

**MINUTES OF THE MEETING OF THE EMPOWERED COMMITTEE FOR PMGSY**  
**HELD ON 12<sup>th</sup> March, 2013**

**STATE: Jharkhand**

A Meeting of the Empowered Committee (EC) was held on **12<sup>th</sup> March, 2013** at 10.30 AM in the Chamber of Secretary, Department of Rural Development to consider the proposals of the State of Jharkhand for **Phase-XI** pertaining to IAP and non-IAP Districts under Pradhan Mantri Gram Sadak Yojana. List of participants are as below:

Sh. S. Vijay Kumar	Secretary (RD)	Chairman
Dr P K Anand	Joint Secretary (RC)	
Sh N C Solanki	Director (P-I), NRRDA	
Sh Bhupal Nanda	Director (F&A), NRRDA	
Dr I K Pateriya	Dir(Tech) NRRDA	
Sh P K Katore	Dir (P-III)	
Sh.Y S Dwivedi	Director (RC)	
Sh Mashoda Lal	Dy Secretary(Finance)	
<b>State Govt Representatives</b>		
Sh S K Satpathy	Pri Secy cum CEO JSRRDA	
Smt P Anjana Devi	Tech Secretary JSRRDA	
Sh A N Jha	JSRRDA	

2. Details of proposals considered by the Committee for the State of Jharkhand under **Phase-XI** pertaining to IAP and non-IAP Districts is as under:

Item	WB (RRP II)	Regular PMGSY	Upgradation	LSB	Total
<b>Value in Rs. Crores</b>	559.290	499.80	5.506	171.230	1235.826
<b>No. of Road works</b>	415	356	2	98	773 roads and 98 bridges
<b>Length in Km</b>	1224.194	1195.730	8.200	5411.17 m	2428.12km roads 5411.17 m bridge
<b>Average Cost in Rs. Lakhs / Km</b>	45.68	41.79	67.14	3.16 lac /m	-
<b>No. of Habitations</b>	0 of 1000+ 192 of 500+ 506 of 250+	2 of 1000+ 130 500+ 419 of 250+	-	-	2 of 1000+ 322 500+ 925 of 250+

3. The Empowered Committee reviewed the progress since the previous Empowered Committee Meeting held earlier and considered the institutional capacity of the State to efficiently execute the PMGSY works with the requisite attention to quality. The Empowered Committee also considered attainment of PMGSY, public disclosure norms in terms of the physical and financial and accounting data entered by the State in the programme software, OMMAS and the diligence in maintenance of the high quality assets created under the programme for the long term reduction of poverty. Before considering the proposals, the Committee discussed following issues.

### **Progress of works**

4. Principal Secretary (RD), Jharkhand stated that out of 2,589 works sanctioned till March, 2010, the State is yet to complete 810 works. Overall the State is yet to complete 1,754 roads of value about Rs. 1,852 crore.

5. Principal Secretary (RD), Jharkhand intimated that it has taken following action to augment its capacity:

a) The State has inducted 200 engineers through IIM recently to augment its implementation capacity.

b) The State has already engaged NPCC, HSCL, NBCC for implementation of projects. In addition it has asked permission to engage IRCON for executing works in five IAP districts (Garhwa, Gumla, Ranchi, Lohardaga and Simdega).

### **Completion Plan for incomplete works**

6. Secretary (RD) reminded that in the pre-EC meeting, the State had assured for completing 204 roads works during Jan, 2013 to March, 2013. The State informed that it has completed 40 roads during Jan, 20 and 30 roads during Feb, 20 and it will be completing remaining roads during March, 2013.

### **Progress of World Bank projects**

7. Dir(P-III) informed that the procurement process by the State is not efficient. The State is yet to award the contracts for 172 roads out of 394 roads sanctioned under RRP-II.

8. Dir(P-III) raised the concern that all the World Bank proposal by the State are for IAP districts where availability of contractors are limited.

### **Progress of works in IAP districts**

9. The State informed that the PIUs in the IAP districts are facing difficulty in awarding contracts. In order to augment its capacity, the State has engaged CPSUs in 17 districts out of the total 24 districts.

10. On the State's request, Secretary advised the State to consider to allot some works to CPSUs in the Non-IAP districts also.

