

CHAPTER –VIII

Construction Activities - Force wise

In the previous chapters, irregularities noticed during execution of construction works have been discussed in detail. However, as CAPFs, being the end user, are responsible for overall monitoring of construction works. Audit presents a bird's eye view of the construction activities force wise which were compared on the following parameters:

1. Selection of executing agency
2. Scrutiny of preliminary estimates submitted by executing agencies
3. Accord of administrative approval and expenditure sanction
4. Monitoring of works from award of contract till completion by executing agency
5. Financial irregularities
6. Taking over of assets created
7. Maintenance and Utilisation of assets

The analysis was done based on the following data.

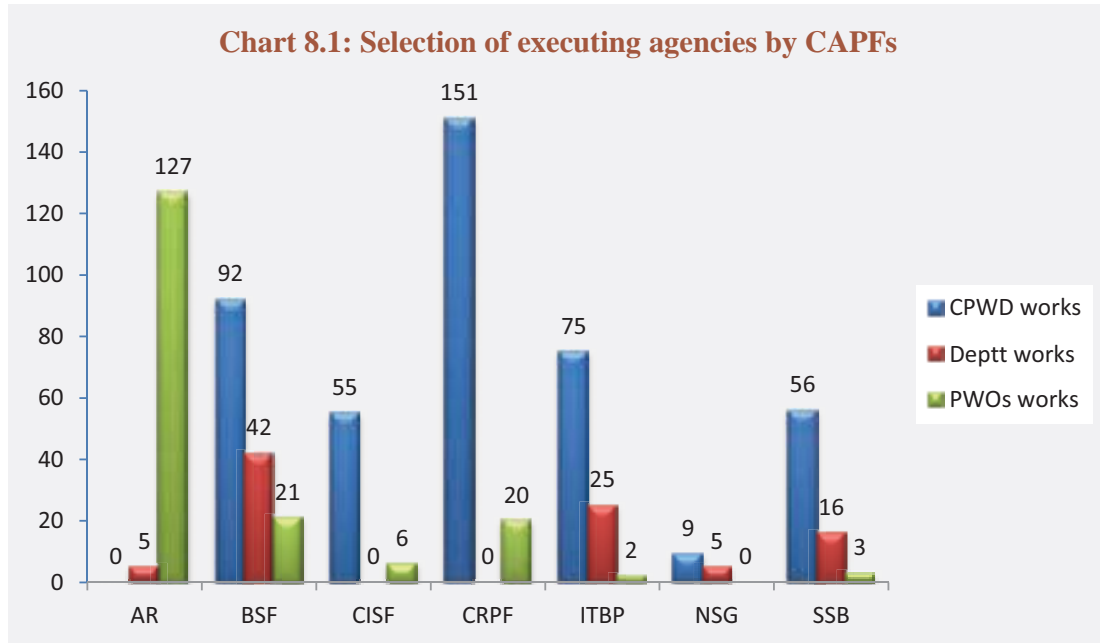
Table 8.1: Force-wise details of works

(₹ in crore)				
Name of Force	Total number of selected works	Executing Agencies	Number of states in which works executed	Sanctioned Amount
AR	132	Deptt. 5 PWOs 127	8	631.09
BSF	155	CPWD 92 Deptt. 42 PWOs 21	22	407.27
CISF	61	CPWD 55 PWOs 6	11	245.02
CRPF	171	CPWD 151 PWOs 20	21	1257.31
ITBP	102	CPWD 75 Deptt. 25 PWOs 2	17	279.19
NSG	14	CPWD 9 Deptt. 5	2	68.47
SSB	75	CPWD 56 Deptt. 16 PWOs 3	9	369.01
Total	710	CPWD 438 Deptt. 93 PWOs 179		3257.36

8.1. SELECTION OF EXECUTING AGENCY

There are no fixed criteria for selection of executing agency by CAPFs. As discussed in Chapter-II, CAPFs either got the work executed through CPWD by placing the sanctioned amount of the work at the disposal of CPWD or selected other PWOs on nomination basis for execution of work. The distribution of work among PWOs by CAPFs was as follows:

Chapter – VIII :
Construction Activities (Force-wise)



AR did not award any work to CPWD and selected other PWOs on nomination basis for execution of their works on the plea that CPWD delays the projects which results in time and cost overrun. However, both these problems existed in other PWOs also. There should be a uniform transparent system in CAPFs for competitive bidding for selection of executing agencies including CPWD.

