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No.P-17024/13/2012-RC
Government of India
Ministry of Rural Development

Krishi Bhavan, New Delhi,
Dated the 3rd April, 2013.

Subject:- Minutes of the Meeting of the Empowered Committee held on 26th March, 2013 to consider the project proposals of Kerala State under Phase- VIII (2012-13) of PMGSY - regarding.

The undersigned is directed to enclose herewith a copy of the Minutes of the Meeting of the Empowered Committee held under the Chairmanship of Secretary (RD) on 26th March, 2013 at 5:00 PM to consider the project proposals of Kerala State under Phase- VIII (2012-13) of Pradhan Mantri Gram Sadak Yojana (PMGSY) for necessary action.


(P. Manoj Kumar)
Director

1. Pr. Principal Secretary, Department of Local Self Government, Government of Kerala, Government Secretariat, Annexed Building, Thiruvananthapuram, Kerala-695012.
2. Chief Executive Officer, Kerala State Rural Road Development Agency, 3rd Floor, CSI Building, Polimoodu Junction, Thiruvananthapuram, Kerala.
3. Senior Adviser (Transport), Planning Commission, Yojana Bhavan, New Delhi.
4. Sr. Scientist, CRRI, Mathura Road, New Delhi.
5. Chief Engineer, Road Standards and Research, Ministry of Shipping, Road Transport & Highways, Transport Bhavan, New Delhi.
6. Director (Border Management-I), Ministry of Home Affairs, NDCC Building, Jai Singh Road, New Delhi.

Copy to:-

PS to Hon'ble Minister (RD)/PS to Hon'ble MoS(RD-LK)/PPS to Secretary (RD)/PPS to AS&FA/PPS to Additional Secretary (RD)/PS to JS (RC)/Director (RC-YSD)/Deputy Secretary (RC-MR)/ Director (RC-PMK)/ DS(Finance)/Director(F&A)/Director (P-I)/Director(Tech.)/Director (P-III), NRRDA.

Forwarded
4/4/13

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**MINUTES OF THE MEETING OF THE EMPOWERED COMMITTEE FOR
PMGSY HELD ON 26th MARCH, 2013**

STATE: KERALA

1. A Meeting of the Empowered Committee (EC) was held on 26th March, 2013 at 05:00 PM under the chairmanship of Secretary, Department of Rural Development to consider the proposals of the State of Kerala under Phase- VIII (2012-13) of Pradhan Mantri Gram Sadak Yojana (PMGSY). List of participants is given below:

| | |
|------------------------------------|--------------------------------------|
| Sh. S. Vijay Kumar | Secretary (RD), Chairman |
| Shri. S.M. Vijayanand | AS (RD), MoRD |
| Dr P K. Anand | Joint Secretary (RC), MoRD |
| Shri S. Swarna Ganapathy | Adviser, Planning Commission |
| Dr B.K. Durai | CRRI, New Delhi |
| Shri P. Manoj Kumar | Director (RC), MoRD |
| Dr I.K. Pateriya | Dir(Tech), NRRDA |
| Shri. N.C. Solanki | Dir (P-I), NRRDA |
| Shri. Bhupal Nanda | Dir (F&A), NRRDA |
| State Govt. Representatives | |
| Shri V.S. Senthil | Pr. Secretary, LSGD, Govt. Of Kerala |
| Shri. B.S. Jayakamal | Superintending Engineer, KSRRDA |
| Shri. T. Shaji | General Manager, KSRRDA |
| Shri Rajesh D. | AEE, KSRRDA |

2. The Empowered Committee reviewed the progress since the previous Empowered Committee Meeting held on 20.11.2008 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 achievements under PMGSY, public disclosure norms in terms of the physical and financial and accounting data entered by the State in the programme software, Quality Monitoring, OMMAS and the diligence in maintenance of the high quality assets created under the programme for the long term reduction of poverty.

