

No. P-17024/2/2013-RC
Government of India
Ministry of Rural Development
(RC Division)

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Krishi Bhawan, New Delhi
Dated 22nd October, 2013

Subject: Minutes of the Meeting of the Pre-Empowered Committee held on 18th October, 2013 at 11.30 AM under the Chairmanship of Joint Secretary, Department of Rural Development to discuss the project proposals of the State of Arunachal Pradesh under Pradhan Mantri Gram Sadak Yojana (PMGSY).

The undersigned is directed to enclose herewith a copy of the Minutes of the meeting of Pre-Empowered Committee held on 18th October, 2013 under the Chairmanship of Joint Secretary, Department of Rural Development to discuss the project proposals of the State of Arunachal Pradesh for further necessary action.

It is requested to send a compliance report on the observations of the Committee to enable this Ministry to fix an early date for Empowered Committee Meeting.

Encl: As above


(P. Manoj Kumar)
Director (RC)
Tel. No. 23074307

Distribution:

- (i) Shri T.H. Tayung, Secretary, Rural Works Department, Government of Arunachal Pradesh, C-Sector, Post Box-108, Itanagar-791111.
- (ii) Shri D. Nyodu, Chief Executive Officer, Arunachal Pradesh Rural Road Development Agency, Government of Arunachal Pradesh, C-Sector, Post Box-108, Itanagar-791111.

Copy to:

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

**MINUTES OF THE MEETING OF THE PRE-EMPOWERED COMMITTEE
FOR PMGSY HELD ON 18th OCTOBER 2013**

STATE: ARUNACHAL PRADESH

A Meeting of the Pre- Empowered Committee was held on 18th October 2013 at 11.30 am under the chairmanship of Joint Secretary (RC), MoRD to discuss the proposals of the State of Arunachal Pradesh under Pradhan Mantri Gram Sadak Yojana (PMGSY). List of participants is given below:

Shri. Rajesh Bhushan	Joint Secretary (RC), MoRD
Shri P.Manoj Kumar	Director (RC), MoRD
Dr I K Pateriya	Dir(Tech), NRRDA
Shri, P.K. Katare	Dir (P-III), NRRDA
Shri. N.C. Solanki	Dir (P-I), NRRDA
Shri. Sunil Kukreja	Joint Director (F&A), NRRDA
Shri. N.J. Thomas	Consultant, Finance, MoRD
State Govt. Representatives	
Shri T.H.Tayung	Secretary, RWD, Arunachal Pradesh
Shri D.Nyodu	CEO, ARRDA
Shri N.Rigia	SQC, Arunachal Pradesh
Shri K.C.Dhimole	Resident Technical Adviser
Shri H. Rekhung	ITNO, Arunachal Pradesh
Shri M. Dibnath	Asstt. ITNO, RWD, Itanagar
Shri T.K.Barua	AO, RWD, Itanagar

2. Details of proposals discussed by the Committee for the State of Arunachal Pradesh are as under:

Current Proposal

Item	New Connectivity			Upgradation		Total
	Roads		LSB	Roads	LSB	
	Stage-I	Full				
Value in crore	558.52	83.13	66.48	9.80	1.06	819.04
No. of proposals	41	13	57	3	1	115 (57 roads+58 LSBs)
Length in km	619.81	206.52	-	15.18	-	841.51
Average cost in lakhs/km	90.11	88.70	-	64.53	-	97.33
Habitation in no.	136	34	-	-	-	170
Maintenance	Rs. 21.33 crore for 221.70 kms.					

3. The Pre-Empowered Committee reviewed the progress of the implementation of PMSGY in the State of Arunachal Pradesh since the previous Empowered Committee Meetings held on 14th January 2013 and 14th June 2013 considered the institutional capacity of the State to efficiently execute the PMGSY works with the requisite attention to quality. The Committee has found that the State has complied with almost all observations of the EC in its meeting held on 14th January 2013 except one that was the completion of all works cleared before March 2010 as the State has about 70 such works pending for completion.

4. Physical Progress

4.1. The Pre-Empowered Committee reviewed the pace of the implementation in the State. As per OMMAS out of 827 works sanctioned, 662 works were reported as completed. 165 works, including 70 works which were sanctioned prior to March 2010, are still incomplete, which is a matter of serious concern, since PMGSY works are required to be completed within 18 months. The status of phase-wise/year-wise completion of road works as per OMMAS is given below.

