

2.1 Thematic audit of Delhi Police (Traffic and Communication)

Executive Summary

Delhi Police is the single law enforcement organization in Delhi which has to ensure well being and safety of nearly 15 million people of Delhi. The main activities of Delhi Police are to maintain law and order, prevent and detect crime in the city and manage the traffic etc. Thematic audit focused on two functional branches (Traffic and Communication). Audit examined implementation of six schemes, out of ten centrally sponsored schemes in four districts for three years 2009-10 to 2011-12. It was seen that revised expenditure under Plan Head was reduced during three years. Most of the funds earmarked for modernisation of Communication Branch of Delhi Police were not utilized and as such, the modernisation of communication network in Delhi Police was not achieved.

Physical implementation of Intelligent Traffic System could not be started as of March 2012 due to deficient planning, thereby, depriving users of benefit of world class traffic system in Delhi, apart from unfruitful expenditure of ₹ 7.50 crore. Delhi Police failed to implement the project of Cyber Highway in time, and at the same time, did not utilize the partially installed infrastructure. Delhi Police did not ensure adequate monitoring of road safety scheme leading to blockade of funds amounting to ₹ 4.33 crore. The scheme 'Induction of latest technology' could not be implemented by the traffic unit as neither new equipment were purchased nor existing project was strengthened.

2.1.1 Introduction

Delhi Police is the single law enforcement organization in Delhi to ensure well being and safety of nearly 15 million people. The superintendence over the Police force vests with the Administrator, now Lieutenant Governor. The Lieutenant Governor appoints the Commissioner of Police who directs and supervises the police force in Delhi, as per the Delhi Police Act, 1978.

The main activities of Delhi Police are:

- Maintenance of law and order in the city,
- Protection of the citizens' life and property,
- Prevention and detection of crime,
- Bringing the offenders to justice,
- Management of traffic, and
- Issuing of various types of licenses.

2.1.1.1 Organisation structure

Delhi Police is headed by Commissioner of Police, who is assisted by Special Commissioners and Joint Commissioners who in turn are assisted by Additional Commissioners/Deputy Commissioners. The Additional Commissioners/Deputy Commissioners are responsible for maintaining law and order in their respective districts (11 Districts). They work with the assistance of Station House Officers (SHOs) and other officers of various branches such as Law and Order, Traffic, Licensing, Crime, Communication etc.

2.1.2 Audit objectives and scope

The main objectives of thematic audit were to assess whether the centrally sponsored schemes were being implemented in an effective and efficient manner and whether the funds allocated for the schemes were utilized economically to achieve the intended objectives.

Out of 10 centrally sponsored schemes, six schemes as mentioned below were selected for audit:

(a) Traffic

- (i) Developing Traffic and Communication Network,
- (ii) Road Safety Cell,
- (iii) Installation of Signal and Blinkers, and
- (iv) Induction of Latest Technology - Traffic.

(b) Communication

- (v) Modernization of Delhi Police, and
- (vi) Up-gradation/expansion of Communication Infrastructure.

Four* out of 11 districts were randomly selected for audit of transactions and implementation of selected schemes.

The audit was undertaken from August 2012 to October 2012. The draft thematic audit report was forwarded to the Government of NCT of Delhi in January 2013. Reply was received from Delhi Police (March 2013) and has been duly incorporated in the report.

Audit findings**2.1.3 Budget provision and expenditure**

Budget of Delhi Police is provided through budget of the Union Government. Year wise budget allocation and expenditure incurred by Delhi Police on Traffic and Communication Units during the period 2009-10 to 2011-12 are given below in **Table 2.1 and 2.2:**

Table 2.1: Budget allocation and actual expenditure in respect of Traffic Unit

(₹ in crore)

	2009-10			2010-11			2011-12		
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total
Budget Estimates	52.50	167.85	220.35	92.50	175.71	268.21	97.00	206.64	303.64
Revised Estimates (Final Allocation)	12.50	167.85	180.35	14.50	175.71	190.21	12.45	206.64	219.09
Actual Expenditure	11.62	154.37	176.61	14.42	175.42	189.84	12.44	206.64	225.81
Actual Expenditure as per cent of Budget Estimates	42.36	91.97	80.15	15.59	99.83	70.78	22.16	98.87	74.37
Actual Expenditure as percent of Revised Estimates	92.96	91.97	184.93	99.45	99.83	199.28	99.92	100	199.92

* South, South-East, Outer and West

It may be seen from the above table that expenditure of the Traffic Unit under plan head ranged between 15.59 per cent and 42.36 per cent during 2009-10 to 2011-12 of the budgeted expenditure. The overall expenditure under plan head was 97 per cent of the final allocation (revised estimates). However, the planned budgeted expenditure was reduced (76, 84 and 87 per cent respectively) through revised estimates consistently in all the three years indicating deficient planning and budgeting process, leading to unrealistic budget projections in the Traffic Unit.

Delhi Police replied that the budget estimate was reduced due to non finalization of ITS project (discussed in para 2.1.4.1).

Table 2.2: Budget Allocation and Actual Expenditure in respect of Communication Unit

(₹ in crore)

	2009-10			2010-11			2011-12		
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total
Budget Estimates	2.90	91.84	94.74	3.97	95.33	99.30	2.55	96.03	98.58
Revised Estimates (Final Allocation)	2.40	91.84	94.24	0.00	95.33	95.33	0.46	96.03	96.49
Actual Expenditure	2.40	91.84	94.24	0.00	95.33	95.33	0.46	96.03	96.49
Actual Expenditure as per cent of Budget Estimates	82.76	100.00	99.47	0.00	100.00	96.00	18.04	100.00	97.88
Actual expenditure as percent of Revised Estimates	100	100	100	0	100	100	100	100	100

It may be seen from the above table that the budget allocations for the three years 2009-12 under the non-plan head were fully utilized by the Delhi Police and the utilization under the plan heads vis a vis revised estimates was also 100 percent. However, in all the three years it was seen that the revised estimates under plan head was reduced (17, 100 and 81 per cent respectively) indicating deficient planning and budgeting process leading to unrealistic budget projections.

The major audit findings relating to the plan schemes are given in the subsequent paragraphs.

2.1.4 Traffic unit

The mission of Delhi Traffic police is 'to achieve the highest standards of smooth and safe flow of traffic. Traffic Police Branch is headed by Special Commissioner of Police who in turn is assisted by a Joint Commissioner of Police, an Additional Commissioner and Deputy Commissioner. Total

sanctioned strength and actual men-in-position in respect of Traffic Unit as on 1 April 2012 was as under:

Table 2.3: Staff Strength

Name of Unit	Sanctioned strength	Actual men-in-position	Excess (+)/ Vacant (-)
Traffic	5883	6372	(+)489

The above table reveals that men-in-position was in excess of the total sanctioned strength by 8.31 per cent.

Accepting the observation, Delhi Police in its reply (March 2013) stated that taking into account the mounting pressures of traffic problem and operational requirements, the competent authority had provided excess strength by posting more police personnel, including women, to this unit till restructuring of the force. However, the pay and allowances were drawn from other Districts/ Units and not this unit.

2.1.4.1 Developing Traffic and Communication Network

The scheme had two components viz., Introduction of '**Intelligent Traffic System**' and setting up of an '**Integrated Data Communication Network (Cyber Highway)**' to be implemented by Traffic and Communication Units of Delhi Police.

The project was to be implemented in three phases. The Phase I was to cover area connected with Commonwealth Games 2010 requirements. The remaining areas of Delhi and further integration with NCR were to be taken up in subsequent phases.

