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Government of India
Ministry of Rural Development

Krishi Bhavan, New Delhi
Dated the 20th January, 2014

Subject: Pre-Empowered Committee Meeting for considering the project proposals of the State Government of **Himachal Pradesh** with assistance of World Bank, RRP-II under PMGSY-reg.

A copy of the Minutes of the Pre-Empowered Committee meeting held on **13th January, 2014** under the Chairmanship of Joint Secretary (RC) for considering the project proposal of the State Government of **Himachal Pradesh** with assistance of **World Bank, RRP-II** under PMGSY is forwarded herewith for necessary action.


(P.K. Singh)


Under Secretary to the Government of India
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Distribution:-

1. The Principal Secretary, Public Works Department, Government of Himachal Pradesh, Shimla.
2. Engineer-in-Chief & Empowered Officer, Himachal Pradesh Gram Sadak Development Agency, Himachal Pradesh, PWD, US Club, Shimla-171001.

Copy to:-

PPS to Secretary (RD)/Sr. PPS to AS&FA/PPS to AS/PS to JS (RC)/Director (RC-YSD)/Director (RC-PMK) /DS (RC-MR)/ Director (F&A)/ Director (Tech)/Director (P.I)/ Director(P.II)/Director(P.III), NRRDA, New Delhi


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**MINUTES OF THE PRE-EMPOWERED COMMITTEE MEETING
HELD ON 13th JANUARY, 2014**

STATE: HIMACHAL PRADESH

A Meeting of Pre-Empowered Committee was held on 13th January, 2014 at 11.00 am under the chairmanship of Joint Secretary (RC), MoRD to discuss project proposal of State of Himachal Pradesh under Pradhan Mantri Gram Sadak Yojana (PMGSY). List of participants is given below:

Shri Rajesh Bhushan	Joint Secretary (RC) in Chair
Smt. Manju Rajpal	Deputy Secretary (RC)
Shri I. K. Pateriya	Director(Tech), NRRDA
Shri Sunil Kukreja	Joint Director(F&A), NRRDA
Shri N. J. Thomas	Consultant IFD, MoRD
State Representatives	
Shri Narinder Chauhan	Principal Secretary (PWD), HP
Shri Rakesh Gupta	Chief Engineer (PMGSY), HPGSDA
Shri B.B.Bhardwaj	S.E. (QC & D), HPPWD
Shri M. L. Chauhan	Financial Controller, HPGSDA
Shri L. K. Pandey	Nodal Officer (IT), HPPWD

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

New Connectivity/Upgradation under RRP-II, WB PMGSY

Item	New Connectivity			Upgradation	Left out LSBs	Total
	(Stage-I)	(Stage-I & II)	(Stage II)			
Value (Rs in Cr.)	25.95	4.47	99.96	56.64	22.51	209.53
No. of Roads/Bridges	8	5	35	20	23	68 roads 23 bridges
Length in Km/m	44.435	9.50	227.72	166.92	919.69 m	448.575 km 919.69 m
Average cost per km	58.40	47.05	43.90	33.93	2.45/ m	-
No of Habitations	1 of 500+ 11 of 250+ 7 of less than 250	5 of 500+ 1 of less than 250	-	-	-	6 of 500+ 11 of 250+ 8 of less than 250

3. The Pre-Empowered Committee reviewed the progress of the implementation of PMSGY in the State of Himachal Pradesh since the previous Empowered Committee Meetings held on 14th March, 2013, which considered all aspects of implementation of PMGSY works in the State as well as the current proposal.

4. Joint Secretary (RC) while welcoming all the participants appreciated the efforts of the State to reconcile the habitation data on OMMAS with the hard copy of such data and directed the State to finalize this reconciliation process urgently. Director (Technical), NRRDA pointed out that State needs to reconcile the habitation data gap for all three categories having population of 1,000, 500 and 250 & above as overall data gap is reflected for 600 habitations. The Committee expressed its concern on issue of reconciliation of number of unconnected habitation master data on OMMAS and directed the State to finalize this reconciliation process on priority. It was advised that State needs to ensure that 26 left out habitations of this category, recently allowed, are also updated and core-network is revised finally. State officials mentioned that problem persist only regarding 4 districts namely Kullu, Shimla, Kangra and Mandi and assured to reconcile and freeze the habitation master data latest by the 23rd of January, 2014.