3. Current Proposal

3.1. A detailed presentation was made by NRRDA on the present status of implementation of PMGSY in the State of Kerala and the current proposal. The Details of

proposal under Phase - VIII of PMGSY discussed by the Committee for the State of Kerala is as under:

Phase- VIII (2012-13)

| Item | Upgradation |
|--------------------------------|-------------|
| Value (Rs. In crore) | 563.34 |
| No of Road Works | 354 |
| Length (Km) | 906.6 |
| Average Cost (Rs. Lakh per Km) | 62.13 |
| Maintenance cost | 9% |

3.2. The State has sent the proposals of 906.6 km length of road works under phase VIII of PMGSY, which includes 30 roads covering 137.2 km under 'Idukki package', 12 roads covering 25.51 km under 'Endosulphan package' and 26 roads covering 60.787 km under R&D Technology (Coir Geo-textiles). Since the State has a balance target of only 720 km under upgradation, the Principal Secretary (LSGD) requested the Committee to consider additional 137.2 km under 'Idukki package' and 25.51 km under 'Endosulphan package' over and above 720 km considering the low intake of the State under PMGSY. He informed that the Idukki package was proposed in the light of Swaminathan Committee Report which suggested enhancement of rural connectivity for better agriculture productivity in the district as the district has high potential for economic development through agricultural activities. He further stated that the Kasaragod district is worst affected by Endosulphan, which was being aerial sprayed for Cashew Plantations. The road connectivity in Endosulphan affected areas in the district is very poor and therefore few roads were proposed to provide better connectivity in the affected areas which would help the people to access health facilities etc. Further, he informed that the State proposes to drop 226 road works, sanctioned in earlier phases (approx. 500 km length), and requested that additional sanction may be given to the State in lieu of length of dropped roads. The Empowered Committee pointed out to the State that the Ministry does not issue any district/area specific clearances, and in line with the poverty reduction strategy expects that the State would have approached it accordingly and as per PMGSY guidelines. This being the last clearance under PMGSY the State should accordingly revisit its proposal and attach MP-I and MP-II forms supporting it. Empowered Committee added that since the State has proposed about 60 km road works under R&D technology, considering the potential of the State to utilize the technology of Coir Geo-Textiles and disseminate to the other States, it could recommend a small additional length

of 26 km over and above 720 km. The State has accordingly revised the road list and sent the road list of 320 road works covering 746 km, (including 25.51 km length of roads proposed in the areas affected by Endosulphan in Kasaragod district).

The Committee further decided that since additional sanction in lieu of length of dropped roads is a policy decision concerning all the States and has financial implications a view will be taken by the Ministry later. Since the State was yet to propose roads for dropping and reflect on OMMAS, it could like other States, for roads which it was not in a position to construct, send a formal request along with the road list for dropping in the prescribed format to the Ministry, to facilitate timely releases. The State was also reminded that as per the current policy once the sanctioned road are dropped, the same road(s) or any other roads in lieu can not be considered for further sanction under PMGSY, except for the roads dropped due to lack of forest clearance with supporting documents provided for consideration.

4. Physical Progress

While reviewing the current proposals, the Empowered Committee also reviewed the pace of implementation of road works under PMGSY in the State. The State has reported to have completed 732 works out of 1173 works sanctioned. Notably, 441 works are still incomplete including 221 works which were sanctioned prior to March 2010. The State has further informed that out of 441 pending works, it proposes to drop 226 works and therefore actual works pending would be 215 works. The State has further sent a completion plan for all incomplete works sanctioned prior to March, 2010 which is given at Annexure I. The State was advised to take immediate action to complete all the 215 left over works at the earliest adhering to the completion Plan, and send the completion status to the Ministry on quarterly basis. The State was further reminded that the fund release to the State would be based on the completion of the road works as per the completion plan. The status of phase-wise/year-wise completion of road works as reported by the State is given below.

