

National Rural Roads Development Agency
Ministry of Rural Development, Govt. of India
New Delhi.

Minutes of the 8th Meeting of the General Body of National Rural Roads Development Agency held on October 24, 2007 at NRRDA, Bhikaji Cama Place, New Delhi.

(List of members present is annexed)

The Director General welcomed the Hon'ble Minister of Rural Development and President NRRDA and the members of the General Body to the meeting. He informed that the main issues listed for discussion were Adoption of the Annual Accounts of NRRDA for the year 2006-07 and the Annual Report which is to be placed before the Parliament. Under the additional items he requested the President for permission to inform the General Body about the Impact Assessment Study being carried out in ten States through an external agency.

The agenda was taken up for discussion with the permission of the Chair.

Item No.1: Confirmation of the proceedings of the 7th meeting of the General Body held on 16th April, 2007.

The General Body considered proceedings of the meeting and confirmed the same.

Item No.2: Adoption of Audited Accounts for the year 2006-07.

➤ The accounts for the Financial Year 2006-07 were placed before the General Body. AS & FA made the following observations on the accounts for the FY 2006-07:

- (i) Reasons for a very high opening balance for 2006-07 which was equal to the grant for that year.
 - (ii) There was a large increase in the direct expenses of NRRDA which needed to be reviewed.
 - (iii) Presentation of the schedule of sundry creditors could be improved with appropriate explanation.
- Director from Ministry of Finance Shri R.P. Singh commented that the observation of the Auditor on the preparation of the Fixed Assets Register should be examined to make it Income Tax compliant.
 - Director (F&A) explained that the opening balance for the year 2006-07 was high as funds for payment of ADB and World Bank consultancies were released at the end of March and the payment could only be made from April to June. The funds received for the year 2006-07 had been fully utilised.
 - It was decided to form a Sub-Committee headed by AS & FA to review the above.

The General Body adopted the Audited Balance Sheet and the Income and Expenditure Report for the year 2006-07.

Item No. 3. Annual Report for the year 2006-07.

The Annual Report for the year 2006-07 was placed before the General Body which was approved and directions were given that the same should be placed before the Parliament in time.

Item No. 4. Adoption of Resolution for filing of Tax Returns of NRRDA.

The resolution was adopted by the General Body.

Item No. 5. Constitution of the Expert Committee to review the standards, specifications and Design of Rural Roads for achieving economy in the cost of construction under PMGSY.

➤ Director (Technical) apprised the General Body regarding the exercise taken up by the Expert Committee for optimizing cost of construction of rural roads without compromising on sustainability, quality and safety. Secretary (REO) Bihar, suggested that the Committee should look into specifications for flood prone areas. Shri Singh (Ministry of Finance) suggested that a compendium should be prepared documenting innovative technologies for construction of rural roads so that the states can take advantage of the available technology options. AS & FA suggested that the comparative life cycle cost advantages of cement concrete roads vis-à-vis conventional BT roads. Professor Sikdar suggested that STAs and PTAs should be associated with the exercise taken up by the Expert Committee for reviewing the specifications, standards, and design of rural roads.

➤ Shri PK Katare, Director (P-III) and Shri SK Sharma apprised the General Body about the manual being prepared by the IRC at the behest of NRRDA, for construction and maintenance of gravel roads.

➤ Shri Pradip Bhargava, Additional Chief Secretary and Principal Secretary (RD), Government of Madhya Pradesh, expressed the view

that in the absence of a mechanism in the Standard Bidding Document(SBD) to compensate for unusual increase in the rates of critical construction materials like cement, steel, and bitumen, contractors are possibly ‘hedging’ through higher bids. Accordingly, he suggested that an appropriate mechanism for neutralizing cost escalation, on account of increase in the prices of these materials, should be incorporated in the SBD. He also suggested that construction of long span bridges (exceeding 25 metres) require more than 12 months. Accordingly, the time period prescribed for construction of bridges should be modified. As regards the cost review exercise taken up by the Expert Committee, he was of the view that the Committee should associate the engineers involved in the implementation of the programme at the State level and PIU level.

➤ Secretary RD, made the following suggestions:

- Fly ash to be used wherever feasible.
- Pedestrian paths should be provided wherever feasible, since it becomes difficult to walk either on CC and bituminous pavement during daytime particularly in summer months.
- Recently some incidents have been reported regarding extensive damages caused to roads along the sea coast due to rise in the sea level which may be an impact of the global warming. NRRDA may consider whether the designs and specifications for rural roads along the sea coast may be required to be modified to mitigate the likely impact of global warming.