(a) Allocation and Expenditure

The details of expenditure under the scheme are given in **Table 2.4**:

Table 2.4: Year-wise allocations and actual expenditure

Year	Original Allocation	Final Allocation	(₹ in crore)
			Actual Expenditure
2007-08	20.00	00.00	0.00
2008-09	32.00	2.01	2.01
2009-10	40.00	10.63	10.63
2010-11	80.00	0.00	0.00
2011-12	82.00	9.06	9.06
Total	254.00	21.70	21.70

It could be seen from the table that the actual expenditure on this scheme was 100 percent of the final allocation but only nine *per cent* of the original allocation during the period 2007-08 to 2011-12. It was also seen that the expenditure was incurred only on Cyber Highway component of the project for which final allocations were made from the original allocations. This shows that the scheme was not implemented effectively and completely by the Delhi Police and the planning and budgeting of the unit was deficient leading to unrealistic budgetary projections.

(b) Intelligent Traffic System (ITS)

ITS was introduced keeping in view tremendous increase in traffic during the Commonwealth Games 2010. The objective behind the scheme was establishment of State of the Art Traffic Management Centres, upgradation/ expansion and integration of the existing ITS projects, implementation of various ITS user services, improved connectivity with the NCR, inculcate a sense of discipline amongst road users and educate public on road safety for better road user behavior and effective enforcement of traffic regulations.

The 'Manual of Policies and Procedures of Employment of Consultants', issued by the Ministry of Finance (2006) provides that for the cases having financial implications of more than ₹ 10 lakh, a Consultancy Evaluation Committee (CEC), comprising of at least three members at appropriate level shall be constituted by the employer in order to carry out the consultant selection procedure. The CEC shall be responsible for all aspect and stages of the consultant selection. Even in case of selection of consultant by direct negotiations having financial implication of more than ₹ 10 lakh, the CEC is required.

Audit observed that no such committee was constituted by Delhi Police. In the absence of CEC, no procedure such as issuing of EOI, short listing of consultant, preparing term of reference and issuing RFP and evaluation of technical and financial proposals was adopted for appointment of consultant. Delhi Police, however, appointed RITES directly on nomination basis (without inviting any EOI and RFP), though the cost of the project and the consultants fee was ₹ 168.90 crore and ₹ 7.20 crore (demanded by RITES) respectively. It was further observed that RITES hired outside agency for the project indicating that it did not have requisite technical experience.

The 'Manual' also provides that the employer shall constitute a Consultancy Monitoring Committee (CMC) comprising at least three members at appropriate level, including user's representative after the selection procedure is over to monitor the progress of the assignment as per TOR, to assess the quality of the deliverables, to accept/ reject any part of assignment to levy appropriate liquidated damages or penalty, if required.

Delhi Police, did not constitute CMC to monitor progress of the consultancy assignment. In absence of CMC, monitoring of the assignment of consultancy

could not be done properly. Delhi Police appointed (February 2009) a consultant (RITES) for the project after approval of MHA. The appointment was made only for pre investment activity. This led to delays in finalisation and inviting tenders and deficiencies in tender document. Delhi Police appointed the consultant in February 2009, however, it invited tender in March 2010 for Cyber Highway i.e. after 13 months and again in July 2011. However, it could not award the work due to non-response in the first tender process and scrapping of tender due to deficiencies (the L-1 did not quote any price for some items and did not fill up tender documents strictly as per the requirement) in the bid of L-1.

ITS could not be implemented during 11th Five Year Plan even after incurring expenditure of ₹ 7.50 crore which included consultancy fee (₹ 1.66 crore) and expenditure on setting up of a control room (₹ 5.84 crore). Thus, Delhi Police, by not following the manual, could not ensure due planning and diligence in appointment of the consultant and implementation of ITS resulting in non implementation of the project and unfruitful expenditure of ₹ 7.50 crore.

Meanwhile, MHA introduced (March 2012) a new surveillance system, 'Integrated Intelligent Security Surveillance System' (IISSS) with which ITS was to be integrated in due course while the pilot phase of ITS was taken up by the Delhi Police. Thus, even though Delhi Police did not initiate ITS project to bring in an Intelligent Traffic System during the 11th Five Year Plan, it embarked on another project of similar nature.

Delhi Police in its reply (March 2013) stated that RITES was appointed as consultant on nomination basis with the approval of Ministry of Home Affairs, Government of India. Further, it stated that reports on evaluation of Technical bids by RITES were considered by Purchase Committee on whose recommendation the tender was scrapped with the approval of MHA, as there were shortcomings in bid by the L-1 bidder. It also stated that for IISSS appointment of consultant through duly constituted committee of the Delhi Police is under process through open tender system.

The reply is not acceptable as the consultant was appointed on nomination basis and the committee referred to in the reply was a Purchase Committee and not a CMC which would monitor the performance of the consultant against pre determined TOR.

(c) Integrated Data Communication Network (Cyber Highway)

Cyber Highway project was the second part of the scheme 'Developing Traffic and Communication Network'. Cyber Highway was envisaged as the backbone network for data, voice and video communications at 243 access points of Delhi Police. For this purpose, a network (bandwidth among different nodes) was to be established by Mahanagar Telephone Nigam Limited (MTNL). Under the scheme, Delhi Police Wide Area Network (DP

WAN) was to be provided for secure and scalable connectivity among Police Headquarter, District Headquarters, ACP Offices, Police Stations, Police Posts, Police Exchanges through MPLS[†], VPN[‡] links by MTNL.

During 11th Five Year Plan a provision of ₹ 31.10 crore was made, whereas only ₹ 21.70 crore was utilized during the period. Accepting the position, Delhi Police stated (March 2013) that as on February 2013, expenditure was ₹29.87 crore.

(d) Avoidable expenditure of ₹ 1.02 crore and committed liability of ₹2.62 crore

As per agreement with MTNL, it was specified that 12 key applications of Delhi Police were to be run on Cyber Highway, some of which were - Common Integrated Police Application (CIPA) for Police Stations, Computerised Inventory Management System (CIMS), Delhi Police Intranet (Intra DP) and Traffic Monitoring System (TMS) etc.

Clause No 4.2 of the agreement also provided for recurring cost of ₹ 3.64 crore per annum towards bandwidth charges, manpower and digital signature. Delhi Police was to make advance payment (including tax) of ₹ 1.02 crore i.e. 50 per cent of annual bandwidth charges, which was released to MTNL in March 2010.

MTNL had been providing bandwidth and manpower since July 2011 which were reported to be utilized by Delhi Police for various applications (including Intra DP, CIMS, TMS and CIPA).

Scrutiny of record, however, revealed that Cyber Highway was not utilised as of August 2012 as most of the applications were not running.

A test check of records in selected district offices (in September and October 2012) revealed the following:

- **Intra DP:** Connectivity on cyber highway was provided in one out of four district offices.
- **CIMS:** CIMS was installed in general store, clothing store, motor transport store and petrol pumps of district offices. It was noticed that out of 15 stores available in four districts, connectivity through cyber highway had been made in 12 stores. However, CIMS was functioning in only three petrol pumps.
- **TMS:** TMS, under which 36 monitoring cameras were installed at nine locations in 2006-07 by Traffic Unit, was not connected through Cyber Highway. Instead these were connected through optical fiber connectivity of Bharti Airtel for which annual payments were made to them.

