

**MINUTES OF THE MEETING OF THE EMPOWERED COMMITTEE FOR PMGSY
HELD ON 22nd Jan, 2013**

STATE: Madhya Pradesh

A Meeting of the Empowered Committee (EC) was held on **22nd Jan, 2013** at 09.30 AM in the Chamber of Secretary, Department of Rural Development to consider the proposals of the State of Madhya Pradesh 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 Mashoda Lal	DS Finance MoRD
Sh N C Solanki	Director (P-I), NRRDA
Sh Bhupal Nanda	Director (F&A), NRRDA
Dr I K Pateriya	Dir (Tech) NRRDA
Sh.Y S Dwivedi	Director (RC)
State Govt Representatives	
Smt Alka Upadhyaya	CEO, MPRRDA
Sh M K Gupta	E-in-C , MPRRDA
Sh A D Kapaley	CGM, MPRRDA
Sh Hafizur Rahman	CGM(F), MPRRDA
Sh M K Nigam	GM (T), MPRRDA
Sh S D Pendse	SQC, MPRRDA

2. Details of proposals considered by the Committee for the State of Madhya Pradesh pertaining to IAP districts, Schedule V Area (Tribal blocks), ADB Proposals and Normal Districts (800 to 999 population) is as under:

Item	800-999 (Normal Districts)	250+ Schedule V area(Tribal Block)	IAP districts	ADB Proposal	Total
Value (Crores)	698.64	326.50	488.87	266.41	1,780.42
No of Road Works	520	261	473	267	1,521
Length (Km)	1,805	803.13	1,382.64	684.48	4,675
Habitations covered	1,600				

Secretary(RD) observed that given the large number of works still under execution including old works of 2006-07 onwards, the proposal seemed to be more than what the States could handle at present. CEO, MPRRDA stated that the State Government had launched a drive to complete the old roads on priority during the year, and sanctioned capacity would be available on their completion. She accordingly requested that instead of curtailing the proposal, the Committee may

clear the proposal in 2 parts, one to be taken up as soon as possible and the other when additional capacity was created due to increase in number of PIUs, SQMs and completion of old road works.

3. The Empowered Committee reviewed the progress since the previous Empowered Committee Meeting held on 13th July, 2012 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.

Progress of work

4. Committee observed that the State has yet to complete 1,045 road works out of the 12,089 road works sanctioned till 2009-2010 as per following details from OMMAS:

	Sanctioned		Completed		Balance	
<u>Sanction Year</u>	No. of road works	Length of road works (km)	No. of road works	Length of road works (km)	No. of road works	Length of road works (km)
2000 - 2001	387	1,752	384	1,744	3	8
2001 - 2002	801	4,077	793	4,044	8	32
2003 - 2004	572	2,907	565	2,840	7	67
2004 - 2005	840	4,089	820	3,973	20	117
2005 - 2006	1,188	5,621	1,151	5,446	37	175
2006 - 2007	2,967	13,101	2,779	11,978	188	1,123
2007 - 2008	1,338	5,181	1,212	4,524	126	657
2008 - 2009	3,855	17,363	3,258	13,601	597	3,762
2009 - 2010	141	419	82	219	59	200
	12,089	54,509	11,044	48,369	1,045	6,140

5. The State informed that these roads could not be completed due to various reasons like slow progress by contractors (136 Nos. terminated/under termination), not-feasible, land availability issue, non-responsive tenders, forest clearances etc. Also it informed that proposal for 284 roads have been sent to MoRD for dropping.

6. Committee asked the State to send the road-wise completion plan for incomplete roads before issue of clearance.

7. JS(RC) asked Dir (YSD) to call meeting with NRRDA (Dir-Tech) and State to rectify the proposal for dropping as per sanction details and resubmit to NRRDA before issue of Clearance letter.

Action: Dir (YSD)/Dir (Tech)/ the State

Updating OMMAS data

8. Committee observed that there is large entry gaps in Habitations detail entry. Secretary, RD asked the State to complete all entries before 31st March, 2013.
9. Secretary, RD observed that in sanctions of 2012-13, the STA module is still incomplete and asked the State to complete it before issue of clearance letter.
10. Also the State agreed to rectify all other variations between MPR and OMMAS before 31st March, 2013.
11. Secretary, RD desired that OMMAS software needs to be improved to capture the Maintenance expenditure etc. and hardware needs to be upgraded.