| Year of sanction | Phase | Sanctioned works | Completed works | Financial closure as per OMMAS |
|------------------|----------------|------------------|-----------------|--------------------------------|
| 2000-01 | I | 33 | 33 | 33 |
| 2002-03 | II | 178 | 173 | 138 |
| 2003-04 | III | 52 | 44 | 32 |
| 2004-05 | IV | 9 | 63 | 48 |
| 2005-06 | V | 77 | 46 | 36 |
| 2006-07 | VI | 322 | 234 | 153 |
| 2008-09 | VII(Batch I) | 200 | 139 | 42 |
| 2010-11 | VII (Batch II) | 220 | 0 | 0 |

| | | | | |
|-------|--|------|-----|-----|
| Total | | 1173 | 732 | 482 |
|-------|--|------|-----|-----|

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5. Institutional Capacity

5.1 While reviewing the status of completion of roads, the Committee took it as an indication of inadequate institutional capacity and a great cause of concern as under PMGSY, works are required to be completed within 12 months. The Committee was reported that SRRDA does not have Chief Engineer, dedicated Empowered Officer and even a Financial Controller. Moreover, PIUs are understaffed, which have 4-5 engineering staff only. The Principle Secretary (LSGD) informed that the State Government has already taken a decision to appoint one Chief Engineer and one dedicated Empowered Officer for PMGSY and the process will be completed soon. The Committee advised the State to immediately appoint one Chief Engineer exclusively for PMGSY, one Non-Technical Empowered Officer of equivalent level of Chief Engineer chosen on merit at SRRDA and adequate graduate engineering staff at PIUs in order to strengthen SRRDA and PIUs and efficiently execute PMGSY works. A competent officer may also be selected for the post of Financial Controller on full time basis.

5.2 Further, the Committee opined that one of the major reasons for the slow performance of the programme in the State is the frequent transfer of the officers engaged in the implementation of the programme. This is adversely affecting the quality of the works as well. The Committee was of the opinion that the State should frame a transfer policy for the engineering staff in-charge of PMGSY in SRRDA and PIUs so as to allow them to work at least for a minimum tenure of 3 years in order to yield the desired outcome as envisaged. Also, the officials of SRRDA and PIUs should be imparted requisite training on technical issues and OMMAS. The Contractors, including those from outside Kerala, after the works are awarded should also be trained in the presence of SRRDA staff. A Pre-bid meeting of PMGSY Contractors and other Contractors may be arranged with wide publicity. NRRDA should also arrange a training in consultation with the State. A decentralized system of payment to the Contractors by empowering the PIUs, also needs to be put in place as per Operations Manual and instructions of NRRDA. The State expressed its willingness to host one Regional Review Meeting (RRM) in the State as it will be an exposure to all the engineering staff posted upto PIU level. The State was informed that one RRM could be held in Thiruvanthapuram during the first round of RRM's next financial year.

5.3 Further, the village roads in the State face unique problem like delay in the shifting of utilities like electric poles, water line, telephone line etc. The bottleneck in shifting of utility is attributable to lack of coordination between Departments concerned. An empowered system for co-ordination may be put in place at the State level also in addition

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to the district level arrangement. The State was also advised to empower the District Collector in the implementation of PMOSY which would facilitate him to quickly resolve the issues like shifting of utilities, land, labour and supply of materials etc.

6. OMMAS

It was observed that habitation details in OMMAS are not consistent. The State should complete the work within two weeks, as agreed by it. Further, data entry gaps still persist on the selected parameters of OMMAS. It was reiterated that the data should be fed into OMMAS on a regular basis and State should ensure that data entered on OMMAS is accurate and consistent.

7. Maintenance

7.1 As per OMMAS, the State has credited Rs. 4.69 crore to SRRDA during the current year, against the requirement of Rs. 8.50 crore as per the contracts requirement. The details of maintenance funds required released to SRRDA and utilized by them during the last two years and current year as per OMMAS is given below.

| Financial Year | Maintenance Funds required to be released | Actual release to SRRDA | Expenditure (upto January 2013) | (in crore) | % of expenditure on funds required |
|----------------|---|-------------------------|---------------------------------|------------|------------------------------------|
| 2010-11 | 3.61 | 1.63 | 0.93 | | 26% |
| 2011-12 | 4.68 | 1.64 | 2.18 | | 47% |
| 2012-13 | 8.50 | 4.68 | 2.25 | | 26% |
| Total | 16.79 | 7.95 | 5.36 | | |