[†] Multi protocol label switching

[‡] Virtual Private Network

- **CIPA:** Connectivity of Cyber Highway was made in all the police stations in selected four districts but CIPA was running on Cyber Highway only in four police stations on trial basis as of November 2012. Broadband connectivity of MTNL for CIPA existed in all the police stations and monthly payments were made to MTNL.

Further, ITS was also to be run on Cyber Highway but the same was not implemented leading to further non-utilization of Cyber Highway.

As a result of under utilization, the recurring expenditure of ₹ 1.02 crore paid in advance on account of bandwidth charges remained unfruitful, besides creation of committed liability of ₹ 2.62 crore (₹ 3.64 crore – ₹ 1.02 crore), on account of recurring charges payable for the period July 2011 to July 2012.

Delhi Police replied (March 2013) that connectivity had been provided in all 11 Districts DCP[§] offices but Intra DP was running only on 7 and rest 4 required LAN cabling. CIMS was not fully functional due to bugs. Further, the trial for the critical application of CIPA was being carried out in 12 Police Stations. Connectivity has also been provided to CCTV systems of 32 places, IVDCRS^{¶*} and AVTS^{††}.

The reply is not acceptable as most of the applications referred to above are either non-operational or partly operational, making the Cyber Highway underutilized.

2.1.4.2 Road Safety Cell Scheme

Road Safety Cell of Delhi Traffic Police was created in the year 1975. It is a plan scheme of Delhi Police, centrally sponsored by the Ministry of Home Affairs. The scheme is continuing from 10th Five Year Plan (2002-07).

(a) *Incorrect booking of expenditure*

Scrutiny of the records revealed that during the year 2007-08, Delhi Police had booked expenditure in excess of the actual expenditure under the scheme. A sum of ₹ 8.25 crore was incurred by the Traffic Unit against which an amount of ₹ 9.17 crore was booked. Thus, there was incorrect reporting/booking of expenditure, resulting in non-reconciliation of ₹ 0.92 crore.

Delhi Police accepted the audit observation and stated (November 2012 and March 2013) that the excess expenditure was done on the sub-heads 'Motor Vehicles and Machinery & Equipment'. They also mentioned that expenditure incurred have been reconciled and are reflected in the demand for grants of the concerned financial year, however, no supporting evidence was

[§] Deputy Commissioner of Police

^{¶*} Integrated Voice & Data Communication & Recording System

^{††} Automatic Vehicle Tracking System

supplied for verification. Audit observed that the above two sub-heads did not pertain to the plan scheme, further indicating unjustified expenditure.

(b) Blockade of fund

The Municipal Corporation of Delhi (MCD) submitted an estimate of ₹ 0.33 crore in December 1999 for construction of an auditorium at Traffic Training Park, Punjabi Bagh. Scrutiny of records revealed that Delhi Police deposited the sum of ₹ 0.33 crore to the MCD in three installments between 1998 and 2000. The estimate was revised by the MCD to ₹ 1.17 crore in 2004 incorporating the earthquake resistance measures in structure, water proofing resistance structure, electrical cabling etc., which were not included in the earlier estimates. As the work further increased by including work of air conditioning, electrical wiring, fire safety norms etc., the MCD submitted a fresh estimate of ₹ 4.33 crore in March 2007. But work was started by the MCD in January 2009.

In addition to the amount already paid to the MCD, Delhi Police again released a sum of ₹ 2.50 crore during the year 2010-11 and ₹ 0.66 crore during the year 2011-12, amounting to a release of ₹ 4.33 crore. The construction work was under suspension since August 2011 and the MCD had not conveyed any valid reason for suspension of work. Delhi Police was aware of the suspension of work but still sanctioned an amount of ₹ 0.66 crore in October 2011. Thus, even after making payment of ₹ 4.33 crore, construction of the auditorium was not complete as of February 2013.

It was also observed that the auditorium was being constructed on land owned by the MCD. The MCD had provided land to Delhi Traffic Police for use as Traffic Training Park for the benefit of general public. Delhi Police had not initiated any action for transfer of the title from MCD to its own favour. Delhi Police may endeavor to get the title of the land transferred in its name as early as possible.

Delhi Police in its reply (March 2013) stated that the Traffic Training Park is in possession of the Delhi Police since 1975. The reply is not acceptable as the Delhi Police did not have clear title of the land and amount given to MCD remained blocked as the work could not be carried out by any other agency.

2.1.4.3 Scheme on Induction of latest technology

After taking into consideration the multifaceted challenges such as countering the ill- designs of terrorist, control of crime, strengthening and upgrading the existing VVIP security apparatus and better traffic management etc., the scheme was conceived with the aim to induct the latest technology in the multiple spheres of policing.

It was one of the plan schemes of Delhi Police during 10th Five Year Plan with the aim to strengthen the scheme and continue with City Video Surveillance System (CVSS). The scheme continued in 11th Five Year Plan.

The MHA approved ₹ 5.00 crore for 11th Five Year Plan. However, Delhi Police utilized only ₹ 3.26 crore, out of which ₹ 2.47 crore was incurred by Traffic Unit on CVSS.

(a) Planning

Delhi Police justified continuation of the scheme from the 10th to 11th Five Year Plan by stating that it was imperative to keep inducting equipment/gadgets of latest technology not only as a deterrent but also to effectively counter the law and order, security, terrorist and crime related emerging challenges.

It was, however, seen that Traffic Unit did not procure any new equipment for induction of latest technology during 11th Five Year Plan under the scheme, though the available funds lapsed. The expenditure was incurred only on payments on account of CVSS that was already installed in 10th Five Year Plan.

Audit, however, observed that High Resolution traffic monitoring cameras under CVSS were out of service due to various reasons such as lack of repair, removal, theft etc.

Delhi Police replied (March 2013) that procurement of Auto Glass Light Transmission measurement meter and Red Light and Speed violation check camera were dropped during the 11th Plan period due to inadequate competition (single bid) and induction of ITS project, respectively. However, in the current five year plan, proposals for procurement of modern equipments/ technology under the scheme have been initiated.

(b) Non-levy of liquidated damages for delay in commissioning of project

The work of supply, installation and commissioning of CVSS was awarded to M/s Turbo Consultancy Service Pvt. Ltd. in March 2006 at a cost of ₹ 3.06 crore which included the hiring charges of fiber optical connectivity of ₹ 1.53 crore for three years @ ₹ 51.27 lakh per year. The Agency was to provide onsite guarantee/warranty for all goods and equipment for the contract period of five years after acceptance of the system.

As per clause 8 of the contract, the system was to be installed and commissioned within six weeks i.e. by May 2006. Clause 18 of the contract further stipulated for deduction of liquidated damages @ one per cent for each and every week, subject to a maximum of five per cent of the contract price of the delayed/undelivered goods or delay in rendering any service. The system was commissioned in June 2008. Though, the system could not be commissioned within due date, penalty amounting to ₹ 15.30 lakh was not levied.

Delhi Police replied (March 2013) that the system was inaugurated in December 2006 after installation and connectivity and prosecution was started on the basis of details provided by the system, however, the Technical Committee did not accept the system till June 2008 due to a minor discrepancy of non installation of Storage Area Network (SAN).

The reply is not acceptable as the installation of SAN was an integral part of the project.

(c) Under-performance and discontinuation of system

The clause 11 (a) of the agreement stipulated that the agency was to provide, free of cost, comprehensive on-site warranty for all goods/equipment for a period of five years from the date of final acceptance of system. If the supplier failed to repair or replace the defective equipment/item, the purchaser was free to get the same repaired/replaced from the market and its cost was adjustable from the supplier's contract performance security. Further, as per clause 11 (i) of the agreement, the supplier was also responsible for onsite maintenance of the system at a reasonable price for a minimum period of five years after expiry of the warranty period, assuming the life span of the system to be 10 years.