As regards rise in the cost of critical construction materials, Secretary(RD) was of the opinion that the method of 'star rating' could be examined. In this context, he advised NRRDA to issue guidelines to the States regarding the annual frequency for revision of the Schedule of Rates and synchronizing preparation and finalization of the DPRs with the notification of the revised SSR. If this cycle for preparation of finalization of DPR is adhered to, the problems being drawn up due to increase in cost of materials during construction can be substantially mitigated.

- Secretary (RD) advised NRRDA to take up an advocacy role and persuade the State Governments to adopt the good practices of PMGSY (like SBD, quality monitoring system, and online monitoring system, contracting out five years post construction maintenance) in construction and maintenance of State roads as well.
- Secretary (RD) also suggested the NRRDA should take initiative to develop a portal for e-tendering with the assistance of NIC/CDAC and to introduce GIS in all states during 2008-09. He suggested that our endeavour should be to create a national database for rural roads which could be integrated with the GIS database of the higher order road systems.

Item No.6. Review of Quality Mechanism

- Director (PIII) apprised the General Body the changes made in the quality monitoring system and regarding the publication of the revised Quality Assurance Handbook. Director (Ministry of Finance) and AS & FA expressed the view that unless adequate arrangements are made at the State level for maintenance of rural roads, the high quality assets being created under PMGSY are likely to deteriorate over time. Responding to this issue DG(NRRDA) mentioned that a maintenance audit is proposed to be carried out covering all States through an external agency. The audit would cover three areas:

- Status and arrangements for maintenance of roads completed under Phase I and II of PMGSY (which did not provide for post construction five year maintenance by the same contractor).
- Status and arrangements for maintenance of roads completed under PMGSY from Phase III onwards.
- Status and arrangements for maintenance of other rural roads in the Core Network.
- DG(NRRDA) also informed the General Body about the pilot project being carried out in collaboration with the Public Affairs Centre, Bangalore, for enabling and empowering the citizen volunteers for assessing and monitoring the road quality.
- Secretary (RD) suggested that a methodology and format should be devised for obtaining feedback from citizens/road users on maintenance of roads constructed under PMGSY.
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Item No. 7. Transparency and System Monitoring

DG (NRRDA) apprised the General Body about the recent initiative taken for enhancing transparency in programme implementation through joint inspection of PMGSY projects with public representatives of Panchayati Raj Institutions. The General Body endorsed this initiative and advised that its effective implementation should be monitored by NRRDA.

Item No. 8. Any other item with the permission of the Chair.

- The Executive Summary of the pilot study carried out in ten States for assessing the impact of PMGSY was placed before the General Body for information.
- Minister (RD), in his concluding remarks, highlighted the necessity for strengthening the quality control arrangements at all levels keeping the massive expansion in the programme size. He expressed the view that

since major construction defects are difficult to rectify after the project is completed, State Governments would have to make adequate arrangements for meticulous quality monitoring during execution of the projects. In case any deficiency/defect is found during execution, appropriate accountability and responsibility should also be fixed by the State Governments. This aspect should also be monitored by NRRDA.

- Minister (RD) also advised NRRDA to devise a system for concurrent monitoring or maintenance of PMGSY roads.
- As regards the Expert Committee constituted for reviewing specifications / designs, Minister (RD) suggested that the Committee should complete its deliberations and submit the report by December 2007.
- Minister (RD) enquired about the action taken on the basis of technical audit carried out in three States – Madhya Pradesh, Chattisgarh and Orissa. Director (P-I) informed that Government of Orissa has already taken some follow up action on the report of the technical audit. Status of action taken by Government of Madhya Pradesh and Chattisgarh would also be ascertained and placed for information of Minister (RD). In this context Minister (RD) suggested that the initiative taken for conducting technical audit and follow up action taken on the basis of the findings of the technical audit should be publicized.
- As regards progress of Bharat Nirman, Minister (RD) advised NRRDA to ensure that all DPRs for achieving the targets of Bharat Nirman are accorded clearance by the end of December, 2008. He further desired that NRRDA should monitor operationalisation of the recent instructions issued for joint inspection of PMGSY projects with the public representatives.

The meeting concluded with the vote of thanks to the Chair.