles. During inspection, the CE (R&B) was convinced of the situation and recommended to change the present piles to cast in situ bored piles and to extend the piles upto a hard strata.

Pre-cast concrete piles have an inherent defect if the piles are to be extended beyond the anticipated depth. When an obstruction in the form of boulders or logs are met with while drilling down the piles, it will be very difficult to continue the pile driving. In the present case, when piles are to be driven upto a depth of about 40m. the extension of piles becomes inevitable for lengths beyond which practical landing is rough and are prone to misjudgments and consequent loss of strength. In the second investigation, the depth where the S.P.T. values obtained are 50m, 49.5m and 36m average for near the abutments A1 and A2 and two bore holes in between. This clearly shows that the piles will have to be extended double the length of that in the original proposal, which was to construct 7 spans of 26.60 meter total. This is suited to the site conditions to keep the ventway of the river to a maximum extent, so as to reduce the erosion of bed.

It is seen that the change was not only in the foundation but in the entire bridge configuration.

| (1) | (2) | (3) | (4) |
|-----|-----|---|---|
| | | | <p>Even if the demise of the lowest quoted contractor Sri. K. J. Thomas had not happened and had the work been entrusted to him during execution, the department would still have compelled to effect design changes as per the present site conditions. In that case, the cost of work would have escalated to Rs. 420 lakhs+65% which is much more than the present cost. Considering the above, no loss is seen to have occurred to Government due to these changes. However, the changes in formation is made to safeguard the safety of the structure than any other consideration. Hence the additional cost if any involved has to be attributed to this. The remaining reasons were also unavoidable viz. delay in supply of departmental materials and in making timely payments of bills.</p> |
| 5 | 4.7 | <p>Excess expenditure due to termination of contract without invoking risk and cost clause in the agreement.</p> <p>Non-enforcement of contract conditions regarding risk and cost termination of the contract resulted in non-realization of the estimated extra liability of Rs. 45.45 lakh from the original contractor.</p> | <p>The risk and cost liability on K.S.C.C. has already been reported as Rs. 45,41,877 and the Arbitration Committee will look into this case for deciding on further action to be initiated.</p> <p>The new arrangements of work was done as per agreement dt. 6-10-1999 executed by contractor Sri. V. Babu. The liability to the original contractor was fixed by the Superintending Engineer vide his letter dt. 19-5-2001, ie. after a period of approximately 1½ years. The Government Order in this respect is that the liability should be fixed within 1 year on re-arrangement of work.</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|-----|--|
| | | | <p>The variation for the construction cost from Rs. 90.30 lakhs to Rs. 2.82 crores is due to the following reasons.</p> <p>(a) The risk and cost on account of the original contract comes to 45.45 lakhs.</p> <p>(b) The cost escalation was awarded to the Original contractor ie. K.S.C.C. vide G.O. (Rt) No. 1597/94/PW&T dt. 30-8-1994.</p> <p>(c) There were a few extra items to be done which were not included in the original estimate and the work is completed and bridge opened for traffic, and hence, no more chance exists for escalation.</p> |

Government of Kerala

PUBLIC WORKS (G) DEPARTMENT

Action Taken Report Committee on Public Accounts Notes on Remedial Measures Taken by Government on audit paragraph contained in the C&AG's Report for the year ended 31st March 2002 (Civil) in respect of para 4.6

| <i>Para No.</i> | <i>Recommendation</i> | <i>Action Taken</i> |
|-----------------|--|--|
| (1) | (2) | (3) |
| 4.6 | <p><i>Extra expenditure due to post-contractual reclassification of soil:</i></p> <p><i>Reclassification of substantial quantity of soil as medium rock after award of the work without conducting fresh soil test resulted in extra expenditure of Rs. 55.04 lakh.</i></p> <p>In January 1999 and April 2000, Superintending Engineer, Roads and Bridges, South Circle Thiruvananthapuram concluded two separate contract in respect of the improvement of two roads in Kottayam District for a total contract amount of Rs. 4.32 crore. The works scheduled to be completed on December 1999 and March 2002 respectively were in progress as of April 2002. Total payment made to the contractor till March 2002</p> | <p>1. <i>Improvements to Kaipally Yendayar road from Km. 0/00 to 5/770.</i></p> <p>In the original estimate provisions were made for excavation in all classes of soil for a quantity of 60100^{m³} and that of medium rock and hard rock 18420^{m³} and 1400^{m³} respectively. The classification was done based on the trial pit details taken during the year 1996. The depth of trial pits taken during the preparation of estimate was varying from 1.00m to 2.50m and the number of trial pits taken was only 5 nos. for the entire length of 5/770km. The estimate was prepared during the year 1996 and the proposal was to develop the existing jeep road to ODR standards. But during the execution, time, the road is converted to MDR by the Government. Moreover the land owners were ready to surrender their land free of cost in-order to widen the road to MDR standards.</p> <p>From Kaipally to Yendayar the terrain is very sleep for the entire length of 5/770 km. left side with deep valley and right side with very steep earth formation. It is decided to widen the existing jeep road towards right by using the land available with free of</p> |