It was seen that due to non-maintenance of monitoring cameras and theft etc., the number of prosecution fell down sharply, as given in **Table 2.5:**

Table 2.5: Month wise Prosecution Statement

Month	2012
January	3056
February	1700
March	353
April	1554
May to December 2012	0

It was also seen that against the proposal of 50 cameras, Traffic Unit had installed only 36 cameras at nine locations in Delhi. But scrutiny of records revealed that AMC support provided by the vendor for maintenance of cameras was deficient and many cameras stopped working after April 2012.

Delhi Police, however, neither took any action against the agency as per clauses of the contract nor made any alternate arrangement for the repair and maintenance, although the system, which proved to be useful for prosecution as well as control of traffic slowly went out of order and finally stopped functioning after April 2012. Further, deductions from quarterly rent amounting to ₹ 20.45 lakh for non-functional cameras was not made from the vendor's bills for the period April 2007 to March 2012.

Delhi Police replied (March 2013) that the Original Equipment Manufacturer (OEM) had also mentioned that the installed cameras under the system are currently 'End of Sale' and 'End of Support' as part of their product lifecycle. Delhi Police further stated that the system has lived its life in the era of fast and modern technologies.

The reply is not acceptable as the contract for the system provided for the warranty for five years and support during the life of the system which was supposed to be 10 years. Comment of OEM further proves that due diligence at the time of purchase of the system was deficient.

2.1.5 Communication Unit

The main aim and objective of the Communication Unit of Delhi Police are to provide wireless and land-line communication for maintenance of law and order, traffic management, VVIP/VIPs security and other major and minor arrangements. Communication Unit is headed by Deputy Commissioner of Police (PRO) who is assisted by Assistant Commissioners.

Total sanctioned strength and actual men-in-position in respect of Communication Unit as on 1 April 2012 is given in Table 2.6:

Table 2.6: Staff Strength of Communication Unit

Name of Unit	Sanctioned strength	Actual men-in-position	Excess (+)/ Vacant (-)
Communication	2601	1887	(-) 714

The men-in-position against sanctioned strength was deficient in the Communication Unit.

Accepting the fact Delhi Police stated (March 2013) that the shortage of staff was mainly because of delayed recruitment. Thus, timely action had not been taken by Delhi Police for filling up of vacant posts.

2.1.5.1 Modernisation of Delhi Police

In order to achieve its objective of upgrading and enhancing the communication set up of Delhi Police, the Communication Unit proposed in 11th Five Year Plan, the project, 'Integrated Data Communication Network' (Cyber Highway) for implementation and procure communication infrastructure. The Ministry of Home Affairs also introduced a new Scheme namely 'Police Modernisation Scheme in Union Territories' in April 2006. Under the scheme, ₹ 12 crore was proposed for modernization of Communication infrastructure of Delhi Police.

(a) Financial allocation

An amount of ₹ 8.47 crore was approved during the period 2007-08 to 2011-12 for Communication Unit under Police Modernisation Scheme. Delhi

Police, however, utilized only ₹ 2.70 crore during this period, which was only 27 per cent of the approved outlay. It was also observed that Delhi Police did not incur any expenditure on Communication Unit during the years 2007-08, 2010-11 and 2011-12.

Confirming the expenditure of ₹ 2.70 crore, Delhi Police stated (March 2013) that this was spent as per actual requirement.

Reply is not accepted as the purpose of initial allocation of ₹ 8.47 crore, for the 11th Plan Period, was defeated when the final allocation was reduced substantially, compromising on modernization efforts of Delhi Police during the 11th Plan Period.

(b) Planning and implementation

The MHA approved (March 2010) the proposal of Delhi Police to expand/upgrade the existing Advanced Vehicle Tracking System (AVTS) at a cost of ₹ 1.55 crore and Existing Control Rooms of units with Digital Voice Logger at ₹ 1.92 crore in 2010-11. However, funds of both the projects were not utilized by the Delhi Police.

The proposal for expansion of GIS/GPS based AVTS System (at a cost of ₹ 1.55 crore) was again made by Delhi Police in Annual Action Plan of 2011-12. Due to non-implementation of the scheme in the year 2011-12, the funds lapsed again.

Thus, Delhi Police made proposals/plans for Modernisation of Communication Unit repeatedly, but did not implement them, leading to non utilization of funds.

In reply (March 2013), Delhi Police stated that the proposal for the AVTS upto the Police Station level was sent to the GNCTD in August 2011 but the same has not yet been finalized despite considerable efforts from Delhi Police.

2.1.5.2 Up-gradation/ expansion of communication infrastructure

Delhi Police submitted (February 2008) the proposal to the Ministry of Home Affair for implementation of new plan scheme 'Upgradation and Expansion of Communication Infrastructure of Delhi Police' in 11th Five Year Plan. The objective of the scheme was to upgrade and expand the existing Communication Infrastructure to meet the enhanced requirement and to achieve extended communication coverage by procuring and installing new Communication Infrastructure equipment. The scheme was approved by the Ministry in March 2008 with an outlay of ₹ 5.00 crore to be incurred on Mobile Workshop/Communication/Car Calling/Video Vans and High Mast Towers in four financial years starting from 2008-09.

(a) Planning and implementation

Communication Unit proposed to procure following infrastructure under the scheme during the 11th Five Year Plan as given in **Table 2.7:**

Table 2.7: Infrastructure to be procured

Sl. No.	Particular of items	No. of items	Purpose
1	Mobile Workshop	4	For on the spot repair and replacement of defective wireless sets to ensure uninterrupted communication
2	Mobile Communication Vans	3	To perform as Mini Mobile control rooms during law and order arrangements
3	High Mast self supporting Towers	2	To improve the communication coverage
4	Mobile car calling system	2	For Management of parking/calling back the vehicles during arrangements
5	Mobile PA System Van	1	For short notice deployment of PA System
6	Mobile Vehicle Van	1	For remote monitoring of events

It was observed that out of total outlay of ₹ 5.00 crore, Delhi Police (Communication Unit) could spend only ₹ 54.60 lakh (about 11 *per cent*) during the plan period. The expenditure was incurred on procurement of one Tata vehicle, fabrication of Tata vehicle and two Maruti Gypsies for Mobile Workshop (during 2008-09) and procurement of eight Maruti Gypsies for Mobile Radio Workshop, Car calling and PA System in 2011-12. It was seen that even though eight Maruti Gypsies were purchased in July 2011, these could not be utilized as they were not yet fabricated (July 2012).

Delhi Police in its reply (March 2013) stated that 9 vehicles had been fabricated and remaining two were under fabrication and expected to be completed in two months.

Fact remains that the Delhi Police could not ensure fabrication of all the units till date.

2.1.6 Other points**2.1.6.1 Execution of work**

As per section 4.2.1 of CPWD Works Manual, and Rule 132 (i) and (ii) of the General Financial Rules, estimates for execution of works, should be prepared in accordance with the CPWD specifications and DSR and tender should be awarded to L-1 after preparing the justification of rates on the basis of market

rates. The payment should be released on the basis of recordings in the measurement books.

District offices of Delhi Police conducted minor works which included repair and maintenance of residential and office buildings of Delhi Police under jurisdiction of respective District Police offices. The four selected Districts incurred ₹ 4.88 crore on minor works during 2011-2012.