Year of sanction	Sanctioned works	Completed works	Pending works
2000-01	202	202	-
2001-02	137	137	-
2004-05	64	64	-
2005-06	43	42	1
2006-07	73	65	8
2007-08	104	88	16
2008-09	64	55	9
2009-10	45	9	36
2012-13	78	-	78
2013-14	17	-	17
Total	827	662	165

4.2. As per OMMAS, out of 662 road works completed, 54 road works have not been financially closed, which is 8%. The Committee appreciated the effort of the State for having good improvement since the last EC meeting.

5. Status of works cleared during the year 2012-13 and 2013-14

The status of works, which were cleared in three lots, is given below.

Description	No. of road works	Status
Clearance letter no. P-17022/2/2012-RC dated 22-02-2013 (2012-13)	78 road works	77 road works tendered and all have been awarded. One road work not yet tendered.
Clearance letter	16 road works	11 road works tendered and 9 have been

no. P-17024/2/2012-RC dated 07-06-2013 (2013-14)		awarded. Remaining two under evaluation. For balance five roads tendering will be completed by end of October, 2013.
Clearance letter no. P-17024/2/2012-RC dated 26-07-2013 (2013-14)	1 road work	Tendered and under evaluation.
Total	95	89 tendered and 86 awarded, three under evaluation.

6. Completion Plan

The number of works required to be completed as per the Completion plan and actual achievement against the plan as furnished by the State is detailed below:

Target		Achievement	
January-June 2013	July to Sept, 2013	July to Sept, 2013	October to December, 2013
92	15	61 (66%)	2 (13%)

The above table shows that the State is not following the plan of completion as committed by the State itself.

7. DPR Issues

7.1 Some of the observations of NRRDA on proposals based on the scrutiny of sample DPRs brought by the State are as under which should be complied with before seeking the date for Empowered Committee Meeting:

- i. Average cost of earthwork appears to be on higher side, approx 36000.00 cum /km.
- ii. Provision of CD works appears to be on the higher side and it needs to be reviewed with the L- section.
- iii. The site photograph, transit walk etc are not attached in DPR as per DPR Template.
- iv. The joint inspection report in respect of LSBs has not been attached with DPR.
- v. The provision of concrete bed 1:2:4 in slab culverts of 1.50m etc should be replaced by bed stone pitching in hilly areas.
- vi. The provision of 3.20m depth of excavation in 1.50m slab culvert should be reconsidered as per IRC SP 20.
- vii. The provision of plastering in stone masonry should be replaced by pointing.
- viii. The estimates in the DPR has been prepared as per SOR 2010. The State should prepare the SoR as per 2013-14 and get it vetted at the level of NRRDA and prepare the estimates accordingly.
- ix. The provision of LSB of more than 15.00m span should be separated from road proposal and make separate entry under proposal module of OMMAS.
- x. The credit for hard rock in excavation has not been incorporated in DPR.
- xi. In certain proposals length of CD works proposed is 5.5 m for link routes. It should be replaced to minimum 6.0 m.

- xii. Current batch of proposals needs to be entered in batch II of 2013-14.
- xiii. In certain proposals the carriageway width is 3.75m for motorised traffic less than 100 in case of link routes, this needs to be reduced to 3.0 m.
- xiv. In certain proposals no habitation is mapped on OMMAS.

8. Quality

8.1. While reviewing the quality monitoring mechanism in the State, the Pre-Empowered Committee observed that though the second tier quality monitoring mechanism in the State has improved, the quality of the roads have been found very poor. During April 2011 to March 2013, out of 80 SQM inspections carried out in the case of completed works, 10 works were graded 'Unsatisfactory', which is 12%. Further, in the case of on-going works, out of 377 SQM inspections, 45 works were graded as 'Unsatisfactory', which is 12%. The NQM reports also show that number of 'Unsatisfactory' works for the same period is 16% in case of completed works and 26 % in case of on-going works.

8.2. As regards submission of Action Taken Reports (ATR) of NQM inspections, out of 84 ATRs required, only 67 ATRs were uploaded by the State. The State was advised to take immediate action to upload remaining 17 ATRs on OMMAS.

9. Maintenance

9.1. The details of maintenance funds required, released to SRRDA and utilized by them during the last two years and current year are given below.

Financial Year	Maintenance Funds required to be released	Actual release to SRRDA	Expenditure (upto January 2013)	(in crore)
				% of expenditure on fund required
2010-11	1.13	8.45	0.14	12%
2011-12	1.91	0.00	0.46	24%
2012-13	3.61	2.50	6.92	100%
2013-14	5.00	0.00	8.31	100%
Total	26.56	27.65	7.64	

9.2. The Committee observed that though the State has spent adequate amount on maintenance of roads constructed under PMGSY during the last two years by using the amount credited in the previous years. However, the State appears to have not credited its due share during the current year. 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.