5. It was observed that average cost per km in case of full stage & stage-II works is more than 10% higher in comparison with the previous sanctions of year 2013-14. State officials clarified that proposals in last clearance were based on market price of year 2012-13, while in current proposals base year is shifted to year 2013-14. The Committee opined that average cost per km is not as high in case of stage-I & upgradation road works; therefore state needs to re-visit DPRs of stage-II & full stage works to furnish appropriate justification for increase in average cost per km of proposed roads.

6. **DPR Issues:** Director, Technical Dr. Pateriya mentioned the following DPR issues to be addressed prior to the Empowered Committee Meeting:

- i. SoR, based on which current proposals are prepared, is not vetted by NRRDA. State officials clarified that proposals are based on data

- book of specifications provided by the Ministry. It was advised that State needs to move proposed SoR for vetting by NRRDA.
- ii. Contractor profit (CP) and overhead charges (OH) are considered as 19% instead of 12.5% in current proposals. It was discussed that recently a view was taken by this Ministry in this regard to allow 12.5% across the country. Director (technical) pointed out that decision regarding Himachal Pradesh was conveyed with approval of Ministry. JS (RC) directed Deputy Secretary to process this issue prior to Empowered Committee Meeting to convey final view to the State in this regard.
 - iii. The State shall take up atleast 15% of total proposals under R & D. The choice of roads and technology will remain with State. It was suggested that proposed Concrete Cement Pavements may be replaced by Roller Compacted Cement Pavement (RCCP), which is approved under IRC code as technological initiative. State being a hill state can adopt acceptable technological initiative as per site requirement.
 - iv. Carriage way for motorized traffic less than 100 needs to be 3.0 meter as per guidelines.
 - v. Proposed earth work quantities needs to be re-visited being on higher side.
 - vi. In case of upgradation proposal, credit for existing crust thickness needs to be considered.
 - vii. The detailed traffic survey data need to be attached with DPR.
 - viii. The provision of 100 mm WBM G-I needs to be replaced by 100mm GSB or the cost analysis indicating that WBM GI is cheaper needs to be included.
 - ix. The provision of 10 % extra for curve should only be allowed as per geometric design standard.
 - x. Protection works with cement concrete can be replaced with stone masonry.
 - xi. Pavement design is not as per IRC SP 72: 2007.
 - xii. Provision of CD works on higher side in case for stage -II proposal. State needs to furnish a comparative statement of CD works

sanctioned in Stage I, those are executed along with currently proposed.

- xiii. Joint inspection report of STA/ SE for bridge proposals is not furnished by the State. Cost for compensation of forestation, and utility works provisioned in DPRs needs to be considered as State share.
- xiv. State would ensure that all missing/left out bridge work are being proposed for the roads sanctioned prior to April, 2011.

7. Completion Plan: The Committee further reviewed the progress of implementation of PMGSY in the State and status of physical and financial progress on OMMAS. Joint Secretary (RC) pointed out that state has 387 road works older for more than 2 years, which is cause of serious concern. The status of phase-wise/year-wise completion of road works as reported by the State was discussed at length and it was pointed out that out of 595 ongoing projects, the State has 2 balance road works of the year 2001-2, 15 road works of year 2003-4, 10 balance works of the year 2004-5, 14 balance works of year 2005-6, 125 balance works of the year 2006-7, 51 balance works of the year 2007-8, 11 works of the year 2008-9, 68 works of 2009-10 and 91 road works of the year 2010-11, which needs immediate focus. The State informed that most of the works are partly incomplete either for want of forest clearance or due to court litigation. It was pointed out that almost 80% of state area is affected by reserved/ unreserved forests, which has slow down the implementation pace under the scheme as clearances from forest department takes more than 2 years time. State was advised for strict adherence of completion plan regarding delayed projects. Deputy Secretary, RC requested State officials to send required work wise completion plan, expenditure plan along with 3 years perspective plan to this ministry at the earliest.

8. Financial Closure: The Committee observed that the State had focused on completion of cleared projects in totality. It was reviewed that State has a balance of 373 completed works (22% of physically completed works), where financial closure is yet to take place. The State needs to bring the pendency down at zero level in regard to all completed works. The State was advised for strict monitoring with PIUs to ensure financial closure of all completed works so that smooth fund flow for current proposals can be ensured by this Ministry, to which the State agreed. The State representatives raised an issue related to previous phases, where

matters are sub-judice because of issues with Contractors or land-providers. State was advised to provide list of such cases along with reasons, where financial closure of physically completed works is not feasible at the moment.