A test check of records for the period 2011-12 revealed that the above provision was not followed by any of the four District Offices while inviting tenders or releasing payment to the contractor as all the awarded works were below ₹ 10000. As a result the District Offices could neither project the estimates of items before inviting the rates from agencies/market nor verify the rates quoted by agencies with respect to prevailing market trends.

Delhi Police stated (March 2013) that the Districts/ units were authorized to execute minor repairs under Delegation of Financial Powers upto ₹ 10000 and since the work involved petty repairs, executing the work in accordance with CPWD specifications and DSR would not be possible. However, 'extra ordinary repairs' have been carried out through PWD and like agencies on the basis of estimates provided by them.

The reply is not tenable as the work could have been executed through CPWD by tendering for minor works rather than splitting into small work orders valuing less than ₹ 10000 each. Further, there are no works called 'extra ordinary works', and it is not clear how this was decided by Delhi Police.

2.1.6.2 Non-adjustment of abstract contingent advances amounting to ₹ 154.55 crore

Rule 118 of Receipt and Payment Rules stipulates that money drawn on abstract contingent (AC) bills should be adjusted within a period of one month from the date of drawl or at the end of financial year. As per information provided by PAO-IV, contingent advances amounting to ₹ 154.55 crore were pending for adjustment as on 31 March 2012. It was also observed that an amount of ₹ 4.58 lakh on account of Provisional and Logistic Branch of Delhi Police was outstanding since 1996-97. Non-adjustment of advances for long periods was fraught with risk of misappropriation and fraud.

Delhi Police replied (March 2013) that the present pending position was ₹ 131.40 crore and regular pursuance is being done for adjustment of outstanding advances.

Conclusions

Delhi Police did not implement plan schemes effectively during the 11th Five Year Plan. Some schemes were continuing from the previous plan period as well. Absence of adequate monitoring mechanisms and deficient financial control led to incorrect appropriations apart from underutilization of the

resources under the schemes. Non- implementation of the schemes impacted the readiness of Delhi Police to tackle situations of law and order and traffic management etc. efficiently and effectively.

Intelligent Traffic System was introduced during Commonwealth Games 2010, but was not implemented even after incurring an expenditure of ₹ 7.50 crore during 11th Five Year Plan. Due to non- maintenance of CVSS, prosecution rate fell down sharply after January 2012 as system stopped functioning completely after April 2012. Communication Unit purchased eight Maruti Gypsys in July 2011, which were not utilized till 2012, as these were not fabricated for the specific purpose. Abstract contingent advances amounting to ₹ 154.55 crore were pending for adjustment as on 31 March 2012 including an amount of ₹ 4.58 lakh, outstanding since 1996-97.

Recommendations

- *Delhi Police may ensure that it follows the codal provisions and the manuals related to project management and put in place a system of effective monitoring of Project Planning and implementation, for timely completion of projects.*
- *Delhi Police may ensure that allocations are utilized for the purposes they are meant for better financial control.*

Public Works Department

2.2 Thematic Audit of Delay and Deviation in Execution of Works

Executive Summary

Thematic audit was taken up to highlight the instances of delays and deviations in execution of works. In four out of 13 Divisions selected for audit, there was excess expenditure over budget allocation ranging from ₹ 0.16 lakh to ₹ 167.60 lakh. In 107 test checked works, there was delay in completion upto maximum of 48 months. Some of the major reasons for delay in completion of works were non-availability of site, drawings, lack of coordination with client department and absence of coordination between Civil and Electrical Divisions. PWD had not adhered to the general conditions of the contracts as neither compensation of ₹ 11.19 crore for delay in completion of works was levied nor any amount withheld where the contractor failed to maintain the progress of the work according to the milestones. Though, there were considerable delays on the part of consultants in five Building Projects, PWD did not levy compensation despite the penal clause in the agreements.

The deviation in works was mainly due to increased scope of work, execution of extra work and change in drawings/designs. In 61 works, there were total deviations amounting to ₹ 13.38 crore, which ranged between 12 *per cent* and 159 *per cent* of the original estimated cost. In 39 works, no specific reasons for deviation valuing ₹ 3.31 crore were recorded. In 19 works of Signages and Upliftment of lifts, valuing ₹4.95 crore, tenders were invited from manufacturers/authorized dealers/specialized agencies, without provision in the detailed estimates and were executed under the head 'repair and maintenance of work' instead of main work.

There was an absence of internal control mechanism to monitor the progress of work to avoid delay and deviation in the works. Although physical and financial progress of the works was being monitored by the higher authorities through monthly progress report, yet there was no system to control the delay in completion of works which resulted in cost overruns.

2.2.1 Introduction

Execution of works in Government departments is undertaken by Public Works Department (PWD), Government of NCT of Delhi. PWD is responsible for planning, designing, construction and maintenance of residential, non-residential buildings and strengthening and widening of roads. The Principal Secretary, Government of NCT of Delhi is the administrative head of PWD, who is assisted by Engineer-in-Chief, Chief Engineers, Superintending Engineers and Executive Engineers.

The CPWD* Works Manual prescribes procedure for planning and execution of works. It also provides a basis for internal control framework in public works. Central Public Works Accounts Code strengthens the internal control framework and provides a platform to ensure accountability in planning and execution of public works. Bypassing or contravention of provisions of either of the two, leads to delay and deviations in public works and points to deficiencies in planning and execution of such works.

2.2.2 Audit objective and scope of audit

This audit was taken up to highlight the instances of delay and deviations along with the reasons thereof. The audit findings based on the test-check of records were communicated to PWD/Government (December 2012). The reply was awaited as of March 2013.

During thematic audit conducted between April and October 2012, 13 projects/divisions (two Building Projects-civil, one Building Project-electrical, four Civil Road Maintenance Divisions, two Building Maintenance Divisions and four Electrical Maintenance Divisions) out of total 57 projects/divisions involving expenditure of ₹435.44 crore out of total budget of ₹ 2142.94 crore of PWD. They were selected on random selection basis. The records of 348 works for the year 2011-12 were test checked.

2.2.3 Audit criteria

The thematic audit of the PWD was benchmarked against criteria derived from the following sources:

- Provisions of CPWD Works Manual,
- Provisions of General Conditions of Contract and Agreement, and
- MoRTH[†], IRC[‡] and CPWD specifications.

* Central Public Works Department

† Ministry of Road Transport and Highways

‡ Indian Road Congress

Audit findings

2.2.4 Lack of budgetary control

Monitoring of expenditure through budgetary controls is an effective tool for financial management. Works expenditure forms a significant component of state expenditure.

Rule 54 and 55 of the General Financial Rules, 2005 stipulate that a Head of Department or controlling officer should be in a position to estimate the likelihood of saving or excess every month and regularize them in accordance with the instructions under the rules. The Accounts Officer should report to the Head of Department immediately, on first appearance, of any disproportionate expenditure, particularly in respect of recurring items of expenditure of any grant or appropriation, of any primary unit of appropriation thereof. However, it is the authority, who administers the grant/appropriation, is ultimately responsible for control of expenditure and not the Accounts Officer. It was noticed that in four Electrical Maintenance Divisions (M-151, M-251, M-252 and M-253) and one Civil Road Maintenance Division (M-411), there were excess expenditure over budget allocation ranging from ₹ 0.16 lakh to ₹ 167.60 lakh (**Annexure-2.1**).

The reasons for excess expenditure were not available on the records made available to audit.