10. Absorption Capacity

10.1 As per the capacity assessment study (based on ongoing works excluding works proposed to be dropped, number of SQMs, average expenditure and no. of PIUs) the State does not have the capacity to take up any additional works during the financial year 2013-14. The execution capacity of the State based on the index on expenditure, maintenance and quality inspections is given below:

#	Basis	No. of PIU	Work Load per PIU (Rs. in Crore)	Total (Rs. in Crores)

1	PIU	24	75	1800	
#	Basis	No. of SQM	Capacity of a SQM to inspect work worth (Rs. in Crore)	Cost of Work (Rs. in crore)	
2	SQM	46	315	14,490	
Average construction cost per km Rs.1.05 Crore					
#	Basis	Year(s)			Maximum Expenditure+10% per year (Rs. in Crore)
		2010-11	2011-12	2012-13	
3	Expenditure (Rs. in Crore)	349	173	311	465

Work load required according to expenditure of Rs.465 Core is = Rs.465*3-Rs.1,395 Crore.

Lowest of the above three parameters = Rs. 1,395 Crore

1. According to expenditure – Rs.465 Crore - Rs. 465 Cr.*1= Rs.465 Crore
 2. According to Maintenance – Rs.465 Crore – Rs.465 Cr.*1 = Rs.465 Crore
 3. According to Quality - Rs.465 Crore – Rs. 465 Cr. * 0.19 = Rs.88 Cr.
- Capacity according to index is sum of these three = Rs.1,018 Cr.

Balance works in Hand (31.08.2013) = Rs. 1,351 Cr. (-) Savings Rs.2.53Cr.(-)
 Rs.0.00 Cr.(to be dropped) = Rs.1,349 Cr.
 Net Capacity = Rs. 1,018 Cr – Rs.1,349 Cr.= (-)Rs.331 crore.

10.2 The State Government representative informed that as per recommendation of EC the State has increased 5 more additional PIUs (19 to 25) to enhance the absorption capacity. Recently, the State Government has approved the proposal to engage one CPSU viz. NBCC for planning and execution of PMGSY in some selected districts. This would further increase the execution capacity of the State. A formal proposal has been recently submitted to the Ministry for approval. Further, the 2nd tier quality monitoring has completely been institutionalized through outsourcing. The quality monitoring is being carried with 30 nos. of SQMs.

10.3 The Committee advised the State to revisit the proposal for engaging central PSU as it assessed that the State has adequate PSUs for execution of PMGSY works. The Committee desired that the State is required to improve the contracting capacity by attracting competent contractors through efficient contract management.

11. Annual Allocation of the State for the year

The annual allocation of the State for the current year is Rs. 391 crore. The state has informed that an anticipated expenditure of Rs. 550 crore will be made during the year 2013-14. The state has OB (as on 1.4.2013) to the tune of Rs. 203.55 crore. The State therefore may actually require an amount of Rs. 346.55 crore to complete the ongoing works during the current financial year. Further, the State was sanctioned 95 works covering 1190 kms length amounting to Rs. 874 crore under Phase-X. The Committee

advised the State to revisit the current proposal in terms of the size of the proposal considering the fact the State may not be able to release any funds for the current projects during the financial year 2013-14.

12. Financial Management/Accounting.

The following issues/points were pointed out

- i. The Balance Sheet for the years 2011-12 and 2012-13 have now been prepared based on the OMMAS.
- ii. An advance amount of Rs.1.64 Cr. has been paid to the contractor without a Bank Guarantee.
- iii. An amount of Rs.23.5 lakh has been disbursed to staff as an advance, which needs to be recouped.

13. The State will complete following activities to consider for fixing an early date for Empowered Committee Meeting

- 13.1. The State should certify that the details of habitations uploaded on OMMAS is final;
- 13.2. The proposals should be corrected based on the observations of NRRDA as listed at Para No. 7 above and all DPRs should be entered on OMMAS after duly vetted at STAs level.
- 13.3. Detailed monthly action plan should be sent regarding pending 14 ATRs.
- 13.4. Required maintenance amount for the year 2013-14 should be credited to SRRDA.

14. The State should send a compliance report to the Ministry/ NRRDA on all issues as indicated at para 13 above and EC Brief as per SOP while seeking date for EC meeting.

15. The meeting ended with Vote of Thanks to the Chair.