### **ATR submission**

11. The Committee observed that the State has sent ATRs for 29 NQMs inspections only against the requirement of 142 ATRs. Secretary, RD asked the State to send ATRs for inspections carried out till 30<sup>th</sup> Sept, 2012 and upload on OMMAS.

### **Quality Control**

12. Director (P-III), NRRDA brought out that SQM system in the State is not functioning properly. Against 11% completed works found unsatisfactory by NQMs, SQMs have rated only 3% and it seemed that the SQMs were more oriented towards producing 'satisfactory' certificates than to point out deficiencies in roads. The State informed that it has already removed in-house SQMs and going to appoint additional SQMs. As advised by the Committee, the State agreed to the performance evaluation of the SQMs rigourously. The State also agreed to arrange training for the SQMs.

13. The photographs of some roads shown by the Dir(P-III) indicated that the PIUs are not concerned about proper provisions of the berms and CD works. The maintenance of roads completed by the State is very poor.

14. Dir(P-III) expressed the his view that the SQMs of the PSUs are not useful and quality is a concern of the owner. The State should strengthen its own SQM system to inspect the works. The State informed that 17 new SQMs are going to be engaged by 15<sup>th</sup> May, 2013 which will increase its strength to 40 SQMs. In addition, it is going to engage third party for second-tier inspection. Secretary asked the State to award the contracts for the present proposal only after engaging 40 SQMs.

15. Dir(P-III) advised that the site-labs of the contractors should be inspected by the SE level officers to ensure the First-Tier quality control.

16. Secretary desired that the PIUs executing the works should own the DPRs instead of blaming the deficiency in the DPRs. Before tendering and even at the time of execution of works, the changes required in design, alignment, CD works should considered irrespective of shortcomings in DPRs.

### **Updation of Habitation data on OMMAS**

17. The State intimated that it will be ready with the Habitation updated data by 31<sup>st</sup> March, 2013. Secretary, RD asked NRRDA to open the lock on OMMAS for a limited period of 15 days on receipt of request alongwith the Hard copy of data to be entered duly signed.

### **OMMAS Accounting module**

18. Secretary, RD asked the State to update the accounts module on OMMAS upto year 2011-12 and send balance sheet as per OMMAS duly tallied with audit report for year 2011-12.

### **Completion Plan of Incomplete Works**

19. Secretary, RD asked the State to send the completion plan for IAP and non-IAP areas district-wise to plan the works as per ground conditions and the State should indicate the roads

dropped/proposed to be dropped, forest area etc. Out of above plan the State should also prepare completion plan for over-due works to monitor these closely.

### **Financial closure of completed works**

20. The State intimated that it has financially closed 409 works during period 12 Feb, 2013 to 9 March, 2013

21. Secretary, RD asked the State to clear the Final Bills of the completed roads for atleast 80% of the pending cases before issue of tenders for the present proposals.

22. Secretary, RD also instructed that while calculating the balance implementation capacity of the State, it will only consider financially closed roads as completed.

### **Entry of PCI data**

23. Secretary, RD asked the State to start the PCI data entry for all the roads in core-network in order to plan its maintenance and become eligible for sanctioning of Upgradation works.

### **Maintenance of completed roads**

24. As per the information provided by the State Government and NRRDA, the following is the status of maintenance:-

<b>Financial Year</b>	<b>Maintenance Funds Required (As per Contracts)</b>	<b>Actual Release SRRDA</b>	<b>Fund to</b>	<b>Expenditure by SRRDA during the Financial Year</b>	<b>% Expenditure w.r.t maintenance funds required</b>
2010-11	20.78	0.00		0.02	-
2011-12	18.24	17.98		0.13	1%
2012-13 (Upto Feb. 13)	65.46	52.00 (deposited in end of Feb. 13)		0.79	1%
<b>Total:</b>	<b>109.24</b>	<b>67.98</b>		<b>0.94</b>	

25. The State intimated that it has credited Rs.52 crore in SRRDA's maintenance account. Secretary, RD observed that expenditure on maintenance is too low and requires to be paid proper attention. The State intimated that it is taking strict action against the defaulting contractors and forfeiting their security deposits. JS(RC) asked the State to send the details of such action and forfeiture of deposits, and also maintenance expenditure plan covering periodic renewal separately. Secretary (RD) however pointed me that in fact it seem that contractors were preferring bills, but they were not being passed by the PIUs and were being returned with frivolous objections. As a result. The contractors were neither preferring the bills nor maintaining the road. He stated that this was not acceptable as it amounted to a tacit agreement between the parties to save on maintenance spending. Pr Sec (RD) Jharkhand stated that PIU engineers were being sent

to study the maintenance system in MP and thereafter proper guidelines would be issued clarifying the matter.