8.2. SCRUTINY OF PRELIMINARY ESTIMATES SUBMITTED BY EXECUTING AGENCIES

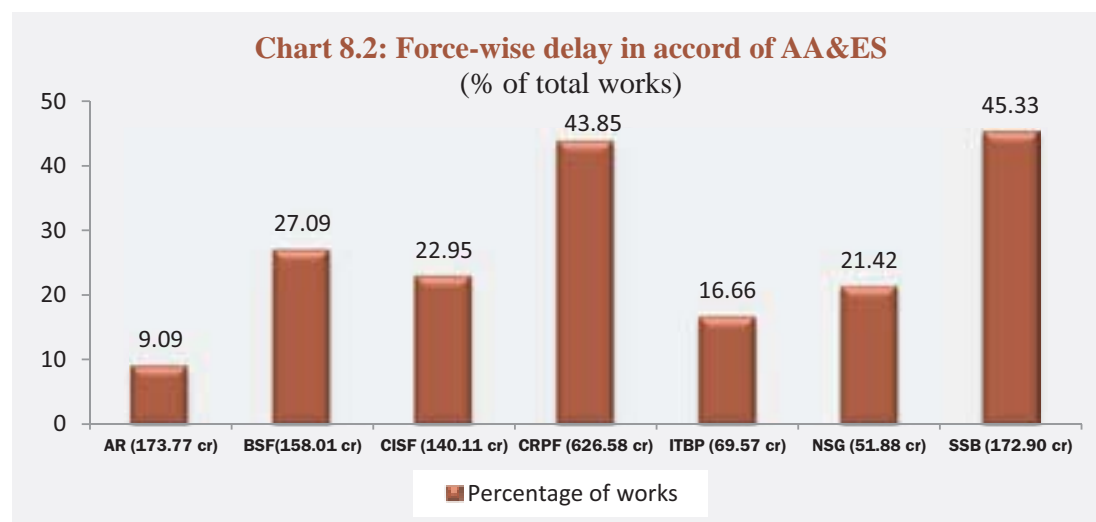
Audit found that executing agencies took up to 56 months in submitting the PE after receipt of requisition from CAPFs. It was found that this undue delay was never monitored by CAPFs. Though executing agencies prepare the preliminary estimates based on the Delhi Plinth Area Rates (DPAAR), it was the responsibility of CAPFs to ensure that estimates prepared are as per their requirement and include all the items necessary for construction works. However, audit noticed that in the following cases, CAPFs failed to properly scrutinize the PEs which resulted in change of scope at later stage, cost escalation and time overrun (as detailed in Chapter-IV) :

Table 8.2: Force-wise audit observations in Preliminary estimates

(₹ in crore)					
Name of Force	Improper assessment of requirement	Failure in pre stage construction	Preparation of incorrect PE	Non-inclusion of items in PE	Total
AR	39.36	-	1.40	15.26	56.02
BSF	-	-	0.09	-	0.09
CISF	0.69	-	-	-	0.69
CRPF	-	2.21	12.73	-	14.94
ITBP	0.77	-	-	-	0.77
Total	40.82	2.21	14.22	15.26	72.51

8.3. ACCORD OF ADMINISTRATIVE APPROVAL & EXPENDITURE SANCTION

The scrutiny of PEs is done by CAPF to accord the administrative approval and expenditure sanction (AA&ES) by MHA/CAPFs as per the orders issued by MHA in respect of delegation of financial powers. Though there is no time limit specified for according the AA & ES, audit calculated a reasonable time of five months. It was noticed that time taken in according the AA&ES sanction by MHA/CAPFs was up to 76 months. The reasons for this delay were not found on record. The percentage of works in which time taken was more than average of five months and its corresponding sanctioned amount is shown in the following chart:



It clearly shows that more than 45 per cent and 44 per cent of the selected works of SSB and CRPF respectively were delayed in according the AA & ES. The undue delay in granting of AA & ES had a cascading effect on the whole project, rendering AA & ES

irrelevant in many cases. The reasons for taking such time in according approval of AA/ES were, however, not available on records.