7.2 The State informed that the Finance Department has already released an amount of Rs. 8.497 crore towards maintenance which will be credited to SRRDA very shortly. The Committee observed that the State did not spend as per the requirements on the maintenance of roads constructed under PMGSY, as contracted. 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 reminded the State Government 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 at least 10 years was absolutely essential to

achieve the intended objective. The State Government would be doing itself and the people of the State a great disservice if they construct roads and then did not maintain it, which would lead to bad roads or no roads at all after a short period of time and the people of the State are deprived of the opportunity to use the good rural road infrastructure which would hinder the objective of the Ministry in the poverty reduction strategy. The representative of the State assured the Committee that it will take utmost attention in maintaining the roads and will ensure to keep sufficient funds under maintenance head.

8. Quality Monitoring Mechanism

8.1. The State has reported that field level laboratories have been established in all the 14 districts. The Committee advised the State that the SQC and Chief Engineer should inspect the laboratories at least 10% every quarter.

8.2. The State has reported that it has at present 7 SQMs and additional 7 SQMs will be engaged shortly. The Committee observed that the number of inspections carried out by SQMs is far below the expected number. No inspection has been carried out on completed works. Out of 16 SQM inspections carried out on ongoing works during the period April 2011 to December 2012, Unsatisfactory reports were graded for 7 works (44%). The reports of NQMs also show that the quality of the roads is not upto the expected level and during the same period, a high number of Unsatisfactory works have been reported (25% at on-going stage and completion stage). Based on the NQM inspections for the last five years (works under defect liability period), only 15% of the roads were found to be maintained properly. The Committee was of the view that such a high rate of Unsatisfactory works was a matter that should be brought to the notice of the State Government at higher level and it was not possible to keep funding new works if the State Government does not quickly improve the quality of on-going works. The Committee stressed the need for strengthening II tier monitoring mechanism by imparting training to SQMs etc. The Committee further reminded that the clearance of the current proposals will be linked to the SQM inspections. The State is required to depute SQMs for inspections for completed works and on-going works as per the requirement and send a report to the Ministry indicating the status of number inspections carried out during the month of April to May 2013.

8.3. As regards submission of ATR on NQM inspections, out of 26 ATRs required to be submitted, the State has taken action on 23 ATRs. The State is required to take action on 3 ATRs immediately. It was further decided that for Unsatisfactory works that are identified by NQMs and found as non-rectifiable defects, the entire amount incurred should be recovered from the State.

10.4. The State has uploaded 30 photographs on OMMAS based on 16 SQM inspections made during April 2011 to December 2012, which is inadequate. The State is required to upload 10 photographs per inspection, including one of field laboratories.

9. DPR Issues

Further, the Empowered Committee made following observations on the DPRs in respect of current proposals:

- i. Proforma C of certain proposals has not been sent to NRRDA, which should be sent to NRRDA after duly vetted by STAs.
- ii. 26 roads with Coir Geotextiles under R&D are proposed in the current batch of proposals. The State should send the sample DPRs to NRRDA for scrutiny before tendering.
- iii. Proposals entered and scrutinized by the STAs on-line are not matching with proposals submitted. The State should review the same.
- iv. Online Core Network and habitation data needs to be updated as per data furnished to NRRDA during 2005.
- v. The average cost per km of the current proposals for Kottayam and Kozhikode districts appears to be on higher side. A sample list of DPRs has been given to the State where the rates are exorbitant for verification and appropriate correction.
- vi. For a few proposals, width of carriageway proposed is 3.75 m even for traffic volume below 100 MVRD, which needs to be corrected to 3 m.