(Action: Director(F&A), NRRDA)

DPR issues

12. Dir(Tech) brought out following issues in DPRs sent by the State and the State agreed to rectify the DPRs accordingly:
 - a) As discussed in Regional review meeting held in Bhopal, minimum 25 % soil investigation is to be carried out in STAs laboratory.
 - b) The provision of earth work is on higher side and should be rechecked.
 - c) Regarding Road Safety, the provision of extra quantity for junction and curve should be based on Design rather than on adhoc basis.
 - d) The provision of M10 below Hume pipe should be replaced by GSB.
 - e) The provision of wearing coat M30 in slab culvert should be reduced up to pucca structure.
 - f) If it so desires, the State can propose CC for entire length as per guidelines issued in this regard and 10 percent of differential cost of BT and CC can be shared by the State in the IAP districts.
 - g) Road works with new technology, new material / marginal materials have not been proposed in the current batch of proposals and shall be done now.

(Action: State)

5-year-Maintenance of roads as per contract

13. As presented by Director (P-I), the State has utilized only Rs.30.00 crore for 5-year maintenance of roads as against the commitment of State of Rs.58 crore during current financial year as per following statement:

(Rs. in crore)

FINANCIAL YEAR	MAINTENANCE FUNDS REQUIRED (AS PER CONTRACTS)	ACTUAL RELEASE TO SRRDA	EXPENDITURE BY SRRDA DURING THE FINANCIAL YEAR	% EXPENDITURE W.R.T FUNDS REQUIRED
2008-09	9	7	2	19%
2009-10	24	70	13	52%
2010-11	36	145	25	69%
2011-12	56	261	43	77%
2012-13 (Upto Dec. 12)	58	60	30	51%
Total:	184	543	112	

14. State has submitted district-wise road maintenance plan. The Secretary, RD asked the State to send the road-wise maintenance 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.pmsgy.nic.in) and its compliance by 31st March, 2013.

15. Secretary, RD emphasised the need for proper maintenance as the real benefit of roads starts after 2 to 3 years of construction and if the serviceable road is not available at that stage, it will defeat the whole purpose of providing connectivity.

Quality Assurance and Training of SQMs

16. The State intimated that it has engaged 44 SQMs for 2nd Tier Quality management and is in process of engaging more for the job. Secretary, RD asked the State to send the Statement explaining number of times the roads were inspected under construction during Jan, 2012 to Dec, 2012.

17. Secretary, RD observed that there is variation in the No. of inspections as per OMMAS and as per compliance of previous Pre-EC sent by the State and asked the State to reconcile the figures by 31st March, 2013.

18. Officiating Director (P-III) put up the analysis showing that the SQM inspections are not capturing road quality compared to NQM inspections.

(Action: State)

19. Secretary instructed NRRDA to conduct the training of the SQMs preferably by the experienced NQMs to conduct the inspections in more qualitative way.

(Action: Director (P-III) & State)

20. Secretary, RD asked NRRDA to develop the mechanism on OMMAS to centrally register the SQMs in order to create their data-base and utilization in other States or as NQMs.

(Action: Dir (P-III))

Financial Closure of Completed Projects:

21. Secretary, RD observed that the State has yet to financially close 2,303 projects out of 11,340 completed projects and asked to expedite it.

Training of Contractor Engineers, Workers, PIUs etc.

22. Secretary observed that NRRDA is not making arrangements for training of Contractor personnel who need it most and also advised to utilize the World Bank-Technical Assistance component for the same.

(Action: Director (Tech) & State)

PCI data entry on OMMAS

23. State agreed to carry out PCI data entry in more detailed manner as per Guidelines instead of one value for whole road.

Accounting Issues

24. Some of the Accounting issues brought out by Dir (F&A) were as under:

- (i) Accounting entries in R&P Module to be updated.
- (ii) Pending Final Bills - Disregard to the provisions contained in agreement and understating of works expenditure.
- (iii) Unapproved Expenditure- Expenditure on construction of Missing Link Roads incurred without sanction.
- (iv) Weaknesses in the Financial Management- e.g. Banker Certificate enclosed with the Audited Balance Sheet revised, Delayed remittances into Bank, Stale Cheques, Recoverable from Contractors.