| (1) | (2) | (3) |
|---|---|--|
| <p>aggregated Rs. 2.42 crore. Audit scrutiny revealed that extra expenditure of Rs. 55.04 lakh was entailed due to modified classification of soil as detailed below:</p> | <p>As contemplated in Kerala Public Works Department Manual, the nature and quantity of soil were originally determined by the Executive Engineer on the basis of trial pits taken. The quantities in contracts envisaged excavation of 1.76 lakh cubic metres of earth of which 0.38 lakh cubic metres (21 per cent) were classified as medium rock. While forwarding the initial levels, the EE Roads division, Kottayam, without conducting fresh investigation, reassessed (September 1999 and September 2000) the total quantity as 2.33 lakhs cubic metres of which 1.71 lakh cubic metres constituted medium rock. Accordingly, SE executed supplemental agreements in March 2000 and October 2000. Calculated with reference to the agreed rates for ordinary earthwork excavation, the estimated extra payment worked out of Rs. 55.04 lakh for the additional</p> | <p>cost. Hence the depth of cutting is increased to 6m and above instead of 2.50m in the original proposal. In this cutting portion trial pits were taken only for a depth of 2.50m, while preparing the estimate.</p> <p>Because, of the above mentioned facts the total earth work cutting quantity is increased to 90124m³ during actual execution.</p> <p>Because of the above mentioned facts the total earth work cutting quantity is increased to 90124m³ during actual execution.</p> <p>During execution medium rock was met at closer intervals than anticipated in the original proposal Medium rock quantity was worked out to 68286m³ as per interim level calculation. Photographs of the medium rock as various chainages were submitted to the Superintending Engineer for verification before approval of interim levels.</p> <p>The total extent of freely surrendered land for road formation is about 5.50 hectares and the cost of this will come about 42 lakhs. Hence the amount incurred due to strata change is less. The change in strata was occurred due to the widening towards the right ie. to the steep earth cutting side, otherwise if the widening were done towards left ie. to the valley side it will create the construction of retaining walls varying from 6 to 8m height and massive earth work fillings. This will also increase the</p> |

| (1) | (2) | (3) |
|---|--|--|
| <p>quantity of 1.21 lakh cubic metres of medium rock excavation.</p> | <p>Departmental decision to reclassify substantial quantity of soil as medium rock without conducting any fresh investigation especially when the original investigation was done on trial pit basis as laid down in the KPWD manual lacks justification and the matter calls for investigation.</p> | <p>cost. Considering all these facts the extra expenditure incurred in not a loss to Government.</p> |
| <p>The matter was referred to the Chief Engineer, Roads and Bridges in September 2001 and to the Pincipal Secretary to Government in June 2002. Replies have not been received (December 2002).</p> | <p>In 1991, Administrative Sanction for Rs. 279 lakhs was obtained for improving Kanjiramkavala Mechal Nellappara Narimattom road. But the work can not be completed, as planned, due to many reasons. The portion of the road from Kanjiramkavala to Mechal was widened and improved in phases between 1991 and 2000. But the improvement of the portion of the road K. 9/150 to 16/000 could be taken up only in 2000.</p> | <p>Hence change in classification of soil during execution and the extra liability due to the change in the classification of soil may be admitted. The calculation noted in the draft para ie. extra liability due to reclassification of soil comes to Rs. 40,61,752 is not correct.</p> |
| | | <p>2. <i>Improvements to Kanjiramkavala-Mechal Nellippara Narimattom road Km. 9/150 to 16/000 Km.</i></p> |
| | | <p>In 1991, Administrative Sanction for Rs. 279 lakhs was obtained for improving Kanjiramkavala Mechal Nellappara Narimattom road. But the work can not be completed, as planned, due to many reasons. The portion of the road from Kanjiramkavala to Mechal was widened and improved in phases between 1991 and 2000. But the improvement of the portion of the road K. 9/150 to 16/000 could be taken up only in 2000.</p> |
| | | <p>Investigation for this road was done facing flash floods, snakes and leaches. As these places were quite unaccessible to human beings, which lies at about 1500 ft. above sea level, the investgators could not take proper trial pits or accurate levels at that time.</p> |
| | | <p>Later, when pre-qualification tenders were invited for the portion of the road from Km. 9/150 to 16/000, only two contractors responded. A number of contractors visited the road, but did not turned up to offer tenders, due to various adverse reasons.</p> |