8.4. SPLITTING UP OF WORK

Besides delay in AA & ES, it was also noticed that works were split up by CAPFs to avoid taking sanction of the higher authorities and cases were also noticed where the expenditure exceeds 10 per cent of the AA & ES but revised sanction, as required by CPWD Manual, was not obtained/taken by CAP Fs as detailed below:

Table 8.3: Force-wise details of splitting up of works

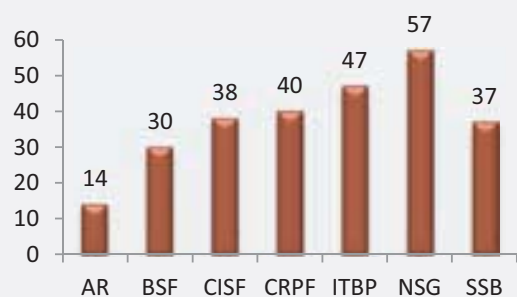
Name of Force	Amount involved in the works split up	(₹ in crore)
		Amount of work where revised sanction not taken
		Amount of AA & ES
BSF	38.21	4.08
CISF	-	4.79
CRPF	166.00	18.44
ITBP	-	17.28
NSG	2.41	0.15
SSB	-	5.61
Total	206.62	50.35

CAPFs should stop the splitting up of the works in order to avoid the sanction of higher authority i.e. MHA. CAPFs were required to be more vigilant especially in financial matters and revised sanction should have been obtained as the expenditure exceeded 10 per cent of the sanctioned cost.

8.5 LACK OF MONITORING BY CAPFs FROM AWARD OF WORK TILL COMPLETION

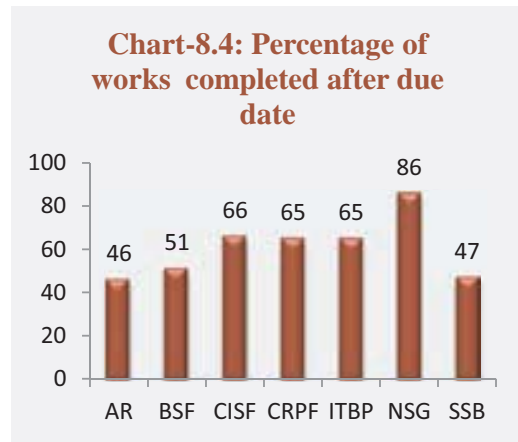
Executing agencies are to follow the tendering process and are required to award the work to the eligible and lowest tenderer and also to ensure that the work be completed in time. However, CAPF, being the end user, are also required to monitor the process of awarding the work and also periodically monitor the progress of the work to ensure its timely completion. They are also required to raise alarm from time to time regarding the timely completion of work. It is important to mention here that out of 240 works where delay in awarding the works was more than six months, 34 works (14 per cent) were executed by CAPFs themselves.