26. The Committee observed that the State did not spend as per the requirement on maintenance of roads constructed under PMGSY despite the State having adequate funds on this account. The committee desired that the State Government's attention be drawn to the provision of para 17.1 of PMGSY Guidelines regarding maintenance which states that '*the putting in place of institutional measures to ensure systematic maintenance and providing adequate funding for maintenance of the rural Core Network, particularly the Through routes, will be key to the continuance of the PMGSY programme in the State*'. The Committee desired that the State Government may be reminded that PMGSY roads are not mere construction projects to be executed so as to achieve physical and financial progress. Rather, they are inputs into the poverty reduction strategy and their continued existence for atleast 10 years was essential to achieve the intended objective. The State Government would be doing itself and the people of the State a great disservice if they constructed roads of poor quality and then also did not spend money on maintaining it, because the net result would be bad roads or no roads at all after a short period of time and the opportunity to use the road infrastructure to deliver services for poverty reduction would have closed prematurely.

27. It was also decided that in order to ensure adequate maintenance, the calculated execution capacity would also factor in the track record of the State Government in terms of its ability to maintain the constructed roads.

#### **Scrutiny of Consultant Based DPRs**

28. Dir(Tech) asked the State to instruct their PIUs to carry out CBR tests for at least 25% cases themselves for verification of works being done by the Consultants in their laboratory or STA's laboratory. The State agreed for the same and assured that it will be done before issue of tender.

#### **Implementational and Executorial Capacity**

29. Dir (P-I), NRRDA presented the implementational capacity of the State as under:

<b>Execution Capacity of the State</b>					
#	Basis	No. of PIU		Work Load per PIU (Rs. In Crore)	Total
1	PIU	Normal Areas	7	50	350
		IAP	18	75	1350
		PSUs	21	75	1575
		<b>Total:</b>	<b>46</b>		<b>3275</b>
#	Basis	No. of SQM		Capacity of a SQM to inspect work worth (Rs. In Crore)	Cost of Work (Rs. In Crore)
2	SQM	State	19	105	<b>1995</b>

		PSUs	4	105	420
		<b>Total:</b>	<b>23</b>		<b>2415</b>

*Average construction cost per km Rs. 0.35 Crore*

#	Basis	Year (s)			Maximum Expenditure + 10% per year (Rs. In Crore)
		2009-10	2010-11	2011-12	
3	<b>Expenditure</b>	458	538	323	<b>651</b>

Work load required according to expenditure of Rs. 651 Crore is Rs.  $651 \times 3 =$  Rs. 1,953 Crore

Lowest of the above three parameters = Rs.1,953 Crore

Balance work in Hand (31.12.2012)- Rs. 1,975 crore

### **Review meeting in the State**

Secretary advised NRRDA to hold a review meeting every month in the State to advise and train the State official on various matters regarding progress and quality.

### **DPR issues**

Dir(Tech) brought out some issues regarding DPRs and are enclosed as **Annexure-I**.

### **Decision of the Committee**

30. The Committee observed that the State did not possess any capacity to take on additional works (para-29) However keeping in view the need to also meet the World Bank project requirement, State Government requested that project may be approved to the States subject to the State taking action to create the requisite capacity prior to tendering. State informed that all the proposals are World Bank guidelines compliant. The Empowered Committee accordingly recommended for approval the project proposals in two parts and asked the State and NRRDA according to divide the proposal in two parts suitably to consider the LSBs with corresponding Parts. The conditionality for clearance of proposals and tender actions of each part by the State was recommended as under:

#### **(i) Conditions for Clearance for Part-I:**

- The State will correct the DPRs and upload the proposal on OMMAS in two separate batches.
- The State will send the PIU-wise quarter wise maintenance expenditure plan for the year 2013-14 as per letter circulated by the Ministry vide letter No. P-17024/ 11 /2011-RC dated 06th March, 2012 (also available on [www.pmgysy.nic.in](http://www.pmgysy.nic.in)).