| (1) | (2) | (3) |
|-----|-----|---|
| | | <p>In the open tender, Sri. P. J. Sureshan Nikil, Construction Adoor quoted 11% below estimate rate and the work was awarded to initially, it was proposed to form the road and black top the surface for 3.80m.</p> <p>During the conference held by the Chief Engineer in the presence of Sri. P. C. George, MLA it was come to the conclusion that being an MDR where land slide cloud bursts, slips etc. are common 8m formation and thought it insufficient and not safe. So it is decided to width at curves and zins and also to provide bus bays wherever necessary. Being ghat road curves and zins are quite a lot. Widening the road to valley side by constructing retaining wall is more expensive than widening to the hill side by cutting medium and hard rock.</p> <p>At the time of taking initial levels, the land owners voluntarily surrendered the adjacent lands, as they believe that their road became a reality this time. The earth was cut using Proclaim so as to assess the actual percentage of earth, medium rock and hard rock. The percentage of Medium rock increased considerably. In the extra width taken on curves, zigs and bus bays, while going towards then hill side, the percentage of medium rock has gone up to 90%. Hence the quantity of medium rock is exceeded.</p> <p>This was brought to the notice of the Superintending Engineer during the inspection, and after the clue verification, the percentage was got approved and as such there is no loss this account. The land owners not actually willing to dump the loose earth to their cultivated land as</p> |

(1)

(2)

(3)

this will damage the cultivation during land slides and cloud bursts, where as a protection by medium rock packing saves their land from these phenomenon.

So the major portion of unserviceable medium rock obtained can be disposed off at initial lead, as there was more than sufficient land got for widening the road, as free surrender which was not available at the time of preparing estimate.

Approximately 36000m³ of filling, is to be done as per initial level proposals using unserviceable medium rock and earth which is more than 30% extra lead given and there is no loss to Government.

Any irregularity if found in the proportion of lead chart is only due to oversight, may be considered as clerical error being happened before inviting tenders. This is one of the reasons why the contractor quoted below rate and hence there is no loss.

Any irregularity if found in the proportion of lead chart is only due to oversight, maybe considered as clerical error being happened before inviting tenders. This is one of the reasons why the contractor quoted below rate and hence there is no loss.

Contractors will always take into account the conveyance provided for earth rubble etc. in the estimate, while quoting the rate, as it is an important factor for them.

In this case, Sri. P.J. Suresh had quoted 11% below estimate rate, based on his own calculation. It may be noted that this rate is quoted, when all other works in Kottayam Division are tendered above estimate rate.

In short, there is no loss to Government on account of this work, otherwise there is a savings of Rs. 33 lakhs to Government as the rate quoted is 11% below estimate rate.

**Action Taken Statement on the Report of Comptroller and Auditor General
for the year ended upto 31-3-2003 (Civil)**

| <i>Sl. No.</i> | <i>Para No.</i> | <i>Recommendation</i> | <i>Action Taken</i> |
|----------------|-----------------|--|--|
| (1) | (2) | (3) | (4) |
| 1 | 4.3.2 | <p>Construction of foot-bridges costing Rs. 44.94 lakh for inspection of work resulted in unauthorised aid to contractors.</p> <p>According to the tender document, rates tendered by the contractor for work were inclusive of the cost of affording facilities for examination of work, which the departmental officers might at any time consider desirable as also to count, weigh and assist in the measurement or check measurement of the work or materials. As such, no payment was to be made to the contractor for construction of temporary footbridges for inspection as well as for checking alignment by departmental officers.</p> <p>The Superintending Engineer (SE), Roads and Bridges Circle, Aluva executed three supplemental agreements with</p> | <p>The extra item providing footbridge for inspection purpose was found very essential for conducting inspection during the work of foundation well kerb, stening and plugging well cap, piers, pier caps etc. Moreover, these footbridges, whenever constructed, are found beneficial to the general public during the interim period of bridge construction. Commuters including school children in the vicinity make use of the facility. Because of this, it has to be ensured that footbridges are stable and that construction is as per departmental standards.</p> <p>The estimated cost of providing footbridges in these three works was not negligible, and therefore, the cost involved in the construction cannot be considered as an incidental item of expenditure.</p> |

| (1) | (2) | (3) | (4) |
|-----|-----|--|-----|
| | | <p>contractors for construction of footbridges as extra items (estimated cost Rs. 44.94 lakhs) for departmental officers to inspect three works in Thrissur District. The action of the SE executing supplemental agreement for the construction of footbridges as extra was beyond the scope of the agreements. This resulted in undue favour of Rs. 44.94 lakh (on estimate basis) to the contractors. As of April 2003, the payment made to the contractor amounted to Rs. 31.34 lakhs on this account.</p> | |