Chart-8.3: Percentage of works awarded after six months



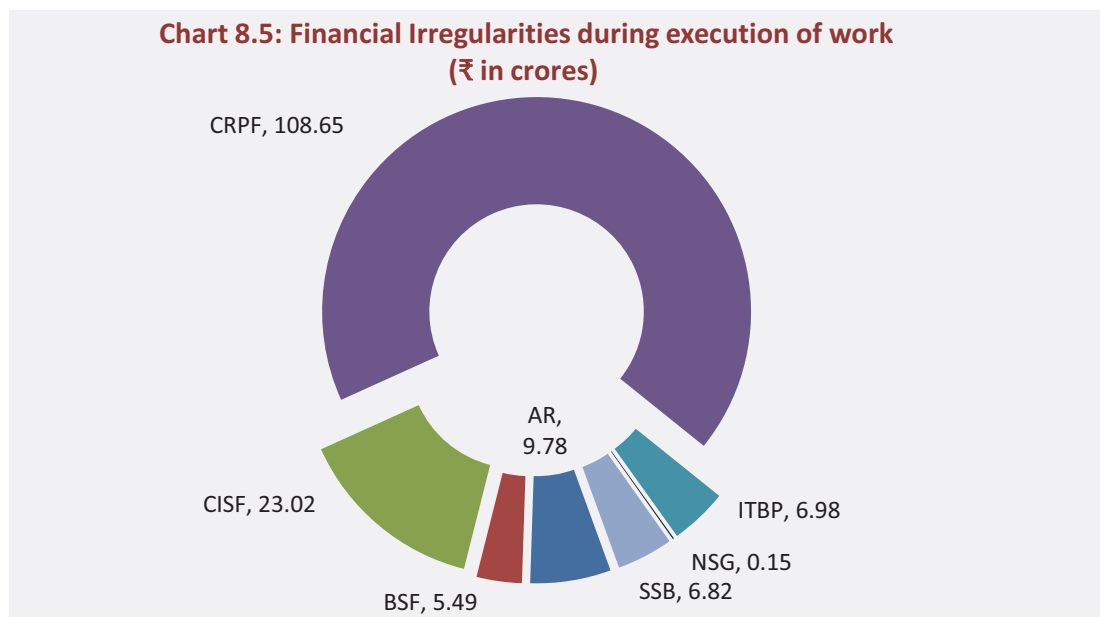
While the executing agencies were responsible to a large extent for delay in award and completion of work, the role of CAPFs for these delays cannot be discounted.

Audit observed lack of follow up at two stages, one, liaison with PWOs to see that contracts are awarded on time and during construction. Here again, there were no yardsticks to adhere to. A reasonable time frame (six months) based on average time taken was the basis for this analysis. About 50 per cent of works could not be completed in time in all CAPFs. It was indicative of poor monitoring of the projects by the CAPFs and not pushing the timelines effectively with the executing agencies. The delay in award and completion of works were attributable largely due to problems in coordination and adjustments in estimates. None of the works audited were completed on time and it was seen in all organizations. This includes minor delays starting from one month to major delays up to 7 years. 63 works (16 per cent), where works were completed after due date, were executed by CAPFs. It indicates that effective monitoring mechanism was not present in CAPFs due to which they did not monitor the works executed by themselves.



8.6 FINANCIAL IRREGULARITY

Audit found financial irregularities amounting to ₹ 160.89 crore in 390 works. These irregularities includes non-maintenance of account of mobilisation advance, non-adjustment of mobilisation advance and interest thereon, diversion of fund, non recovery of liquidated damages and non/short recovery of statutory dues. The force wise position is as follows:



Financial irregularities were noticed mainly in the works of CRPF (67 per cent) and CISF (14 per cent). Details of financial irregularities have been explained in Chapter-VII. In CRPF, audit noticed financial irregularities in mobilisation advances, non-recovery of liquidated damages, release of bank guarantee before adjustment of mobilisation advances, excess payments etc. This indicates a need for CAPFs to strengthen the mechanism of financial monitoring.

8.7 TAKING OVER OF INCOMPLETE WORKS

After completion of work, CAPFs were required to properly check the completed work and ensure that it has been done as per the specifications and requirements and fulfilled the purpose for which it was constructed. However, audit noticed instances of non-handing over of completed works or handing over of incomplete works by executing agencies to CAPFs as explained in para 4.5.7 of Chapter-IV. The force wise position for such works was as follows:

Table-8.4: Force-wise details of taking over of incomplete works

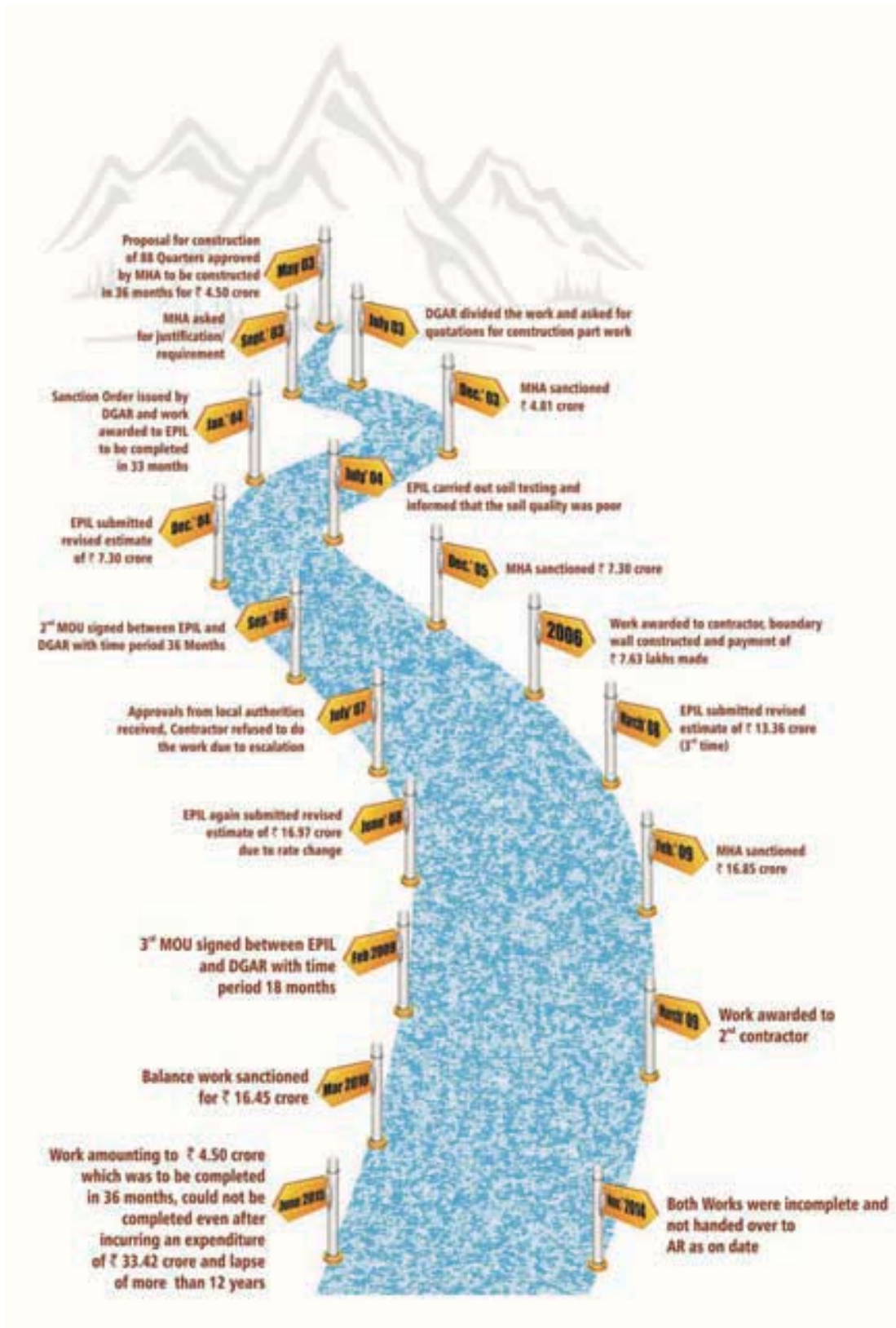
(₹ in crore)		
Name of force	Number of works	Sanctioned amount
AR	6	34.88
BSF	1	0.20
CRPF	4	43.73

A glaring example of a work having irregularities at every stage occurred in construction of quarters and hostels for Assam Rifles at Dwarka. Irregularities from narrative overleaf are explained at relevant portions in this chapter while the whole picture is depicted below:

Case Study 8.1:

In May 2003, MHA sanctioned ₹ 4.50 crore for total 88 Type-II, III and IV quarters at Dwarka, New Delhi. AR split up the work in two parts and awarded one part viz. C/o 32 Nos Type-II, 16 Nos Type-III Quarters, 30 rooms for boys and 20 rooms for girls Hostels to EPIL in January 2004 for ₹4.81 crore which was revised to ₹ 16.85 crore. Later in 2009, AR awarded the remaining work of 32 Type II and 8 Type IV quarters to EPIL for ₹ 16.45 crore. Both works are still incomplete as of June 2015. The detailed chronology of events during the construction activities is depicted below:

Chart-8.6



AR in its reply (June 2015) accepted the observation by stating that AR had only one liaison office in Delhi and its personnel are from different parts of the country, so for AR personnel it was decided to offset some accommodation authorisation from North East to Delhi and accordingly sanction was obtained from MHA. It stated that work was delayed due to various reasons as change in drawing of the building, delay in obtaining revised sanction from MHA, estimates increase due to increase in cost index. It further stated that delay in obtaining approvals from local authorities was due to procedural delay and for delay in execution part of the work, EPIL was responsible. Reply was not acceptable as construction of 88 quarters in Delhi was not justified as mandate for operational area of AR was in North East India and not Delhi. Work was delayed not only due to executing agency (EPIL) but also due to poor monitoring of the work by AR.

Thus, the original work which was estimated at ₹ 4.50 crore in May 2003 with stipulated date of completion of 36 months is still under construction, (June 2015) i.e., after a lapse of more than 12 years after incurring an expenditure of ₹ 33.42 crore and with cost escalation of 643 per cent.

8.8 UTILISATION OF CONSTRUCTED BUILDINGS

As the basic purpose of construction of a building is to utilize it for the intended purpose, it is very important to ensure that building was put to the pre-defined use. However, audit noticed instances where the constructed buildings were not utilized fully as explained in para 6.3.2 of Chapter-VI. The total sanctioned amount for construction not used for intended purpose by the forces was as detailed below:

Table-8.5: Force-wise details of utilization of constructed buildings

(₹ in crore)

Name of force	Sanctioned amount
AR	18.19
CRPF	7.08
SSB	2.18
Total	27.45

The maximum such cases were found in AR and no such cases were found in BSF, ITBP and CISF and NSG.

8.9 MAINTENANCE OF RESOURCES

Earlier all the construction works of CAPFs were executed by the CPWD, so maintenance of all office/residential building was the responsibility of the CPWD. But the works executed by PWOs viz. NBCC, EPIL, NPCCL, HPL etc. for CAPFs were not being maintained by them as no provisions for maintenance of building was incorporated

in their MoUs. CPWD was not ready to maintain these buildings on the plea that these buildings were not constructed by them and PWOs were demanding exorbitant charges for maintenance i.e. up to 20 *per cent* as agency charges of the estimated cost of maintenance. As maintenance charges of PWOs were on higher side, CAPFs were not ready to award maintenance contract to these PWOs due to paucity of funds. It has resulted in non-maintenance / poor maintenance of the assets of CAPFs created by these PWOs.

During joint physical inspection, audit noticed several deficiencies in the work of C/o 3 numbers 240 men barrack for CISF campus at SSG Greater Noida & C/o 108 residential quarters for CISF campus at SSG Greater Noida which reflects poor maintenance of office/residential buildings. NBCC intimated the problems noticed during the joint physical inspection were mainly due to the non-maintenance of the buildings. These barracks were constructed two years before and no proper maintenance was done by CISF.

8.10 CONCLUSION

It was evident in audit that undue delays in submission of PEs by the executing agencies which were not monitored by CAPFs, and resulted in change in scope of work at later stages. Delay in granting of AA & ES by MHA / CAPFs had a cascading effect on the whole project, rendering AA&ES irrelevant in many cases. Works were split up by CAPFs to avoid taking sanction of the higher authorities.

About 50 *per cent* of the works could not be completed on time in CAPFs. It indicated poor monitoring of the projects by the CAPFs and not pushing the timelines effectively with the executing agencies. Further, nearly 16 *per cent* works which were completed after due date were executed by CAPFs themselves. Financial irregularities were also noticed in all CAPFs especially in CRPF and CISF which indicated a need for CAPFs to strengthen the mechanism of financial monitoring. CAPFs took over incomplete works which resulted in additional financial liability and inconvenience to jawans. Instances were noticed where newly constructed buildings were not put to use for the intended purpose.