2.2.5 Delay in execution of works

Section 29.1 of CPWD Works Manual stipulates that the time allowed for carrying out the work as entered in the contract, shall be strictly observed by the contractor and work should be proceeded with all due diligence on the part of the contractor throughout the stipulated period of the contract (time is deemed to be the essence of the contract). Test check of records of divisions revealed that the provision was not adhered to by the PWD as explained in the succeeding paragraphs.

2.2.5.1 Non levy of compensation for delay attributable to consultants

As per the instructions issued by the Central Vigilance Commission (November 2002), the contract with the consultants should incorporate clauses having adequate provisions for levying penalty on the consultants in case of defaults by them at any stage of the project including delay attributable to the consultant.

In two Building Project Civil Divisions, four consultants were appointed for five works. While entering into agreement with the consultants, PWD did not

adopt an uniform pattern for penalty clause in all the works as indicated below:

Table 2.8 : Details of compensation not levied

Name of the work	Overall delay (days)	Consultant's delay (days)	Fee payable (₹ in lakh)	Compensation leviable (₹ in lakh)
Building Project Civil B-13				
C/o [†] 143 Nos. Type III Qtrs at Shalimar Bagh	792	249	126.60	6.33 [*]
C/o 156 Nos. Type IV Qtrs at Shalimar Bagh	747	262		
C/o of Boys and Girls Hostel at Judicial Academy at Dwarka	461	356	97.00	4.85 [*]
Building Project Civil B-23				
C/o 200 Beds Hospital at Ashok Vihar	742	98	97.00	1.00 [‡]
C/o of New OPD Block at LNJP Hospital	209	82	65.00	3.25 [*]

Clause 2 of the General Conditions of Contract stipulate that compensation of maximum of ten *per cent* of tender cost may be levied in case of delay in completion of work. However, it was noticed by audit that in the Building Project (B-23), PWD did not adopt uniform pattern for penalty clause. In one case (C/o 200 Beds Hospital at Ashok Vihar) maximum compensation leviable was restricted to ₹ onelakh whereas in all other cases (including Building Project Civil B-13), it was restricted to maximum of five *per cent* of the fee payable which resulted in undue benefit to the consultant.

It is also evident from the above table that there were delays in completion of these five works ranging between 209 days and 792 days, out of which, the delay attributable to the consultants ranged from 82 days to 356 days. Although there were considerable delays on the part of consultants, yet PWD did not levy compensation despite the penal clause in the agreements. Thus, PWD neither adhered to the instructions of the Central Vigilance Commission nor levied penalty on the consultants as per provisions of the agreement.

[†] Construction of

^{*} 0.25 per cent of total fee payable per day, subject to maximum of 5 per cent.

[‡] ₹ 1000 for every day of delay subject to maximum of ₹ 1.00 lakh

2.2.5.2 Completion of works

Section 15 of CPWD Works Manual stipulates that before approval of NIT, clear site and set of drawings as referred to in the schedule of quantity of work, should be available. Scrutiny of records relating to 107 works (Annexure-2.2) test checked, revealed the following:

- (i) There was delay in completion of the works ranging between 96 days and 1452 days.
- (ii) In 23 works, sites were not available between 72 days and 1262 days.
- (iii) In 10 works, drawings were not available from 22 days to 1452 days.
- (iv) In six works, there were hindrances due to Civil/Electrical work ranging between 28 days and 816 days.
- (v) In four works, hindrances were due to delay in approval of various proposals by the client department. However, no correspondence in respect of hindrance on the part of client department was available on record.
- (vi) In 78 cases, no Hindrance Register was prepared as required under Section 29.7 of CPWD Works Manual, which stipulates that whenever any hindrance comes to the notice of Assistant Engineer, he should at once make a note of such hindrance in the register and immediately make a report to the Executive Engineer within a week. Further, the hindrances which are under control of the contractor should not be entered in the register.

From the above, it is evident that PWD did not fulfill the pre-requisite conditions before award of work.

(a) *Non-levy of compensation in delayed work*

As per Clause 2 of the general conditions of contract, if contractor fails to maintain the required rate of progress of work, PWD should levy compensation at the rate of 1.5 per cent of the tendered value of the contract per month of delay, to be computed on per day basis subject to the maximum of 10 per cent of the tendered value of the work. During scrutiny of the records relating to delayed work, it was noticed that:

- (i) in two Building Projects, three Electrical Maintenance Divisions, three Civil Road Maintenance Divisions and one Civil Building Maintenance Division, Executive Engineers had not levied compensation amounting to ₹ 11.19 crore in 108 works where there were delays in completion of the works(Annexure-2.3). Reasons for non-levy of compensation were not made available to audit.
- (ii) The work for 'Construction of EDP Cell cum Referral Clinic/ Administrative cum OPD Block and Additional parking basement at G.B. Pant hospital' which was stipulated to be completed by 10 July

2008, was finally completed on 30 November 2011. No entry in the hindrance register was made after 26 March 2010 and provisional final bill was paid on 29 March 2012, though there is no provision in the manual for making final payment provisionally. Compensation, amounting to ₹ 2.51 crore (10 per cent of TA-₹ 25.13 crore) under Clause 2 of the agreement was not levied for the delay of 20 months and no extension of time was also granted.

Audit observed that PWD had not adhered to the general conditions of the contract as compensation was not levied in the delayed work. Thus, PWD did not enforce effectively the available provision for ensuring timely completion of works.

(b) Non-withholding the amount for non achievement of milestones

As per Section 29.1 (4) of CPWD Works Manual, to ensure good progress of the work during execution, the contractor shall be bound in all cases, in which the time allowed for any work exceeds one month to complete the work as per the milestones given in the Schedule 'F' under Clause 5 of the contract. In the event of not achieving the necessary progress as assessed from the financial progress, a percentage of the tendered value of work as mentioned in the Schedule 'F' would be withheld for failure in achieving each milestone.

It was noticed that although there were delays in completion of the work as per milestones in 107 cases, yet PWD did not withhold an amount of ₹ 2.13 crore in 47 works (**Annexure-2.4**). Thus, by not applying the clause of milestones, PWD was not able to exercise necessary control on the progress of works executed by the contractors, which further indicated deficient monitoring of works by PWD.

2.2.6 Deviation in execution of works

Deviations in works are mainly due to the increase/decrease in items of bill of quantity, additional/modification of work and execution of work without there being a provision in the estimates. The following instances of deviation were found during audit of selected divisions:

2.2.6.1 Deviations from detailed estimates

As per Section 16.10 of CPWD Works Manual, there are 52 electrical works declared as specialized in nature. Further, as per item at Sl. No.21 of Appendix-1 to CPWD Works Manual, the Chief Engineer has full powers to accept the tenders for smaller works likely to crop up during the execution of work/project for which no provision exists in the sanctioned project estimates, subject to availability of funds under sub-head 'contingencies'. A test check of the records of Electrical Maintenance Divisions M-251 and M-252 (**Annexure-2.5**) revealed that in all the 19 works which were related to providing of signages and upliftment of lifts, tenders were invited from

manufacturers/authorized dealers/specialized agencies, even though these works are not included as specialized works in works manual. The execution of these works was irregular as:

- (i) There was no provision for these works in the detailed estimates prepared by PWD. However, the works were awarded and executed without obtaining the approval of competent authority.
- (ii) All the works amounting to ₹ 4.95 crore were executed under the head 'repair and maintenance of work' instead of main work. As all the works were new in nature, they should have, therefore, been executed under the Major Head - 4059 instead of Major Head – 2059. But the PWD has executed these works under Major Head – 2059, which was not in order.