Implementation Capacity of the State

25. JS (RC) had asked Dir(P-I) to analyse the capacity of the State to handle additional works efficiently with efficient quality control mechanism. NRRDA presented the capacity of the State in terms of strength of PIUs, capacity of the Quality Control Mechanism, availability of works with the State, support of the Consultant Mechanism etc. as under:

a) Implementation Capacity: As per the State, there are 75 PIUs established. With this strength they can handle works for Rs. 4,350 crore. At present the State is already having workload of Rs. 4,300 crores. After excluding savings and droppings, the approximate work in hand is Rs. 3,300 crore. The State intimated that it has already got sanction to establish 105 PIUs and it will be placed in position as soon as the works are sanctioned to it. The additional PIUs will enhance the capacity of the State to handle works of about Rs. 5,000 crores.

b) Work Load Handling Capacity: The State intimated that it has peak capacity to spend Rs. 2,235 crores as done during year 2009-10. In order to achieve this expenditure, the State requires

workload of about 2.4 times the expenditure in a year. Hence, the State may be sanctioned workload of Rs. 5,000 crore including proposal under consideration.

c) Capacity for handling quality control: The State intimated that presently, it is having 44 SQMs to inspect the works. Taking average capacity of a SQM to inspect works of Rs. 117 crore/year, the state has capacity for Quality management for Rs.5,148 crore. The State assured inspection for proposed works as per Guidelines. However, the desired no. of inspection were not conducted by the SQMs during last one year.

d) Consultancy to supplement the MPRRDA

The State intimated that it has engaged Supervision & Quality Control Consultant (SQC) for assisting each PIU. This Agency consists of Team Leader, Resident Engineers, Asstt Resident Engineers, Field Engineers, Lab Assistant, Lab Technician etc. The State intimated that payment to these Agencies is being made through State funds.

Recommendation of the Committee:

26. Keeping in view the request of CEO, MPRRDA for clearance of the proposal on the basis of progress in creation of institutional capacity to contract and execute the works, the Committee recommended to sanction the road-works for Rs. 1,780.42 crore (4,674 kms) pertaining to IAP districts, Schedule V Area(Tribal blocks), ADB Proposals and Normal Districts (800 to 999 population) in two parts as under:

Part-I : IAP districts and Schedule V Areas (Tribal block). Tenders will be issued after acceptance of substantial works of previous Batches and written clearance by MoRD.

Part-II : ADB proposals and Normal districts (800 to 999 population) after awarding substantial portion of Part-I and written clearance by MoRD. The State agreed that it would duly enhance capacity and not ask for any cost escalation due to staggering needed within the clearance.

27. The details of Batch-I and II sent by the State and recommended by the Committee is as under:

	Part-I		Part-II		Total
Item	IAP districts	250+ Schedule V area(Tribal Block)	800-999 (Normal Districts)	ADB Proposal	
Value (Rs. in Crores)	488.87	326.50	698.64	266.41	1,780.42
No of Road Works	473	261	520	267	1,521
Length (Km)	1,382.64	803.13	1,805	684.48	4,675

28. The State agreed to comply with following before issue of clearance of Part I proposal:-

- a) The State will revise the DPRs and update the proposal on OMMAS.
- b) The State will send completion plan for balance works, mentioning nos. of roads at various stages.
- c) The State will rectify the proposal for droppings and send balance proposals for droppings as per completion plan.
- d) The State will correct the road list sent to NRRDA and also on OMMAS. Also all STA modules of previous clearances is updated.
- e) The State will estimate the maintenance funds requirement for 5-year maintenance as per Operations Manual and upload on OMMAS.

29. The State agreed to send following compliances before going ahead with tender action for Part-I in present proposal:

- a) The State will show reduction in Single-Tender acceptance, and bring it below 10% in the batch presently under tendering (Batch-II of 2012-13)
- b) The State will send its plan to establish additional PIUs over February and March, 2013 and have at least 100 PIUs for handling the works before tendering the Part I works.
- c) The State will send its plan to engage additional SQMs and arrange their training to strengthen its quality control mechanism to handle the increased load, and have them in place before tendering
- d) The State will address the data gap issue on OMMAS including admin fund accounts.
- e) The State will carry out 25% soil investigation tests in STA Laboratory.

30. The State will send compliance for following by 31st March, 2013.

- a) The State will complete all habitation entry and its mapping on OMMAS.
- b) The State will rectify the variations on manual MPR and OMMAS data.
- c) The State will send road-wise maintenance plan for year 2013-14.
- d) The State will send its plan for SQM inspection to ensure at least three inspections during construction. Also it will reconcile the data of inspection done w.r.t. OMMAS.
- e) The State will address the accounting issues, and ensure that audited accounts for 2011-12 are as per OMMAS.

Meeting ended with thanks to the Chair.