10. Absorption Capacity

The financial report of the programme indicates that the expenditure incurred by the State for construction of road works under PMGSY for the last few years is very low. Also, the State had a huge unspent balance which was to the tune of Rs.124.09 crore at the end of the last financial year.31st March, 2012. As per the capacity assessment study (based on ongoing works excluding works proposed to be dropped, factors on maintenance percentage, SQM inspections, expenditure and no. of PIUs) the State has been assessed to take up additional works of Rs. 100 crore only, now and during the year 2013-14 (Annexure II). State was advised to take immediate action to increase their absorption capacity by improving the contracting capacity by attracting competent contractors through efficient contract management. The Principle Secretary, LSGD informed that action has already been taken to increase the execution capacity of the State Implementing Agency by way of engaging adequate engineering staff at SRRDA and PIUs, engaging additional SQMs, training to concerned staff and contractors etc. He further assured that the State will send a road map to the Ministry for strengthening the Agency within two weeks. Considering the assurance given by the State the Committee was of the view that the current proposals limiting to 746 km of length may be considered.

11. Financial/Accounting issues

The following issues were pointed out:-

- i. Financial closure has been made only for 482 works out of 732 completed works. It was pointed out that if the closure does not take place, the State may not be able to be sanctioned funds in terms of para 19.2 of the PMGSY Guidelines.
- ii. Audited Balance Sheet of Programme Fund and Administrative Expenses Fund for the financial year 2010-11 and 2011-12 have not been received despite reminders.

12. Recommendations of Empowered Committee

12.1. Subject to the above observations, the Empowered Committee recommended the proposals at para 3.1. above (limiting to length of 746 km) for consideration under PMGSY, as per timelines agreed and concurrent actions stipulated in ensuing sub-
paras.

12.2. Further, the State will complete the following activities, as agreed by it, prior to clearance.

- i. The DPRs should be corrected based on the observations of NRRDA as referred at para 9 above and got it vetted by STAs on OMMAS.
- ii. Audited Balance Sheet of Programme Fund and Administrative Expenses Fund for the financial year 2010-11 should be sent. The balance sheet for the year 2011-12 should be prepared based on the output generated through OMMAS and should be reconciled with audited balance sheet.
- iii. The 2nd tier monitoring mechanism should be strengthened in order to ensure quality inspections. The SQMs should be provided orientation training. Further, the State should depute SQMs for inspections on the completed and on-going roads as per requirement and send a report to the Ministry indicating status of number of inspections carried out during the month of April and May 2013.
- iv. The required maintenance amount as per the contracts during the financial year 2012-13 should be credited to SRRDA.
- v. Habitation data entry on OMMAS should be made consistent and to be completed by 15th April 2013, as agreed by the State.

12.3. Following activities will be completed by the State before tendering of works.

- i. The State will appoint one Chief Engineer exclusively for PMGSY, one Non-Technical Empowered Officer of equivalent level of Chief

Engineer at SRRDA chosen on merit and adequate graduate engineering staff at PIUs for effectively executing PMGSY works. 17

- ii. Out of 26 ATRs required to be submitted, the State is yet to submit ATR on 3 reports. For all 3 cases, urgent remedial action should be taken and ATRs on NQM reports should be sent to NRRDA and uploaded all the reports on OMMAS.
- iii. The State should accelerate the pace of the programme and complete the ongoing works in accordance with the completion plan (enclosed) submitted by the State.
- iv. The sample DPRs of 26 roads with Coir Geo-textiles under R&D proposed in the current batch of proposals should be sent to NRRDA for scrutiny.
- v. The State has to prepare a comprehensive Maintenance Plan to ensure that the assets created under PMGSY are maintained upto the standard.
- vi. The Pavement Condition Index (PCI) was conducted by the State in 2010 only, which is more than 2 years old. Fresh PCI Survey should be conducted and uploaded on OMMAS for proper maintenance management system.
- vii. Financial closure of 80 % of the road works tendered up to March 2010 be made.
- viii. Printing of road list as on 1.1.2013 along with columns on maintenance budget and expenditure be done.
- ix. Ten digital photographs for each SQM inspections, including one of field laboratory should be uploaded on OMMAS.