Thus, by inviting the tender for non specialized work from specialized agencies/manufacturers of limited make, the competition was restricted, resulting in non-availing of the benefit of competitive rates. Furthermore, the approval of Chief Engineer was also not obtained which was a violation of provisions of the manual.

2.2.6.2 Inconsistency between the tendered amount and actual payment

Section 4.2.1 (2) of CPWD Works Manual stipulates that detailed estimate should be complete and as comprehensive as possible and should be supported by detailed drawings, preliminary structural plans, preliminary lay out drawings of various services, detailed drawings and/or specifications etc. for the various components of work involved. Further, Section 24.1.2 (3) stipulates that if total deviation of quantity of any individual item is beyond the deviation limit as specified under Clause 12 of the contract, then deviation beyond 10 *per cent* on either side of estimated cost, should not be made at site, without in principle approval of technical sanctioning authority.

Test check of records of various divisions revealed that in 61 works (**Annexure-2.6**), divisions made a payment of ₹ 51.55 crore for the works against the total tendered amount aggregating to ₹ 38.18 crore. Thus, there were total deviations amounting to ₹ 13.38 crore in these works ranging between 12 *per cent* and 159 *per cent*. The deviations were mainly due to increased scope of work, execution of extra work and change in drawings/designs. All the deviations were approved by the competent authority. However, there was a general tendency in the PWD to increase the scope of work after award of work and later on obtain the approval of deviated quantity from the competent authority. Differences between the tendered cost and actual payment were noticed which were due to failure of the PWD in assessing the quantities correctly at the time of preparing estimates.

Some of the works where there were deviations as compared to tendered amount (TA) are summarized below:

- (i) The work of 'Providing and Laying Mastic Wearing Course on various flyovers and junctions' (M-111) was escalated by ₹ 87.47 lakh (21 per cent of TA of ₹ 4.25 crore) and was attributed mainly to increase in the quantities of Dense Bituminous Concrete (DBC) and Mastic Wearing Course on account of deteriorated condition of road.
- (ii) In the work 'Strengthening of Road No. 25 from T-Point of LohaMandi to R-Block New Rajinder Nagar' (M-111), there was deviation in quantities valuing ₹ 67.32 lakh (12 per cent of TA of ₹ 5.45 crore). Out of which, ₹ 49.58 lakh was in respect of Mastic Wearing Course, quantity of which increased from 5500 to 17893 sqm (225 per cent). In addition, extra work of mastic (₹ 17.42 lakh) at intersection of roads was executed which was not included in the estimates.
- (iii) The cost of the work 'Resurfacing of Road No.36 - Mayapuri side and 89 (Extension) Girdhari Lal Goswami Marg' (M-111) increased by ₹ 1.09 crore (26 per cent of TA of ₹ 4.22 crore) mainly as the quantity of DBM was increased from 1406 cum to 3351.49 cum (138 per cent) valuing ₹ 1.06 crore. The reason for the deviations was stated to be heavy traffic in Mayapuri Industrial Area, cracks in road surface, water stagnation due to uneven profile of the road etc.
- (iv) There was escalation of ₹ 65.77 lakh (63 per cent of TA of ₹ 1.05 crore) in the work 'Construction of Bus Bays and improvement of Footpath on NH-8 (Gurgaon Road side carriage way) near Metro Station Dhaula Kuan' (M-111). The escalation was mainly due to execution of extra work of RCC pipe to drain out the rainy water and to extend the Dhaula Kuan underpass pipe line (₹ 13.24 lakh), execution of culvert slab over pipeline/drain (₹ 19.38 lakh) and increase in quantities of tack coat/DBM due to change in drawing/design (₹ 12.37 lakh).
- (v) The cost of the work 'Widening of Eastern Approach Road of ISBT Bridge from 3 lane to 4 lane both side' (M-213) increased to ₹ 1.71 crore (17 per cent of TA of ₹ 10.33 crore) mainly due to extra items of pumping work, sloping earth, dumped stone which required clearance, removal of existing footpath railing, wall works, steel work for existing under pass area, cleaning the drain and its approaches to site, providing of RCC pipe at culvert (₹ 1.04 crore) and increase in the estimated quantities in earth work and construction of toe wall (₹ 0.22 crore).
- (vi) The cost of the work 'Providing Central Median on various roads under PWD Zone M-2' (M-213) was escalated by ₹ 1.71 crore (47 per cent of TA of ₹ 3.66 crore). The main reasons for deviation in quantities valuing ₹ 64.57 lakh were due to increased cement work, interlocking paver block, kerb stone. In addition, extra works of tack coat, DBM and mastic wearing course amounting to ₹ 90 lakh were also executed.

- (vii) The Administrative Approval and Expenditure Sanction (A/A & E/S) of ₹ 30.58 lakh was accorded for the work 'Providing and laying C.C. Pavement on internal Road Type-I Quarters at G.B.Pant Hospital' (M-231) and accordingly the work was awarded at tendered amount of ₹ 41.32 lakh. The work was escalated by ₹ 65.87 lakh (159 per cent of TA) which was due to increase in the quantities of earth work (223 per cent) and C.C. Pavement (194 per cent). Thus, the actual expenditure exceeded the A/A an E/S by 251 per cent.
- (viii) No specific reasons for deviation in quantities valuing ₹ 3.31 crore were recorded in 39 works where a payment of ₹ 8.37 crore was made against a total tendered amount of ₹ 5.07 crore.
- (ix) In three works namely 'Construction of Foot over Bridge on Outer Ring Road at Bhairon Road Mandir, SH: Civil Work' (M-411), 'Providing and laying C.C. Pavement on Internal Road Type-I Qtrs. in G.B. Pant Hospital' (B-231) and 'Improvement of drain and footpath at Mahendra Park, (RHS), at Road No.43' (B-312), there were deviations/extra items in quantities valuing ₹ 1.76 crore, ₹ 0.66 crore and ₹ 0.17 crore (45 per cent of TA of ₹ 3.90 crore, 159 per cent of ₹ 41.32 lakh and 34 per cent of TA ₹ 49.30 lakh) respectively. No prior approval of the competent authority was obtained, which was in violation of the provisions of the manual. In the work of Construction of Foot over Bridge, case of deviation was sent to Superintending Engineer for ex-post-facto sanction after a delay of 30 months from the date of completion.

From the above, it is evident that all the deviated and extra items were executed mainly due to failure of PWD in assessing the requirement of quantities correctly. It was noticed that during the execution of work, either new works were executed or scope of work increased, pointing to the fact that proper site survey/site conditions were not given due consideration while framing estimates.

2.2.6.3 Excess expenditure on deviated quantities- ₹ 64.29 lakh

The payment of deviation items beyond the permissible limit is to be made as per schedule 'F' of the contract which provides for a deviation limit upto 100 per cent in respect of 'foundation work' for which the contractor is to be paid at agreement rates only. If deviations are beyond 100 per cent, market rates will be applicable. For 'other than foundation work', a deviation limit of 30 per cent is allowed for payment at the agreement rates, and market rates are payable to the contractor in deviations exceeding the limit of 30 per cent. Scrutiny of the records revealed the following:

- (i) The work 'Construction of Prison Complex for Department of Prison, SH: Internal Electrical Installation and Fans for Building of Prison' at Mandoli(B-142) was awarded at tendered amount of ₹ 6.15 crore and

was to be completed by 19 November 2010. The work had not been completed (October 2012). The quantities of MS conduits were increased from 18032 meters to 51541.73 meters (186 *per cent*) due to change of route and introduction of new services like PA system, TV conduits against which ₹ 26.13 lakh for 28100.13 meters was paid at market rate.