#### **(ii) Conditions for issue of tenders for Part-I by the State:**

- a) Tenders will be issued after acceptance of at least 80% works of previous Batches of year 2011-12 and 2012-13. The report of single tender acceptance will be sent to MoRD & NRRDA in the format enclosed as **Annexure- II**. Out of the contracts accepted for the roads, Nos. of roads for which Single Tenders accepted should not be more than 15% of nos. of roads.
- b) The State will ensure placement of 40 SQMs and inform MoRD and NRRDA
- c) The State will issue the self-contained guidelines on Maintenance to its PIUs with copy to MoRD and NRRDA, so that maintenance takes place and contractors bills for maintenance are duly paid.
- d) The State will complete the 204 roads which were due to be completed during Jan, 20 to March, 2013.
- e) The State will ensure expenditure of at least Rs. 1.5 crore on 5-year maintenance starting from 01 April, 2012, his 31<sup>st</sup> March 2013.
- f) The State will financially close at least 80% of the works completed on OMMAS.
- g) The State will send ATRs for the inspections carried out till 30<sup>th</sup> Sept, 2012 and upload on OMMAS.
- h) The State will meet other World Bank project conditionality.

**(c) Issue of tenders for Part-II by the State:**

- a) Tenders will be issued after awarding at least 80% works of Part-I above, out of which not more than 15% nos. of roads acceptance shall be Single Tender . As agreed by the State in the EC meeting, it would duly enhance its capacity and not ask for any cost escalation due to staggering needed within this clearance. The report of single tender acceptance will be sent to MoRD & NRRDA in the format enclosed as **Annexure-III**.
- b) The State will update the R&P Module on OMMAS and sent balance sheet generated on OMMAS for the years 2011-12 and 2012-13. The 2011-12 accounts from OMMAS should be audit certified.
- c) The State will complete the data entry for Habitations and including its mapping.
- d) The State will conduct PCI survey and enter PCI data on OMMAS for all the roads, by 15<sup>th</sup> June 2013.
- e) The State will make payments of Final Bill to the Contractors who have completed works 6 months back.
- f) The State will meet other World Bank project conditionality.

The meeting ended with thanks to the Chair.

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**Data entry on OMMAS**

- All Proposals of current batch are not entered in single batch. Hence, the data entry verification has not been done.
- Number of benefitted habitations mismatching with OMMAS and Brief.
- State share has been entered for proposals under WB RRP-II. However, there is no mention in the hard copy of road list furnished by the State.
- Certain proposals have been mapped with habitations with zero population.
- On random verification, it was found that three proposals are having single target population having less than 250 pop.

**DPR Issues**

- Brief for Empowered Committee as per Sop dated 10<sup>th</sup> January, 2013 is not submitted.
- State has proposed road works benefitted habitations of 1000+ population. However, District-wise connectivity status not furnished.
- Proposals for link routes with 7.5 m roadway width and 3.75 m carriage way considered in case of motorized traffic less than 100. As per PMGSY guidelines it should be 6 m for roadway width and 3 m for carriage way .
- The joint inspection report for LSBs of SE and STA has not been attached in DPR as per circular dated 25-10-2012
- Separate DPR for LSBs not given as per PMGSY guidelines.
- Cost of Shifting of utilities should be considered as state share as per PMGSY guide lines.
- In case of RCC culverts RCC Railing should be replaced by parapet walls.
- MPI, II,III formats not received.
- Detailed sheet enabling PCI data view and analysis year wise, package wise in form D not enclosed.
- GSB material as per clause 408 should be replaced by grade III.
- No proposal for R&D proposed in the current batch.

**Status of Single Tender acceptance by the State of Madhya Pradesh\***

Duration	Nos. of roads for which Tenders accepted during the month	Nos. of roads for which Single tenders accepted in first call	Nos. of roads for which Single tenders accepted in second call	Nos. of roads for which Single tenders accepted in third call
April, 2012				
May, 2012				
June, 2012				
.....				
Feb, 2013				
March, 2013				

\*Separate entries in aforesaid proforma for each clearance since 1<sup>st</sup> April, 2012

**Status of tendering of Part-I of present clearance given in Para-2 of the letter**

PIU Name and district	No. of roads put to tender		No. of roads awarded		No. of roads awarded on the basis of Single Tender		%age of single tender accepted	
	Normal	IAP	Normal	IAP	Normal	IAP	Normal	IAP