9. **Audited Accounts:** State officials clarified that a case is under consideration for refund of income tax paid by SRRDA. State was advised to provide age wise break up and details of advances to NRRDA. State has updated Programme Fund entries upto December & Administrative Fund entries up to November, 2013; which was found satisfactory.

10. **Maintenance Progress:** While reviewing the maintenance commitment for current proposed proposal, it was observed that there are no details provided regarding proposed maintenance. The State was advised to furnish the details earliest possible in this regard. The Committee appreciated the efforts of State Government to credit the required amount to SRRDA and expected that State would ensure the utilization of required amount by the year end.

11. **Quality and Monitoring Issues:** It was discussed that State has not updated the status regarding SQMs inspection for last quarter. ITNO of SRRDA was directed to update it periodically without any failure. Out of 316 SQM inspections during the period April, 2012 to December, 2013, total 8% road works were reported unsatisfactory at on-going stage and 0% road works at completed stage. The reports of NQMs show that the quality of the roads is not upto the expected level and during April, 2012 to December, 2013, a high number of unsatisfactory works have been reported by NQMs (13% at on-going stage and 4% at completion stage). The Committee opined that the monitoring mechanism under 2nd tier is weak and advised the State to strengthen the quality monitoring system in the State. The Committee also advised the State Government to ensure proper functioning of independent monitoring under 2nd tier quality mechanism and accountability of agency should be ensured for qualitative outcome. As regards submission of ATR on NQM inspections, out of 86 ATRs required to be sent, the State has sent only 42 reports. The State is required to send remaining 44 ATRs, out of which 41 ATRs are related to ongoing works & 3 ATRs are related to completed works, by end of February, 2014.

12. Review of RRP-II, World Bank Projects: The Committee, after review of progress under RRP-II, World Bank Projects, stated that against the revised entitlement of Rs. 672 crore, the State has got the clearance for Rs. 516 crore. DS (RC) Smt. Rajpal pointed out that State has yet to award balance 30 road works against the clearance of 5th October, 2011, balance 15 works against the clearance of 30th March, 2012 and balance 58 works against the clearance of 15th March, 2013. As the mid-term review of World Bank Mission is due in January, 2014; State needs to ensure time bound procurement and completion of these delayed works. It was observed that only Rs. 84 crore has been spent by end of December, 2013 which is less than 20% of cleared value. The State was advised to improve the pace of implementation under RRP-II, WB of PMGSY.

13. Absorption Capacity: It was stressed that State needs to understand the importance of existing contractual capacity in the State and thereon to enhance the absorption capacity for timely completion of cleared projects. If the State is not able to complete all balance cleared works prior to March, 2011), it will create a major liability for State to bear the cost escalation due to delayed execution of projects. The absorption/executing capacity of the State is as follows:-

Sl. No.	Criteria for calculation of Absorption Capacity	Value (Rs. in crore)
1	According to Expenditure	190
2	According to Maintenance	74
3	According to Quality	19
	Total	283

It was observed that State already have balance work of Rs. 967 crore as on 30th November, 2013, therefore it needs to increase absorption capacity substantially to execute all sanctioned works within the provided framework under programme guidelines. It was advised that State needs to increase the expenditure on maintenance and inspections of ongoing & completed projects. It was observed that on maintenance scale state is at 0.39 % performance and on quality scale it is further below being 0.10 % only. State needs to improve the updation of inspections and expenditure of credited amount against maintenance needs of created assets under PMGSY.

14. The State will complete following activities to fix up an early date for Empowered Committee Meeting:
- 14.1. The DPRs should be corrected as per the observations of the Committee and NRRDA and uploaded on OMMAS after due vetting by STAs.
- 14.2. The State is required to send remaining 44 ATRs in time bound manner for effective compliance of observations raised in inspections of NQMs. An action plan should be provided by 23rd January, 2014.
- 14.3. Financial closure of all the balance 373 road works should be completed on OMMAS by March, 2014.
- 14.4. Mandatory certificates like land clearance certificates etc. should be provided.
- 14.5. The State shall take up atleast 15% of total proposals under R & D. The choice of roads and technology will remain with State.
- 14.6. State needs to increase the absorption capacity updating the inspection status of SQMs and increasing pace of expenditure against maintenance requirements.
- 14.7. The State needs to finalize the reconciliation process of habitation data master on OMMAS by 23rd January, 2014.
- 14.8 The State will send a compliance report on all issues as indicated at para 4 to 13 above along with Brief (10 copies) for the Meeting to the Ministry/ NRRDA while seeking date for EC meeting.
15. The meeting ended with a vote of thanks to the chair.