- (ii) The work of 'Construction of EDP Cell cum Refer Clinic at G.B.PantHospital(B-23) was awarded at tendered amount of ₹ 25.13 crore which was completed on 30 November 2011 at a cost of ₹ 29.25 crore. In 28 items, quantities were deviated due to change in scope of work, change in drawings and lesser quantities taken in the estimates against which ₹ 38.16 lakh was paid at market rates.

Since the market rates were higher than the agreement rates, PWD had to incur excess expenditure of ₹ 64.29^{**} lakh beyond prescribed limit.

2.2.6.4 Non-adherence to MoRTH/IRC specifications/General Condition of Contract/Manual

- (a) ***Unwarranted inclusion of item in bill of quantity of the agreement- ₹0.16 crore***

In two works namely 'Street scaping and beautification of various roads under PWD Zone M-1 SH: Street scaping work' (M-111) and 'Widening of Eastern Approach Road of ISBT Bridge from RD 1850 to RD 2450 from 3 lane to 4 lane both side' (M-213), barricading was included as separate item in the schedule of quantity of agreement against which an amount of ₹ 16.16 lakh was paid. Payment for the item was inconsistent with the MoRTH specification No.112, for Road and Bridge work, which states that traffic safety arrangements including erection and maintenance of barricades would be included in the work and would be contractor's responsibility.

- (b) ***Unwarranted execution of work- ₹27.35 lakh***

As per Indian Road Congress specification-107-1992, bitumen mastic is required for wearing course in different situations of heavy duty road pavements; whereas Mastic Asphalt is normally required over the deck slab of bridge structures to serve as wearing course.

The work 'Road Restoration of M B Road from GT Road to Sabhapur village SH: Restoration of footpath cut by Army Sena Bhawan'(M-213) was awarded at tendered amount of ₹ 17.98 lakh and payment of ₹32.27 lakh was made to the contractor. During audit, it was noticed that while preparing the estimates, the quantities of tack coat and Mastic Wearing Course on ramps were taken as 2947 sqm and 2800 sqm against which quantities of 6960 sqm and 3314 sqm amounting to ₹ 27.35 lakh were executed. Thus, the execution of Mastic Wearing Course and tack coat on ramps on roads was unjustified in terms of prescribed provision.

^{**} (Market rates - Agreement rates) x Quantity beyond 30% of agreement quantities

2.2.6.5 Other topics of interest

(a) Deviation in work due to delayed decision.

The work 'Construction of GPO Building, near Metcalf House at Bela Road SH: SITC of Fire Fighting System' (B-142) awarded at tendered cost of ₹ 1.43 crore, was completed on 5 July 2010 at a cost of ₹ 2.80 crore (95.80 per cent above the TA). The main reason for deviation in quantities and extra item was inclusion of Central Air Conditioning System in the building after a lapse of one year (July 2009) from the stipulated date of completion (August 2008). It was noticed that when the decision of air conditioning of the building was taken, most of the work of fire fighting system was completed. Inclusion of Central Air Conditioning System in building caused shifting of already laid infrastructure and route diversion of the fire fighting systems. This resulted in deviation of ₹ 1.37 crore from tendered amount. No analysis of the cost escalation was brought to the notice of the higher authority.

(b) Deviation of ₹0.46 crore from the sanctioned estimate

In order to improve the drainage system from Ashram intersection to NeelaGumbad at Nizamudin, Executive Engineer (M-411) awarded the work 'Improvement of Mathura Road from Ashram to NeelaGumbad, New Delhi SH: Improvement of Drainage System from Bhogal to NeelaGumbad' at tendered cost of ₹ 1.63 crore. The work which was to be completed on 31 December 2009 was finally completed on 1 September 2010. The final payment of ₹ 1.57 crore has been made to the contractor. Test check of the records revealed that the work amounting to ₹ 0.46 crore beyond Barapulla Nallah towards Neela Gumbad could not be completed due to existence of various service lines of Delhi Jal Board, BSES, etc. It could not be ascertained in Audit whether PWD had pursued the matter for removal of these hindrance with the service providers as nothing was on record. As a result, the drain from Bhogal to NeelaGumbad could not be improved despite incurring an amount of ₹ 1.57 crore. Thus, the work was awarded without ensuring clear site, resulting in failure of PWD in fulfilling the basic purpose of improving the drains.

(c) Deviation from standard analysis of rates- ₹29.06 lakh

As per Standard Data Book of MoRTH, there is no provision of water charges while calculating the rates of items. However, it was noticed that division added the water charges at the rate of 1 per cent while preparing the rate of items for MoRTH items relating to the works namely, 'Re-surfacing of Bituminous Road under Zone M-1, PWD, Delhi' and the work 'Strengthening of Road No.17 (Nelson Mandela Marg) from T-point Baba Gang Nath Marg to T-Point MehrauliMahipalpur Road and Mathura Road from Bhogal ROB to

Neela Gumbad, New Delhi' (M-411). Thus, by deviating from Standard Data Book, the PWD added water charges which resulted in inflation of estimates by ₹ 29.06 lakh.

(d) Delay in award of work

The estimates for strengthening of roads No. B-2, B-5, B-7 and B-8 in Rohini (M-312) were approved in April 2009. Scrutiny of the records revealed that the work was approved in April 2009, whereas the work was awarded in March 2011 i.e. after a delay of 24 months. During this intervening period, the road surface was further damaged with development of pot holes, resulting in requirement of increased quantity of Bituminous Macadam (BM) from 609 cum to 2852.94 cum (368 *per cent*). Thus, due to delay in award of work the cost of BM increased by ₹ 79.94 lakh.

2.2.7 Absence of internal control and monitoring

Effective monitoring of the programme is the key factor to achieve the objectives and benefits timely. It was noticed that while physical and financial progress of the works were being monitored by the higher authorities through monthly progress report, there was no system in PWD, to control the delay in completion of work, resulting in cost overrun. Prescribed status reports were regularly submitted to the Superintending Engineers by the Executive Engineers, however, the steps for expediting the execution of work and removal of bottlenecks, adherence to time schedule, avoiding deviation from specifications etc., were not taken. Further, there were no effective internal control mechanism in PWD as in most of the cases, hindrance registers were prepared after the completion of works, to grant extension of time without levy of compensation. In addition, though PWD incorporated a milestone clause in the agreement to ensure timely progress of work, in number of instances, PWD had not withheld amount for non achieving milestone.

Conclusions

The thematic audit highlights deficient planning and monitoring, as there were delays in completion of works, due to slow progress made by the contractors as well as consultants. PWD did not use penal provisions to ensure minimization of such delays. The delays as well as deviations were also caused due to unavailability of clear sites or non-consideration of actual site conditions at the planning stage. Some instances of non-adherence to codal provisions or unauthorized modifications in the same were serious and needed to be addressed by PWD. These are to be further followed up by putting a mechanism in place to monitor prevention of recurrence of such cases.

Recommendations

- *The detailed estimates may be made strictly according to the MoRTH/IRC specifications and during approval of estimates, appropriate checks should be ensured for adherence to these specifications.*
- *Hindrance free site and drawings may be made available to the contractors for timely completion of works.*
- *The progress of works may be reviewed at periodic and regular basis at various levels so as to identify bottlenecks and ensure speedier removal of such bottlenecks for early completion.*
- *Total project costs may be reviewed regularly with respect to the actual works done to prevent deviation at later stage.*
- *System of monitoring and evaluation of projects should be strengthened and made effective.*