13. The meeting ended with a vote of thanks to the Chair.

Annexure-I

| Completion Plan for incomplete works and Expenditure Plan by the States | | | | | | | | | | | | | | | Format A |
|---|-------------------|-------------|--------------|---------------------------------|---------------------------------------|--------------------------|--------------------|--------------|-------------|---|----------------------------------|---------------------------------|-------------------------------|---------------------------------|----------------------------------|
| Details of incomplete works | | | | Stage of Work (in No. of roads) | | | | | | Planning for completion (in No. of roads) | | | | | |
| Sl No. | Phase of Sanction | No of roads | Length in Km | Tender action is in process | Tender accepted and work yet to start | Sub-grade work completed | GSB layer complete | WBM complete | By complete | During Jan, 2013 to March, 2013 | During April, 2013 to June, 2013 | During July, 2013 to Sept, 2013 | During Oct, 2013 to Dec, 2013 | During Jan, 2014 to March, 2014 | During April, 2014 to June, 2014 |
| 1 | Phase I | | | | | | | | | | | | | | |
| 2 | Phase II | 1 | 2.61 | | 1 | | | | | | | | | | |
| 3 | Phase III | 2 | 1.98 | | 2 | | | | | | | | | 1 | |
| 4 | Phase IV | 8 | 17.10 | | 1 | 3 | 2 | | 2 | | 1 | 3 | 2 | 2 | 2 |
| 5 | Phase V | 0 | 15.71 | | 2 | 1 | 2 | 1 | 2 | 2 | 1 | 2 | 1 | | 2 |
| 6 | Phase VI | 47 | 128.96 | | 5 | 15 | 10 | 9 | 8 | 16 | 8 | 4 | 7 | 5 | 8 |
| 7 | Phase VII | 140 | 408.42 | | 86 | 26 | 18 | 14 | 25 | 7 | 5 | 10 | 85 | 50 | 22 |
| Total | | 215 | 573.85 | 0 | 77 | 45 | 32 | 24 | 37 | 24 | 16 | 14 | 65 | 58 | 34 |

A-3-2013

Chief Technical Officer
Roads and Transport Department
Government of India
Ministry of Road Transport and Highways

Kerala

Execution Capacity of the State

| # | Basis | No. of PIUs | Work Load per PIU (Rs. In Crore) | Total |
|---|-------|-------------|----------------------------------|-------|
| 1 | PIU | 14 | 50 | 700 |

| # | Basis | No. of SQMs | Capacity of a SQM to inspect work worth (Rs. In Crore) | Cost of Work (Rs. In Crore) |
|---|-------|-------------|--|-----------------------------|
| 2 | SQM | 14 | 123 | 1722 |

Average construction cost per km Rs. 0.41 Crore

| # | Basis | Year (s) | | | Maximum Expenditure + 10% per year (Rs. In Crore) |
|---|----------------------------|----------|---------|---------|---|
| | | 2009-10 | 2010-11 | 2011-12 | |
| 3 | Expenditure (Rs. in Crore) | 114 | 146 | 58 | 177 |

Work load required according to expenditure of Rs. 177 Crore's = $\text{Rs. } 177 \times 3 = \text{Rs. } 531 \text{ Crore}$

Lowest of the above three parameters = Rs. 531 Crore

Balance work in Hand (28.02.2013) = Rs. 365 Crore (-) Savings Rs. 0.00 Cr (-) Rs. 200 Cr. (to be dropped) = Rs. 165 Cr.

1 According to expenditure - Rs. 177 Crore = $\text{Rs. } 177 \text{ Cr.} \times 1 = \text{Rs. } 177 \text{ Crore}$ 2 According to Maintenance - Rs. 177 Crore = $\text{Rs. } 177 \text{ Cr.} \times 0.47 = \text{Rs. } 83 \text{ Crore}$ 3 According to Quality - Rs. 177 Crore = $\text{Rs. } 177 \text{ Cr.} \times 0.01 = \text{Rs. } 2 \text{ Crore}$ [Capacity according to index is sum of all = Rs. 262 Crore]Capacity is $262 - 165 = \text{Rs. } 97 \text{ crore}$ For getting more sanction, State required to improve contracting capacity, increase maintenance of the completed works and increase the inspections of 2nd tier quality control.